



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

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**THE CITY OF GLENPOOL,  
OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**CITY OF GLENPOOL, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2021**

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**ANNUAL FINANCIAL REPORT**  
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## Independent Auditors' Report

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

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City, as of June 30, 2021, 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.

### **Other Matters**

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Hick & Company, PC*

Tulsa, Oklahoma  
March 1, 2022



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**MANAGEMENT DISCUSSION AND ANALYSIS**



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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, 2021. Please read it in conjunction with the City's financial statements, which follow.

***FINANCIAL HIGHLIGHTS***

- For the fiscal year ended June 30, 2021, the City's total net position increased \$6,229,047 or 39.9% from the prior year.
- During the year, the City's expenses for governmental activities were \$11,845,018 and were funded by program revenues of \$3,690,786 and further funded with taxes and other general revenues that totaled \$13,509,979 excluding net transfers.
- In the City's business-type activities, such as utilities, total program revenues exceeded expenses by \$871,462.
- At June 30, 2021, the General Fund reported an unassigned fund balance of \$10,406,366, which is an increase of 35.4% from the prior year unassigned fund balance.
- For budgetary reporting purposes, the General Fund reported total resources (inflows) over estimates by \$2,623,692 or 22.1%, while expenditures were under the final appropriations by \$632,340 or 5.1%.

**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.

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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.

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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.

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**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, 2021, net position was as follows:

NET POSITION (In Thousands)									
	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>	
Current assets	\$ 13,567	\$ 10,983	24%	\$ 6,525	\$ 5,948	10%	\$ 20,092	\$ 16,931	19%
Capital assets, net	15,200	14,386	6%	35,106	33,909	4%	50,306	48,295	4%
<b>Total assets</b>	<u>28,767</u>	<u>25,369</u>	13%	<u>41,631</u>	<u>39,857</u>	4%	<u>70,398</u>	<u>65,226</u>	8%
Deferred outflows	3,377	3,083	10%	1,715	1,806	-5%	5,092	4,889	4%
Current liabilities	1,189	1,287	-8%	2,199	2,094	5%	3,388	3,381	0%
Non-current liabilities	9,964	8,752	14%	39,943	41,580	-4%	49,907	50,332	-1%
<b>Total liabilities</b>	<u>11,153</u>	<u>10,039</u>	11%	<u>42,142</u>	<u>43,674</u>	-4%	<u>53,295</u>	<u>53,713</u>	-1%
Deferred inflows	353	789	-55%	3	3	0%	356	792	-55%
Net position									
Net investment in capital assets	13,103	11,395	15%	98	(8,929)	-101%	13,201	2,466	435%
Restricted	2,553	3,841	-34%	-	4,598	-100%	2,553	8,439	-70%
Unrestricted	4,982	2,388	109%	1,103	2,317	-52%	6,085	4,705	29%
<b>Total net position</b>	<u>\$ 20,638</u>	<u>\$ 17,624</u>	17%	<u>\$ 1,201</u>	<u>\$ (2,014)</u>	-160%	<u>\$ 21,839</u>	<u>\$ 15,610</u>	40%

The above numbers reflect an increase in total net position of 17% for governmental activities and an increase of 160% for business type activities. Overall, the net position for both governmental and business-type activities increased 40% over last fiscal year.

Deferred inflows of resources decreased by 55% due to changes related to the net pension and OPEB liabilities in the current year.

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For the year ended June 30, 2021, net position of the primary government changed as follows:

<b>CHANGES IN NET POSITION (In Thousands)</b>									
	<b>Governmental Activities</b>		<b>% Inc. (Dec.)</b>	<b>Business-Type Activities</b>		<b>% Inc. (Dec.)</b>	<b>Total</b>		<b>% Inc. (Dec.)</b>
	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>	
<b>Revenues</b>									
Charges for service	\$ 757	\$ 831	-9%	\$ 5,736	\$ 5,459	5%	\$ 6,493	\$ 6,290	3%
Operating grants and contributions	2,052	789	160%	106	80	33%	2,158	869	148%
Capital grants and contributions	882	2,731	-68%	1,960	907	116%	2,842	3,638	-22%
Taxes	13,243	11,603	14%	-	-	-	13,243	11,603	14%
Intergovernmental revenue	138	120	15%	-	-	-	138	120	15%
Investment income	5	68	-93%	1	51	-98%	6	119	-95%
Miscellaneous	124	157	-21%	-	2	-100%	124	159	-22%
<b>Total revenues</b>	<b>17,201</b>	<b>16,299</b>	<b>6%</b>	<b>7,803</b>	<b>6,499</b>	<b>20%</b>	<b>25,004</b>	<b>22,798</b>	<b>10%</b>
<b>Expenses</b>									
General government	1,635	1,557	5%	-	-	-	1,635	1,557	5%
Public safety	8,506	7,418	15%	-	-	-	8,506	7,418	15%
Streets and parks	910	851	7%	-	-	-	910	851	7%
Community development	653	602	8%	-	-	-	653	602	8%
Economic development	60	83	-28%	-	-	-	60	83	-28%
Interest on long-term debt	81	80	1%	-	-	-	81	80	1%
Water	-	-	-	2,855	2,528	13%	2,855	2,528	13%
Sewer	-	-	-	2,653	-	100%	2,653	-	100%
Sanitation	-	-	-	794	672	18%	794	672	18%
Industrial development	-	-	-	271	112	142%	271	112	142%
Administration	-	-	-	-	3,661	-100%	-	3,661	-100%
Conference center	-	-	-	357	376	-5%	357	376	-5%
<b>Total expenses</b>	<b>11,845</b>	<b>10,591</b>	<b>12%</b>	<b>6,930</b>	<b>7,349</b>	<b>-6%</b>	<b>18,775</b>	<b>17,940</b>	<b>5%</b>
Excess (deficiency) before transfers	5,356	5,708	-6%	873	(850)	-203%	6,229	4,858	28%
Transfers	(2,342)	(2,086)	12%	2,342	2,086	12%	-	-	-
<b>Change in net position</b>	<b>3,014</b>	<b>3,622</b>	<b>-17%</b>	<b>3,215</b>	<b>1,236</b>	<b>160%</b>	<b>6,229</b>	<b>4,858</b>	<b>28%</b>
<b>Beginning net position</b>	<b>17,624</b>	<b>14,002</b>	<b>26%</b>	<b>(2,014)</b>	<b>(3,250)</b>	<b>-38%</b>	<b>15,610</b>	<b>10,752</b>	<b>45%</b>
<b>Ending net position</b>	<b>\$ 20,638</b>	<b>\$ 17,624</b>	<b>17%</b>	<b>\$ 1,201</b>	<b>\$ (2,014)</b>	<b>-160%</b>	<b>\$ 21,839</b>	<b>\$ 15,610</b>	<b>40%</b>

Governmental activities operating grants and contributions increased by 160% during the year due to CARES Act grant revenue received during FY 21 in the approximate amount of \$1.2 million that was not received during FY 20.

Governmental activities capital grants and contributions decreased by 68% during the year due to \$2.7 million of capital being contributed in the prior year as compared to approximately \$882,000 in the current year.

Business-type activities capital grants and contributions increased by 116% during the year due to \$1.9 million of capital being contributed in the current year as compared to approximately \$900,000 in the prior year.

Administration expenses were shown as a separate function in the prior year Business-type activities. In the current year, those expenses were allocated to the other remaining functions.

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**Governmental Activities**

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

General government: Permits and licenses, inspections fees

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.)
	2021	2020		2021	2020	
General government	\$ 1,635	\$ 1,557	5%	\$ (1,424)	\$ (1,419)	0%
Public safety	8,506	7,418	15%	(6,088)	(6,066)	0%
Streets and parks	910	851	7%	151	2,011	-92%
Community development	653	602	8%	(652)	(602)	8%
Economic development	60	83	-28%	(60)	(83)	-28%
Interest on long-term debt	81	80	1%	(81)	(80)	1%
<b>Total</b>	<b>\$ 11,845</b>	<b>\$ 10,591</b>	<b>12%</b>	<b>\$ (8,154)</b>	<b>\$ (6,239)</b>	<b>31%</b>

Streets and parks net revenue decreased by approximately \$1.9 million, or 92%, due to \$2.7 million of capital being contributed in the prior year as compared to approximately \$882,000 in the current year.

**Business-type Activities**

The business-type activities had an increase in net position of \$3,214,996.

	(In Thousands)					
	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	2021	2020		2021	2020	
Water	\$ 2,855	\$ 2,528	13%	\$ 772	\$ 1,189	-35%
Sewer	2,653	-	100%	273	1,437	-81%
Sanitation	794	672	18%	53	118	-55%
Industrial development	271	112	142%	(166)	(32)	419%
Administration	-	3,661	-100%	-	(3,507)	-100%
Conference center	357	376	-5%	(61)	(108)	-44%
<b>Total</b>	<b>\$ 6,930</b>	<b>\$ 7,349</b>	<b>-6%</b>	<b>\$ 871</b>	<b>\$ (903)</b>	<b>-196%</b>

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Water and sewer expenses were shown combined in the prior year. In addition, administration expenses were shown as a separate function in the prior year Business-type activities. In the current year, those expenses were allocated to the other remaining functions.

Water net revenue decreased by approximately \$400,000 (35%) due to a decrease in contributed capital received in FY21.

Wastewater net revenue decreased by approximately \$1.2 million (81%) due to the water and sewer expenses combined in prior year administration department not being allocated among the functions in the prior year.

Industrial development net expense increased by approximately \$134,000 (419%) due to an increase in industrial development expenses in FY21.

### General Fund Budgetary Highlights

For the year ended June 30, 2021, the General Fund reported actual budgetary basis revenues over final estimates by \$9,773,366 or a 78.9% positive variance. General Fund actual expenditures were under final appropriations by \$632,340 or a 5.1% positive variance.

### Capital Asset and Debt Administration

#### Capital Assets

At the end of June 30, 2021, the City has \$161.1 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)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ -	\$ -	\$ 2,883	\$ 2,883	\$ 2,883	\$ 2,883
Buildings and improvements	4,885	5,063	11,128	11,317	16,013	16,380
Furniture, fixtures and equipment	1,580	1,651	178	119	1,758	1,770
Vehicles	1,417	1,765	39	61	1,456	1,826
Infrastructure	7,164	5,430	20,681	19,346	27,845	24,776
Construction in progress	154	477	197	182	351	659
<b>Totals</b>	<u>\$ 15,200</u>	<u>\$ 14,386</u>	<u>\$ 35,106</u>	<u>\$ 33,908</u>	<u>\$ 50,306</u>	<u>\$ 48,294</u>

See note 4 for additional details.

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This year's more significant capital asset additions are the CIP projects of the Warrior Road Paving Expansion Phase II project totaling \$953,142, Paving & Sidewalk South 75 Business Park project totaling \$625,000, Storm Sewer Improvements South Business Park project totaling \$257,130, Waterline Extension Twin Mounds Addition project totaling \$162,790, Sanitary Sewer Scissortail I project totaling \$802,873, Sanitary Sewer South 75 Business Park project totaling \$575,000, Waterlines South 75 Business Park project totaling \$275,000 and Glenpool Towne Center Phase I project totaling \$182,334.

### Debt Administration

At year-end, the City has approximately \$4.6 million in outstanding notes, bonds, and capital leases, and additionally, the City had \$8.6 million in accrued compensated absences, utility deposits, net OPEB liability and net pension liability, an increase of approximately \$738,000 from the prior year. The decrease in long-term debt is attributed to the regular annual debt service payments.

	Long-Term Debt (In Thousands)						Total Percentage Change
	Governmental		Business-Type				
	Activities		Activities		Total		
	2021	2020	2021	2020	2021	2020	
							2020-2021
Capital leases payable	\$ 1,384	\$ 2,180	\$ 39,015	\$ -	\$ 40,399	\$ 2,180	1753.2%
Revenue bonds payable	-	-	2,129	2,353	2,129	2,353	-9.5%
Notes payable	713	811	332	325	1,045	1,136	-8.0%
Deposits subject to refund	-	-	31	31	31	31	0.0%
Accrued compensated absences	426	356	-	-	426	356	19.7%
Totals	\$ 2,523	\$ 3,347	\$ 41,507	\$ 2,709	\$ 44,030	\$ 6,056	627.0%

See note 5 for additional details.

### Economic Factors and Next Year's Budget

The revenue concerns due to the COVID-19 Pandemic that were implemented for the year did not come to pass. As a result, significant sales and use tax growth has been experienced over the last twelve months. Additionally, new home starts have increased over the past twelve months. Equally important, the 1% sales tax rate for capital improvements and debt service was renewed by voters on April 1, 2021 and will be effective for 20 years thru 2041.

Both residential and commercial construction as well as sales tax are expected to continue to remain strong components of local growth for the FY2021-2022 Fiscal Year; however, sales and use tax revenue have been capped for FY2021-2022 to reflect the anticipated income through the remainder of the FY2020-2021 budget. While the trending shows some level of increase in sales and use tax for this new budget, it is prudent to hold that amount steady based on expected income for this budget year. This anticipated revenue will still allow to show an approximately 14% increase in sales tax and a 47% increase in use tax for FY2021-2022 budget year.



**CITY OF GLENPOOL, OKLAHOMA  
ANNUAL FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2021**

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The FY2021-2022 budget includes a 4.0% across the board increase in salaries and wages for all non-represented employees. The budget also includes step raises of approximately 5% for the Fire Department as required in their Collective Bargaining Agreement. It also includes step raises ranging 4% and 5% for the Police Department employees covered under their Collective Bargaining Agreement as well as funding for an adjustment to the pay scale to even out the steps and create a more equitable pay scale across the various steps and grades within the department.

Also included in the budget are several new positions, including: a new full-time engineer, a part-time administrative assistant; and moving the Court Clerk from the GUSA budget to the General Fund budget, to reflect the proper budget line items more accurately for this position. The increase in water and sewer sales because of the residential growth will allow to add a new full-time administrative assistant for Public Works and a new full-time entry level water/sewer laborer.

Other projects included in the budget include the Kendalwood Park improvements and soccer lights and the financing of five police vehicles and fire pumper for public safety personnel.

### **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.

Respectfully submitted,

Frank Ordaz  
City Treasurer/Finance Director

**CITY OF GLENPOOL, OKLAHOMA  
ANNUAL FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2021**

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**BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE**

**CITY OF GLENPOOL, OKLAHOMA**  
**ANNUAL FINANCIAL STATEMENTS**  
**As of and for the Year Ended June 30, 2021**

**Statement of Net Position– June 30, 2021**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,823,777	\$ 7,218,574	\$ 17,042,351
Investments	14,129	289,533	303,662
Accounts receivable, net of allowance	-	673,321	673,321
Court receivable, net of allowance	202,741	-	202,741
Internal balances	1,663,611	(1,663,611)	-
Due from other governments	1,818,202	-	1,818,202
Other receivables, net of allowance	44,713	6,847	51,560
Capital Assets:			
Land and construction in progress	154,170	3,080,705	3,234,875
Other capital assets, net of depreciation	15,045,874	32,025,435	47,071,309
Total Assets	<u>28,767,217</u>	<u>41,630,804</u>	<u>70,398,021</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts on refunding	-	1,663,725	1,663,725
Deferred amounts related to pensions	3,071,008	-	3,071,008
Deferred amounts related to OPEB	306,094	51,574	357,668
Total Deferred Outflows	<u>3,377,102</u>	<u>1,715,299</u>	<u>5,092,401</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	416,652	351,848	768,500
Accrued interest payable	17,666	116,979	134,645
Due to bondholders	15,952	-	15,952
Due to other governments	1,539	-	1,539
Long-term liabilities			
Due within one year	738,029	1,729,746	2,467,775
Due in more than one year	9,963,743	39,943,334	49,907,077
Total liabilities	<u>11,153,581</u>	<u>42,141,907</u>	<u>53,295,488</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	330,543	-	330,543
Deferred amounts related to OPEB	22,143	3,285	25,428
Total Deferred Inflows	<u>352,686</u>	<u>3,285</u>	<u>355,971</u>
<b>NET POSITION</b>			
Net investment in capital assets	13,102,864	97,756	13,200,620
Restricted for:			
Economic development	610,038	-	610,038
Capital projects	121,277	-	121,277
Parks & recreation	217,033	-	217,033
Public safety	854,590	-	854,590
Streets	750,484	-	750,484
Unrestricted	4,981,766	1,103,155	6,084,921
Total net position	<u>\$ 20,638,052</u>	<u>\$ 1,200,911</u>	<u>\$ 21,838,963</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, 2021**

**Statement of Activities –Year Ended June 30, 2021**

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
<b>Primary government</b>							
Governmental Activities:							
General Government	\$ 1,635,292	\$ 211,036	\$ -	\$ -	\$ (1,424,256)	\$ -	\$ (1,424,256)
Public Safety	8,506,423	518,201	1,900,549	-	(6,087,673)	-	(6,087,673)
Streets and Parks	909,619	27,400	151,470	882,130	151,381	-	151,381
Community Development	652,432	-	-	-	(652,432)	-	(652,432)
Economic Development	60,115	-	-	-	(60,115)	-	(60,115)
Interest on Long-term debt	81,137	-	-	-	(81,137)	-	(81,137)
Total governmental activities	<u>11,845,018</u>	<u>756,637</u>	<u>2,052,019</u>	<u>882,130</u>	<u>(8,154,232)</u>	<u>-</u>	<u>(8,154,232)</u>
Business-Type Activities:							
Water	2,854,478	3,044,748	-	582,070	-	772,340	772,340
Sewer	2,653,086	1,548,010	-	1,377,873	-	272,797	272,797
Sanitation	794,325	847,022	-	-	-	52,697	52,697
Industrial Development	271,405	-	105,806	-	-	(165,599)	(165,599)
Conference center	357,054	296,281	-	-	-	(60,773)	(60,773)
Total business-type activities	<u>6,930,348</u>	<u>5,736,061</u>	<u>105,806</u>	<u>1,959,943</u>	<u>-</u>	<u>871,462</u>	<u>871,462</u>
Total primary government	<u>\$ 18,775,366</u>	<u>\$ 6,492,698</u>	<u>\$ 2,157,825</u>	<u>\$ 2,842,073</u>	<u>\$ (8,154,232)</u>	<u>\$ 871,462</u>	<u>\$ (7,282,770)</u>
<b>General revenues:</b>							
Taxes:							
Sales and use taxes					12,571,755	-	12,571,755
Franchise taxes and public service taxes					455,507	-	455,507
Hotel/motel taxes					215,205	-	215,205
Intergovernmental revenue not restricted to specific programs					137,904	-	137,904
Unrestricted investment earnings					5,334	1,654	6,988
Miscellaneous					124,274	184	124,458
Transfers					(2,341,696)	2,341,696	-
Total general revenues and transfers					<u>11,168,283</u>	<u>2,343,534</u>	<u>13,511,817</u>
Change in net position					<u>3,014,051</u>	<u>3,214,996</u>	<u>6,229,047</u>
Net position - beginning					<u>17,624,001</u>	<u>(2,014,085)</u>	<u>15,609,916</u>
Net position - ending					<u>\$ 20,638,052</u>	<u>\$ 1,200,911</u>	<u>\$ 21,838,963</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, 2021**

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**BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS**

**CITY OF GLENPOOL, OKLAHOMA**  
**ANNUAL FINANCIAL STATEMENTS**  
**As of and for the Year Ended June 30, 2021**

**Governmental Funds Balance Sheet - June 30, 2021**

		<u>Special Revenue</u>	<u>Capital Project</u>		
	<u>General Fund</u>	<u>Public Safety Personnel Fund</u>	<u>Public Safety Capital Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,547,762	\$ 537,095	\$ 67,827	\$ 1,671,093	\$ 9,823,777
Investments	14,129	-	-	-	14,129
Due from other funds	1,663,611	-	-	-	1,663,611
Due from other governments	1,442,399	187,901	88,826	99,076	1,818,202
Court fines receivable, net	202,741	-	-	-	202,741
Other receivables	21,114	-	-	23,599	44,713
Total assets	<u>\$ 10,891,756</u>	<u>\$ 724,996</u>	<u>\$ 156,653</u>	<u>\$ 1,793,768</u>	<u>\$ 13,567,173</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 158,820	\$ 1,276	\$ -	\$ 94,936	\$ 255,032
Accrued payroll payable	135,401	25,783	-	-	161,184
Due to bondholders	15,952	-	-	-	15,952
Due to other governments	1,539	-	-	-	1,539
Other payables	436	-	-	-	436
Total liabilities	<u>312,148</u>	<u>27,059</u>	<u>-</u>	<u>94,936</u>	<u>434,143</u>
Deferred inflows:					
Deferred revenue	<u>173,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,242</u>
Fund balances:					
Reserved for:					
Restricted	-	697,937	156,653	1,698,832	2,553,422
Unassigned	10,406,366	-	-	-	10,406,366
Total fund balances	<u>10,406,366</u>	<u>697,937</u>	<u>156,653</u>	<u>1,698,832</u>	<u>12,959,788</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 10,891,756</u>	<u>\$ 724,996</u>	<u>\$ 156,653</u>	<u>\$ 1,793,768</u>	<u>\$ 13,567,173</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, 2021**

**Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Year Ended June 30, 2021**

		<u>Special Revenue</u>	<u>Capital Project</u>		
	<u>General Fund</u>	<u>Public Safety Personnel Fund</u>	<u>Public Safety Capital Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 10,435,150	\$ 1,363,642	\$ 640,287	\$ 923,001	\$ 13,362,080
Intergovernmental	2,009,599	-	-	-	2,009,599
Licenses and permits	105,549	-	-	-	105,549
Charges for services	326,481	-	-	27,400	353,881
Fines & forfeitures	160,867	-	-	-	160,867
Investment earnings	5,334	-	-	-	5,334
Miscellaneous	124,274	-	-	-	124,274
Total revenues	<u>13,167,254</u>	<u>1,363,642</u>	<u>640,287</u>	<u>950,401</u>	<u>16,121,584</u>
<b>EXPENDITURES</b>					
Administration	668,202	-	-	-	668,202
General government	821,327	-	-	-	821,327
Police	2,081,467	451,685	-	-	2,533,152
Dispatch	432,285	-	-	-	432,285
Fire	2,307,540	838,511	-	-	3,146,051
Animal control	77,338	-	-	-	77,338
Streets and parks	589,879	-	-	-	589,879
Emergency management	13,264	-	-	-	13,264
Community development	624,045	-	-	-	624,045
Economic development	-	-	-	60,115	60,115
Capital outlay	179,333	-	375,689	701,871	1,256,893
Debt service:					
Principal	147,043	-	759,981	260,244	1,167,268
Interest and other charges	6,400	-	75,892	9,949	92,241
Total expenditures	<u>7,948,123</u>	<u>1,290,196</u>	<u>1,211,562</u>	<u>1,032,179</u>	<u>11,482,060</u>
Excess (deficiency) of revenues over expenditures	<u>5,219,131</u>	<u>73,446</u>	<u>(571,275)</u>	<u>(81,778)</u>	<u>4,639,524</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from capital leases	-	-	273,446	-	273,446
Transfers in	1,845,900	-	215,656	-	2,061,556
Transfers out	(4,343,252)	-	-	(60,000)	(4,403,252)
Total other financing sources (uses)	<u>(2,497,352)</u>	<u>-</u>	<u>489,102</u>	<u>(60,000)</u>	<u>(2,068,250)</u>
Net change in fund balances	2,721,779	73,446	(82,173)	(141,778)	2,571,274
Fund balances - beginning	7,684,587	624,491	238,826	1,840,610	10,388,514
Fund balances - ending	<u>\$ 10,406,366</u>	<u>\$ 697,937</u>	<u>\$ 156,653</u>	<u>\$ 1,698,832</u>	<u>\$ 12,959,788</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, 2021**

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**Reconciliation of Governmental Funds and Government-Wide Financial Statements:**

Total fund balance, governmental funds	\$ 12,959,788
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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.	<u>15,200,044</u>
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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.

Deferred revenue	173,242
Pension and OPEB related deferred outflows	<u>3,377,102</u>
	<u>3,550,344</u>

Some liabilities (such as Notes Payable, Capital Lease Contract Payable, 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	(17,666)
Notes payable	(713,389)
Capital lease obligation	(1,383,791)
Net pension liability	(1,134,889)
Total net OPEB liability	(7,043,480)
Pension and OPEB related deferred inflows	(352,686)
Accrued compensated absences	<u>(426,223)</u>
	<u>(11,072,124)</u>

Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 20,638,052</u></u>
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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, 2021**

**Reconciliation of Governmental Funds and Government-Wide Financial Statements:**

Net change in fund balances - total governmental funds: \$ 2,571,274

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	1,132,921
Capital assets contributed	882,130
Depreciation expense	(1,200,994)
	814,057

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.

(1,071,560)

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.

(151,499)

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

Change in deferred revenue	16,727
	16,727

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	1,167,268
Proceeds of long-term debt	(273,446)
	893,822

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

Change in accrued interest payable	11,104
Change in accrued compensated absences	(69,874)
	(58,770)

Change in net position of governmental activities	\$ 3,014,051
	3,014,051

See accompanying notes to the basic financial statements.

**CITY OF GLENPOOL, OKLAHOMA**  
**ANNUAL FINANCIAL STATEMENTS**  
**As of and for the Year Ended June 30, 2021**

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**BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS**

**CITY OF GLENPOOL, OKLAHOMA**  
**ANNUAL FINANCIAL STATEMENTS**  
**As of and for the Year Ended June 30, 2021**

**Proprietary Fund Statement of Net Position - June 30, 2021**

	<b>Glenpool Utility Service Authority</b>	<b>Glenpool Industrial Authority</b>	<b>Total Enterprise Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,574,981	\$ 937,774	\$ 2,512,755
Investments	75,342	-	75,342
Restricted:			
Cash and cash equivalents	4,705,819	-	4,705,819
Investments	214,191	-	214,191
Accounts receivable, net	673,321	-	673,321
Other receivables	-	6,847	6,847
Total current assets	<u>7,243,654</u>	<u>944,621</u>	<u>8,188,275</u>
Non-current assets:			
Capital assets:			
Land and construction in progress	2,290,239	790,466	3,080,705
Other capital assets, net of accumulated depreciation	31,610,927	414,508	32,025,435
Total non-current assets	<u>33,901,166</u>	<u>1,204,974</u>	<u>35,106,140</u>
Total assets	<u>41,144,820</u>	<u>2,149,595</u>	<u>43,294,415</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts on refunding	1,663,725	-	1,663,725
Deferred amounts related to OPEB	38,355	13,219	51,574
Total deferred outflows	<u>1,702,080</u>	<u>13,219</u>	<u>1,715,299</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	242,559	90,000	332,559
Accrued payroll payable	14,793	4,496	19,289
Accrued interest payable	116,979	-	116,979
Due to other funds	1,663,611	-	1,663,611
Deposits subject to refund	66,303	-	66,303
Compensated absences	2,348	892	3,240
Notes payable	160,203	-	160,203
Bonds payable	1,500,000	-	1,500,000
Total current liabilities	<u>3,766,796</u>	<u>95,388</u>	<u>3,862,184</u>
Non-current liabilities:			
Compensated absences	21,135	8,032	29,167
Deposits subject to refund	265,213	-	265,213
Total net OPEB liability	128,107	37,426	165,533
Notes payable	1,968,421	-	1,968,421
Bonds payable	37,515,000	-	37,515,000
Total non-current liabilities	<u>39,897,876</u>	<u>45,458</u>	<u>39,943,334</u>
Total liabilities	<u>43,664,672</u>	<u>140,846</u>	<u>43,805,518</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to OPEB	2,778	507	3,285
Total deferred inflows	<u>2,778</u>	<u>507</u>	<u>3,285</u>
<b>NET POSITION</b>			
Net investment in capital assets	(1,107,218)	1,204,974	97,756
Unrestricted	286,668	816,487	1,103,155
Total net position	<u>\$ (820,550)</u>	<u>\$ 2,021,461</u>	<u>\$ 1,200,911</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, 2021

**Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2021**

	<b>Glenpool Utility Service Authority</b>	<b>Glenpool Industrial Authority</b>	<b>Total Enterprise Funds</b>
<b>REVENUES</b>			
Water	\$ 2,955,421	\$ -	\$ 2,955,421
Sewer	1,502,589	-	1,502,589
Sanitation	822,173	-	822,173
Miscellaneous	159,597	296,281	455,878
Total operating revenues	<u>5,439,780</u>	<u>296,281</u>	<u>5,736,061</u>
<b>OPERATING EXPENSES</b>			
Water and sewer operations	2,736,971	-	2,736,971
Utility billing	376,271	-	376,271
Sanitation	794,325	-	794,325
Industrial development	-	255,731	255,731
Conference center operations	-	357,054	357,054
Depreciation	1,031,274	15,674	1,046,948
Total Operating Expenses	<u>4,938,841</u>	<u>628,459</u>	<u>5,567,300</u>
Operating income (loss)	<u>500,939</u>	<u>(332,178)</u>	<u>168,761</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and investment revenue	1,654	-	1,654
Miscellaneous revenue	184	105,806	105,990
Interest expense	(1,363,048)	-	(1,363,048)
Total non-operating revenue (expenses)	<u>(1,361,210)</u>	<u>105,806</u>	<u>(1,255,404)</u>
Income (loss) before contributions and transfers	<u>(860,271)</u>	<u>(226,372)</u>	<u>(1,086,643)</u>
Capital contributions	1,959,943	-	1,959,943
Transfers in	3,979,781	207,815	4,187,596
Transfers out	(1,800,000)	(45,900)	(1,845,900)
Change in net position	<u>3,279,453</u>	<u>(64,457)</u>	<u>3,214,996</u>
Total net position - beginning	<u>(4,100,003)</u>	<u>2,085,918</u>	<u>(2,014,085)</u>
Total net position - ending	<u>\$ (820,550)</u>	<u>\$ 2,021,461</u>	<u>\$ 1,200,911</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, 2021

**Proprietary Fund Statement of Cash Flows - Year Ended June 30, 2021**

	<b>Glenpool Utility Service Authority</b>	<b>Glenpool Industrial Authority</b>	<b>Total Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 5,498,225	\$ 405,546	\$ 5,903,771
Payments to suppliers	(3,077,112)	(315,277)	(3,392,389)
Payments to employees	(666,556)	(210,612)	(877,168)
Receipts of customer meter deposits	46,990	-	46,990
Refunds of customer meter deposits	(40,005)	-	(40,005)
<b>Net cash provided by (used in) operating activities</b>	<b>1,761,542</b>	<b>(120,343)</b>	<b>1,641,199</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	(1,800,000)	207,815	(1,592,185)
Transfers to other funds	3,979,781	(45,900)	3,933,881
<b>Net cash provided by noncapital financing activities</b>	<b>2,179,781</b>	<b>161,915</b>	<b>2,341,696</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(284,729)	-	(284,729)
Principal paid on debt	(1,694,039)	-	(1,694,039)
Interest and fiscal agent fees paid on debt	(1,367,279)	-	(1,367,279)
<b>Net cash (used in) capital and related financing activities</b>	<b>(3,346,047)</b>	<b>-</b>	<b>(3,346,047)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale (purchase) of investments	(6)	-	(6)
Interest and dividends	1,654	-	1,654
<b>Net cash provided by investing activities</b>	<b>1,648</b>	<b>-</b>	<b>1,648</b>
<b>Net increase in cash and cash equivalents</b>	<b>596,924</b>	<b>41,572</b>	<b>638,496</b>
<b>Balances - beginning of year, restated</b>	<b>5,683,876</b>	<b>896,202</b>	<b>6,580,078</b>
<b>Balances - end of year</b>	<b>\$ 6,280,800</b>	<b>\$ 937,774</b>	<b>\$ 7,218,574</b>
<b>Reconciliation to Statement of Net Position:</b>			
Cash and cash equivalents	\$ 1,574,981	\$ 937,774	\$ 2,512,755
Restricted cash and cash equivalents - current	4,705,819	-	4,705,819
<b>Total cash and cash equivalents, end of year</b>	<b>\$ 6,280,800</b>	<b>\$ 937,774</b>	<b>\$ 7,218,574</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) Operating Activities:</b>			
Operating income	\$ 500,939	\$ (332,178)	\$ 168,761
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	1,031,274	15,674	1,046,948
Miscellaneous revenue	184	105,806	105,990
Change in assets and liabilities:			
Accounts receivable	58,261	-	58,261
Other receivables	-	3,459	3,459
Deferred outflows related to pensions	85,685	-	85,685
Deferred outflows related to OPEB	4,354	949	5,303
Accounts payable	61,751	78,438	140,189
Accrued payroll payable	22	427	449
Deposits subject to refund	6,985	-	6,985
Deferred inflows related to OPEB	690	(84)	606
Total net OPEB liability	12,601	4,626	17,227
Accrued compensated absences	(1,204)	2,540	1,336
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,761,542</b>	<b>\$ (120,343)</b>	<b>\$ 1,641,199</b>
<b>Noncash capital and related financing activities:</b>			
Contributed capital assets	\$ 1,959,943	\$ -	\$ 1,959,943
	<b>\$ 1,959,943</b>	<b>\$ -</b>	<b>\$ 1,959,943</b>

See accompanying notes to the basic financial statements.

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**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 the 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

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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.
- 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.



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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 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 that accounts for the activities of the public trust in providing water, sewer and sanitation services to the public.
- Glenpool Industrial Authority Fund that 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.

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**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.

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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

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*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, 2021, the City's deferred outflows and deferred inflows of resources were comprised of pension, OPEB and debt refunding related deferrals. 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, 2021, the City had no outstanding general obligation bonds or judgments. No property tax was levied during the fiscal year ended June 30, 2021.

### **Operating Revenues and Expenses**

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

### **Expenditures/Expenses**

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

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

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

Proprietary Fund - By Operating and Non-Operating:

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

## **F. Internal and Interfund Balances and Activities**

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

### *Fund Financial Statements:*

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

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

### *Government-Wide Financial Statements:*

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

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

## **G. Use of Estimates**

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

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**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, 2021, the reporting entity held the following deposits and investments:

**Primary Government:**

Type	Maturities	Rating	Fair Value Hierarchy	Carrying Value
<b>Deposits:</b>				
Demand deposits				\$ 12,453,757
Cash on hand				100
Time deposit	Due within 1 year			303,662
				<u>12,757,519</u>
<b>Investments:</b>				
Federated Hermes US Trs Csh-SS#0632		AAA-m	N/A	4,588,494
				<u>4,588,494</u>
<b>Total deposits and investments</b>				<u>\$ 17,346,013</u>
<b>Reconciliation to Statement of Net Position:</b>				
Cash and cash equivalents				\$ 17,042,351
Investments				303,662
				<u>\$ 17,346,013</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.



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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, 2021, 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, 2021, 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, 2021 are as follows:

	Current	
	Cash and cash equivalents	Investments
2011 OWRB CWSRF Debt Service Account	\$ 57,855	\$ -
2019 Construction Fund	3,555,553	-
2019 Tax Bond Fund	975,086	-
Meter deposits	117,325	214,191
Total	<u>\$ 4,705,819</u>	<u>\$ 214,191</u>

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**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
<b>Governmental Activities:</b>			
Court fines	\$ 2,027,407	\$ (1,824,666)	\$ 202,741
Other receivables	53,479	(8,766)	44,713
Total Governmental Activities	<u>\$ 2,080,886</u>	<u>\$ (1,833,432)</u>	<u>\$ 247,454</u>
<b>Business-Type Activities:</b>			
Utilities	\$ 931,363	\$ (258,042)	\$ 673,321
Other receivables	235,300	(28,453)	6,847
Total Business-type Activities	<u>\$ 1,166,663</u>	<u>\$ (486,495)</u>	<u>\$ 680,168</u>

**4. Capital Assets and Depreciation**

*Capital Assets:*

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, and infrastructure. Capital assets are reported at actual or estimated historical cost. Donated capital assets are recorded at their fair value at the date of donation. For the year ended June 30, 2021, capital assets balances changed as follows:

	Balance at July 1, 2020	Additions	Disposals	Balance at June 30, 2021
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 477,065	\$ 768,471	\$ (1,091,366)	\$ 154,170
Total capital assets not being depreciated	<u>477,065</u>	<u>768,471</u>	<u>(1,091,366)</u>	<u>154,170</u>
Other capital assets:				
Buildings and improvements	7,986,179	18,800	-	8,004,979
Furniture, fixtures and equipment	4,984,060	364,450	-	5,348,510
Vehicles	4,727,670	-	-	4,727,670
Infrastructure	5,908,770	1,954,696	-	7,863,466
Total other capital assets at historical cost	<u>23,606,679</u>	<u>2,337,946</u>	<u>-</u>	<u>25,944,625</u>
Less accumulated depreciation for:				
Buildings and improvements	2,922,951	197,369	-	3,120,320
Furniture, fixtures and equipment	3,332,845	435,968	-	3,768,813
Vehicles	2,963,177	347,639	-	3,310,816
Infrastructure	478,784	220,018	-	698,802
Total accumulated depreciation	<u>9,697,757</u>	<u>1,200,994</u>	<u>-</u>	<u>10,898,751</u>
Other capital assets, net	<u>13,908,922</u>	<u>1,136,952</u>	<u>-</u>	<u>15,045,874</u>
Governmental activities capital assets, net	<u>\$ 14,385,987</u>	<u>\$ 1,905,423</u>	<u>\$ (1,091,366)</u>	<u>\$ 15,200,044</u>

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	Balance at July 1, 2020	Additions	Disposals	Balance at June 30, 2021
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,883,021	\$ -	\$ -	\$ 2,883,021
Construction in progress	182,334	197,683	(182,333)	197,684
Total capital assets not being depreciated	3,065,355	197,683	(182,333)	3,080,705
Other capital assets:				
Buildings and improvements	14,707,380	182,334	-	14,889,714
Furniture, fixtures and equipment	792,257	87,047	-	879,304
Vehicles	498,732	-	-	498,732
Infrastructure	26,438,361	1,959,941	-	28,398,302
Total other capital assets at historical cost	42,436,730	2,229,322	-	44,666,052
Less accumulated depreciation for:				
Buildings and improvements	3,390,125	371,717	-	3,761,842
Furniture, fixtures and equipment	673,823	27,818	-	701,641
Vehicles	437,340	22,816	-	460,156
Infrastructure	7,092,381	624,597	-	7,716,978
Total accumulated depreciation	11,593,669	1,046,948	-	12,640,617
Other capital assets, net	30,843,061	1,182,374	-	32,025,435
Business-type activities capital assets, net	\$ 33,908,416	\$ 1,380,057	\$ (182,333)	\$ 35,106,140

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

Governmental Activities:

General government	\$ 87,581
Public safety	803,322
Streets & parks	310,091
	<u>\$ 1,200,994</u>

Business-Type Activities:

Water	\$ 619,950
Sewer	411,324
Industrial development	15,674
	<u>\$ 1,046,948</u>

## 5. Long-Term Debt and Debt Service Requirements

For the year ended June 30, 2021, the reporting entity's long-term debt changed as follows:

Type of Debt	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
<b>Governmental Activities:</b>					
Notes payable (direct borrowing)	\$ 811,003	\$ -	\$ 97,614	\$ 713,389	\$ 97,614
Capital lease payable	2,179,999	273,446	1,069,654	1,383,791	597,793
Accrued compensated absences	356,349	426,223	356,349	426,223	42,622
Total Governmental Activities	<u>\$ 3,347,351</u>	<u>\$ 699,669</u>	<u>\$ 1,523,617</u>	<u>\$ 2,523,403</u>	<u>\$ 738,029</u>
				Total OPEB liability	\$ 1,134,889
				Net pension liability-police	464,240
				Net pension liability-fire	6,579,240
					<u>\$ 10,701,772</u>
<b>Business-Type Activities:</b>					
Revenue bonds payable	\$ 40,485,000	\$ -	\$ 1,470,000	\$ 39,015,000	\$ 1,500,000
Notes Payable (direct borrowing)	2,352,663	-	224,039	2,128,624	160,203
Deposits Subject to Refund	324,531	46,990	40,005	331,516	66,303
Accrued compensated absences	31,071	32,407	31,071	32,407	3,240
Total Business-Type Activities	<u>\$ 43,193,265</u>	<u>\$ 79,397</u>	<u>\$ 1,765,115</u>	<u>\$ 41,507,547</u>	<u>\$ 1,729,746</u>
				Total OPEB liability	165,533
					<u>\$ 41,673,080</u>

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*Governmental activities long-term debt:*

**Capital Lease Obligations:**

\$804,229 capital lease with Santander Leasing for automated meter reading system, interest rate of 2.97%, annual installments commencing February 9, 2018 through February 9, 2022.	\$ 171,285
\$521,003 capital lease with BB&T for public safety communications system infrastructure, interest rate of 3.65%, annual installments commencing November 23, 2017 through November 23, 2028.	371,562
\$580,870 capital lease with Central Trust Bank for public safety communications equipment, interest rate of 2.9%, annual installments commencing December 16, 2017 through December 16, 2021.	122,910
\$84,796 capital lease with Oklahoma State Bank for two police vehicles, interest rate of 2.39%, monthly installment commencing December 14, 2017 through November 14, 2022.	9,185
\$227,647.40 capital lease with Oklahoma State Bank for breathing apparatus, interest rate of 2.39%, annual installment commencing November 14, 2018 through November 14, 2022.	58,871
\$203,539 capital lease with Oklahoma State Bank for five police vehicles, interest rate of 1.98%, monthly installments commencing December 1, 2017 through March 1, 2021.	21,985
\$562,977 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.	347,902
\$36,500 lease with Axon Enterprise Inc., for breathing apparatus equipment, annual installment commencing December 13, 2017 through December 13, 2022.	7,800
\$273,446 Oklahoma State Bank for 6 police vehicles, interest rate of 2.11%, annual installment commencing March 2, 2022 through March 2, 2026.	272,291
Total Capital Leases Payable	<u>\$ 1,383,791</u>
Current portion	\$ 597,793
Noncurrent portion	785,998
Total Capital Leases Payable	<u>\$ 1,383,791</u>

**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.	\$ 8,325
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.	14,761
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.	690,303
Total Note Payable	<u>\$ 713,389</u>
Current portion	\$ 97,614
Noncurrent portion	615,775
Total Notes Payable	<u>\$ 713,389</u>

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Accrued Compensated Absences:

Current portion	\$ 42,622
Noncurrent portion	383,601
Total Accrued Compensated Absences	<u>\$ 426,223</u>

*Business-type activities long-term debt:*

Deposits subject to Refund:

Current portion	\$ 66,303
Noncurrent portion	265,213
Total Deposits Subject to Refund	<u>\$ 331,516</u>

Accrued Compensated Absences:

Current portion	\$ 3,240
Noncurrent portion	29,167
Total Accrued Compensated Absences	<u>\$ 32,407</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.

	\$ 2,128,624
Total Notes Payable	<u>\$ 2,128,624</u>
Current portion	\$ 160,203
Noncurrent portion	1,968,421
Total Notes Payable	<u>\$ 2,128,624</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.

	\$ 39,015,000
Total Revenue Bonds Payable	<u>\$ 39,015,000</u>
Current portion	\$ 1,500,000
Noncurrent portion	37,515,000
Total Revenue Bonds Payable	<u>\$ 39,015,000</u>

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Debt Service Requirements to Maturity:

<u>Year Ending June 30,</u>	Governmental Activities			
	Capital Lease Obligations		Notes Payable (direct borrowings)	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 597,793	\$ 41,200	\$ 97,614	\$ -
2023	212,147	24,655	97,614	-
2024	217,711	18,084	97,614	-
2025	101,314	11,280	97,614	-
2026	102,874	8,442	97,614	-
2027-2031	151,952	11,224	222,558	-
2032-2034	-	-	2,761	-
Totals	<u>\$ 1,383,791</u>	<u>\$ 114,885</u>	<u>\$ 713,389</u>	<u>\$ -</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>
2022	\$ 1,500,000	\$ 1,183,460	\$ 160,203	\$ 45,755
2023	1,535,000	1,147,632	164,553	42,223
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
2027-2031	8,830,000	4,482,989	966,828	94,132
2032-2036	10,235,000	3,059,912	316,220	6,988
2037-2041	12,090,000	1,134,641	-	-
Totals	<u>\$ 39,015,000</u>	<u>\$ 14,226,966</u>	<u>\$ 2,128,624</u>	<u>\$ 293,711</u>

**6. 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	\$ -	\$ -	\$ -	\$ 610,038	\$ 610,038
Capital Projects	-	-	-	121,277	121,277
Parks & Recreation	-	-	-	217,033	217,033
Public Safety	-	697,937	156,653	-	854,590
Streets	-	-	-	750,484	750,484
Sub-total Restricted	<u>\$ -</u>	<u>\$ 697,937</u>	<u>\$ 156,653</u>	<u>\$ 1,698,832</u>	<u>\$ 2,553,422</u>
Unassigned	10,406,366	-	-	-	10,406,366
Total Fund Balance	<u>\$ 10,406,366</u>	<u>\$ 697,937</u>	<u>\$ 156,653</u>	<u>\$ 1,698,832</u>	<u>\$ 12,959,788</u>

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

	State Statutes	Enabling Legislation	Contractual Agreements	Total
Governmental Activities:				
Economic Development:				
Hotel-Motel Tax Fund	\$ -	\$ 610,038	\$ -	\$ 610,038
Sub-total Economic Development	-	610,038	-	610,038
Capital Projects:				
Capital Improvement Fund	-	-	121,277	121,277
Sub-total Capital Projects	-	-	121,277	121,277
Parks and Recreation:				
Parks & Recreation Fund	-	217,033	-	217,033
Sub-total Parks and Recreation	-	217,033	-	217,033
Public Safety:				
Public Safety Personnel Fund	-	697,937	-	697,937
Public Safety Capital Fund	-	156,653	-	156,653
Sub-total Parks and Recreation	-	854,590	-	854,590
Streets:				
Streets & Infrastructure Fund	-	750,484	-	750,484
Sub-total Streets	-	750,484	-	750,484
<b>TOTAL RESTRICTED NET POSITION</b>	<b>\$ -</b>	<b>\$ 2,432,145</b>	<b>\$ 121,277</b>	<b>\$ 2,553,422</b>

## 7. Internal and Interfund Balances and Transfers

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

### Transfers:

Internal transfers between funds and activities for the year ended June 30, 2021 were as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	Public Safety Capital Fund	\$ 215,656	Operations
General Fund	Glenpool Utility Services Authority	2,179,781	Debt service
General Fund	Glenpool Utility Services Authority	1,800,000	Bond pledge
General Fund	Glenpool Industrial Authority	147,815	Transfer for TIF payouts
Hotel-Motel Tax Fund	Glenpool Industrial Authority	60,000	Operations
Glenpool Utility Services Authority	General Fund	1,800,000	Return of bond pledge
Glenpool Industrial Authority	General Fund	31,500	Utility reimbursement
Glenpool Industrial Authority	General Fund	14,400	Reimbursement of lease
Total		<u>\$ 6,249,152</u>	
<b>Reconciliation to Fund Financial Statements:</b>			
	Transfers In	Transfers Out	Total
Governmental Funds	\$ 2,061,556	\$ (4,403,252)	\$ (2,341,696)
Proprietary Funds	4,187,596	(1,845,900)	2,341,696
	<u>\$ 6,249,152</u>	<u>\$ (6,249,152)</u>	<u>\$ -</u>

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*Balances:*

Interfund receivable and payables at June 30, 2021 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>	
<b>Reconciliation to Fund Financial Statements:</b>			
	<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>	

## 8. 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 \$53,241,966. Pledged sales taxes received in the current year were \$3,979,781 and net water, sewer and sanitation utility revenues were \$1,532,213 for total pledged revenues of \$5,511,994. Debt service payments of \$2,694,521 for the current fiscal year were 48.9% 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 and \$1,361,388 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 \$2,422,335. Pledged sales taxes received in the current year were \$3,979,781 and net water, sewer and sanitation utility revenues were \$1,532,213 for total pledged revenues of \$5,511,994. Debt service payments of \$281,112 for the current fiscal year were 5.1% of total pledged revenues for these notes.

## 9. Risk Management

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

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



*(1) Liability Protection Plan*

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

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

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

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

*(2) Worker's Compensation*

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

Specific aggregate stop loss coverage is provided by Comp Source.

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

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

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

## **10. Commitments and Contingencies**

### *Litigation:*

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

### *Federal and State Award Programs:*

The City of Glenpool participates in various federal or state grant/loan programs from year to year. In 2021, the City's involvement in federal and state award programs was material. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

## **11. 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.

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	Governmental Activities
Net Pension Liability:	
Police Pension System	\$ 464,240
Firefighter's Pension System	6,579,240
Total Net Pension Liability	<u>\$ 7,043,480</u>
Deferred Outflows of Resources:	
Police Pension System	\$ 804,519
Firefighter's Pension System	2,266,489
Total Deferred Outflows of Resources	<u>\$ 3,071,008</u>
Deferred Inflows of Resources:	
Police Pension System	\$ 127,340
Firefighter's Pension System	203,203
Total Deferred Inflows of Resources	<u>\$ 330,543</u>
Pension Expense:	
Police Pension System	\$ 550,332
Firefighter's Pension System	1,670,477
Total Pension Expense	<u>\$ 2,220,809</u>

*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](http://www.ok.gov/FPRS).

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

Normal Retirement:

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

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

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

**Contributions** - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$250,661. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$416,036 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 \$553,248. 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, 2021, the City reported a net pension liability of \$6,579,240 for its proportionate share of the total net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2020. Based upon this information, the City's proportion was 0.534067%.

For the year ended June 30, 2021, the City recognized pension expense of \$1,670,477. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 838,527	\$ 88,277
Changes of assumptions	-	111,492
Net difference between projected and actual earnings on pension plan investments	96,707	-
Changes in proportion and differences between City contributions and proportionate share of contributions	1,076,963	2,671
City contributions during measurement date	3,631	763
City contributions subsequent to the measurement date	250,661	-
Total	<u>\$ 2,266,489</u>	<u>\$ 203,203</u>

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In the year ending June 30, 2022, \$250,661 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:

2022	\$	545,967
2023		661,469
2024		411,387
2025		193,802
	\$	<u>1,812,625</u>

**Actuarial Assumptions**- The total pension liability was determined by an actuarial valuation as of July 1, 2020, 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, 2020, 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, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	4.38%
Domestic equity	47%	7.41%
International equity	15%	9.82%
Real estate	10%	7.70%
Other assets	8%	5.67%

**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.

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**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	\$ 8,544,353	\$ 6,579,240	\$ 4,935,107

**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](http://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](http://www.ok.gov/OPPRS).

**Benefits provided** - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later. Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

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

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

**Contributions** - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$182,455. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$119,773 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 \$162,885. 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, 2021, the City reported a liability of \$464,240 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2020. Based upon this information, the City's proportion was 0.404232%.

For the year ended June 30, 2021, the City recognized pension expense of \$550,332. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,010	\$ 126,075
Changes of assumptions	47,691	-
Net difference between projected and actual earnings on pension plan investments	547,731	-
Changes in proportion and differences between City contributions and proportionate share of contributions	10,414	380
City contributions during measurement date	4,218	885
City contributions subsequent to the measurement date	182,455	-
Total	<u>\$ 804,519</u>	<u>\$ 127,340</u>

In the year ending June 30, 2022, \$182,455 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:

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Year ended June 30:		
2022	\$	71,113
2023		142,260
2024		181,886
2025		106,621
2026		(7,156)
	\$	<u>494,724</u>

**Actuarial Assumptions**-The total pension liability was determined by an actuarial valuation as of July 1, 2020, 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.  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, 2020, 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, 2020, are summarized in the following table:



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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	5.11%
Domestic equity	6.80%
International equity	11.45%
Real estate	8.60%
Private Equity	11.58%
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:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 1,639,974	\$ 464,240	\$ (530,183)

**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](http://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
2019	\$ 214,173	100%	2019	\$ 181,781	100%
2020	\$ 240,694	100%	2020	\$ 179,041	100%
2021	\$ 250,661	100%	2021	\$ 182,455	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 \$140,433.

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 2021, the employer contributed 19%, 7%, and 13% respectively for the participants. The City's annual cost for the City Manager's plan of \$25,184 for 2021 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 \$8,219 and \$11,997, respectively, for 2021 were equal to the City's required and actual contributions.

### **12. 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.

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, 2021, 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.

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**Employees Covered by Benefit Terms** - At June 30, 2021 the following employees were covered by the benefit terms:

Active Employees	89
Inactive or beneficiaries currently receiving benefit payments	<u>0</u>
Total	<u>89</u>

**Total OPEB Liability** - The City's total OPEB liability of \$1,300,422 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**- The total OPEB liability as of June 30, 2021, was determined based on an actuarial valuation prepared as of June 30, 2020 using the following actuarial assumptions:

- Actuarial cost method – Entry age normal
- Cost method application – Level percentage of pay
- Discount rate – 2.16%
- Healthcare cost trend rates – 6.09% grading to 4.87%
- 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 (3.0%) and deducting investment expenses. Best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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	<u>100.0%</u>	

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***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	\$ 1,155,240
Changes for the Year:	
Service cost	105,391
Interest expense	27,860
Differences between expected and actual experience	11,602
Change of assumptions	8,401
Expected net benefit payments	(8,072)
Net Changes	145,182
Total	\$ 1,300,422
Governmental Activities	\$ 1,134,889
Business-Type Activities	165,533
	\$ 1,300,422

***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 2.16%, 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 (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
OPEB liability	\$ 1,658,395	\$ 1,300,422	\$ 1,030,794

***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 4.96% Grading to 3.87%	Healthcare Cost Trend Rates 5.96% Grading to 4.87%	1% Decrease 6.96% Grading to 5.87%
OPEB liability	\$ 1,041,381	\$ 1,300,422	\$ 1,633,425

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*** – For the year ended June 30, 2021, the City recognized OPEB expense of \$182,705. At June 30, 2021, 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	\$ 31,724	\$ 6,321	\$ 4,627	\$ 922	\$ 36,351	\$ 7,243
Changes of assumptions	273,603	9,059	39,907	1,322	313,510	10,381
Changes in proportion	767	6,763	7,040	1,041	7,807	7,804
Total	\$ 306,094	\$ 22,143	\$ 51,574	\$ 3,285	\$ 357,668	\$ 25,428

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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:			
2022	\$ 42,252	\$ 7,201	\$ 49,453
2023	42,252	7,201	49,453
2024	42,252	7,201	49,453
2025	42,252	7,201	49,453
2026	71,315	11,440	82,755
Thereafter	43,628	8,045	51,673
	<u>\$ 283,951</u>	<u>\$ 48,289</u>	<u>\$ 332,240</u>

### 13. 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, 2021 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, 2021:

- A business is to receive sales tax rebated which cannot exceed \$600,000. The annual payments are based on the 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. This agreement was entered into October 2020 and the first payment is expected to occur in July 2022.
- A developer will receive rebated sales taxes at the end of the first full fiscal quarter following the first submission of sales tax revenue payments to the City by the business. The sales tax rebated cannot exceed \$254,540.60. A second business included in this agreement is to receive sales tax rebated of \$100,000 and its final payment will be made on July 29, 2021. This agreement was entered into September 2019. Future quarterly payments will be made to the developer.
- On 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.
- On 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.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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

<b>General Fund</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 37,815	\$ 534,913	\$ 7,684,587	\$ 7,149,674
<b>Resources (Inflows):</b>				
Taxes	8,741,729	9,078,765	10,435,150	1,356,385
Intergovernmental	235,000	235,000	1,473,790	1,238,790
Licenses and permits	60,700	60,700	105,549	44,849
Charges for services	279,055	279,055	326,481	47,426
Fines & forfeitures	279,000	279,000	160,867	(118,133)
Investment earnings	50,000	50,000	5,334	(44,666)
Miscellaneous	25,233	25,233	124,274	99,041
Transfer in	1,845,900	1,845,900	1,845,900	-
<b>Total resources (Inflows)</b>	<b>11,516,617</b>	<b>11,853,653</b>	<b>14,477,345</b>	<b>2,623,692</b>
<b>Amounts available for appropriation</b>	<b>11,554,432</b>	<b>12,388,566</b>	<b>22,161,932</b>	<b>9,773,366</b>
<b>Charges to Appropriations (Outflows):</b>				
Administration	672,054	684,045	668,202	15,843
General government	767,746	860,731	839,597	21,134
Police	2,002,866	2,014,548	1,971,117	43,431
Dispatch	417,886	445,756	432,285	13,471
Fire	2,263,894	2,221,034	2,033,124	187,910
Animal control	93,622	89,094	77,338	11,756
Streets and parks	875,528	943,583	700,833	242,750
Emergency management	40,000	85,000	64,273	20,727
Community development	615,277	644,608	625,545	19,063
Transfers out	3,805,559	4,399,507	4,343,252	56,255
<b>Total Charges to Appropriations</b>	<b>11,554,432</b>	<b>12,387,906</b>	<b>11,755,566</b>	<b>632,340</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ 660</b>	<b>\$ 10,406,366</b>	<b>\$ 10,405,706</b>

<b>Public Safety Personnel Fund</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 1,127,995	\$ 1,127,995	\$ 1,363,642	\$ 235,647
Investment earnings	6,000	6,000	-	(6,000)
<b>Total revenues</b>	<b>1,133,995</b>	<b>1,133,995</b>	<b>1,363,642</b>	<b>229,647</b>
<b>EXPENDITURES</b>				
Departmental:				
Police	467,743	478,329	451,685	26,644
Fire	895,032	915,104	838,511	76,593
<b>Total Expenditures</b>	<b>1,362,775</b>	<b>1,393,433</b>	<b>1,290,196</b>	<b>103,237</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(228,780)</b>	<b>(259,438)</b>	<b>73,446</b>	<b>332,884</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	30,658	-	(30,658)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>30,658</b>	<b>-</b>	<b>(30,658)</b>
<b>Net change in fund balances</b>	<b>(228,780)</b>	<b>(228,780)</b>	<b>73,446</b>	<b>302,226</b>
<b>Fund balances - beginning</b>	<b>228,780</b>	<b>228,780</b>	<b>624,491</b>	<b>395,711</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 697,937</b>	<b>\$ 697,937</b>

**CITY OF GLENPOOL, OKLAHOMA**  
**ANNUAL FINANCIAL STATEMENTS**  
**As of and for the Year Ended June 30, 2021**

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**Footnotes to Budgetary Comparison Schedules:**

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

	General Fund
Total revenue - budgetary basis	\$ 14,477,345
On-behalf revenue	535,809
Transfers In	(1,845,900)
Total revenue - GAAP basis	<u>\$ 13,167,254</u>
 Total expenditures - budgetary basis	 11,755,566
On-behalf expenses	535,809
Transfers Out	(4,343,252)
Total expenses - GAAP basis	<u>\$ 7,948,123</u>



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

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

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020	2021
City's proportion of the net pension liability	0.326300%	0.321600%	0.335300%	0.424700%	0.470670%	0.496380%	0.534067%
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
City's covered-employee payroll	\$ 870,964	\$ 871,564	\$ 982,474	\$ 1,257,713	\$ 1,398,565	\$ 1,529,807	\$ 1,719,243
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%
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%

**Notes to Schedule:**

\* Only seven 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
Statutorially required contribution	\$ 122,123	\$ 137,546	\$ 176,080	\$ 195,799	\$ 214,173	\$ 240,694	\$ 250,661
Contributions in relation to the statutorially required contribution	122,123	137,546	176,080	195,799	214,173	240,694	250,661
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
Contributions as a percentage of covered-employee payroll	14.01%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

**Notes to Schedule:**

\* Only seven 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, 2021**

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
City's proportion of the net pension liability (asset)	0.3703%	0.3721%	0.3757%	0.4001%	0.4001%	0.4223%	0.4042%
City's proportionate share of the net pension liability (asset)	\$ (124,661)	\$ 15,172	\$ 575,383	\$ 30,779	\$ (201,718)	\$ (26,959)	\$ 464,240
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
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%
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%

**Notes to Schedule:**

\* Only seven 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
Statutorially required contribution	\$ 136,836	\$ 149,106	\$ 152,662	\$ 171,709	\$ 181,781	\$ 179,041	\$ 182,455
Contributions in relation to the statutorially required contribution	136,836	149,106	152,662	171,709	181,781	179,041	182,455
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
Contributions as a percentage of covered-employee payroll	13.01%	13.00%	12.68%	13.00%	13.00%	13.00%	13.02%

**Notes to Schedule:**

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

**CITY OF GLENPOOL, OKLAHOMA**  
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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
Total OPEB Liability				
Service cost	\$ 43,113	\$ 42,338	\$ 79,815	\$ 105,391
Interest	17,633	22,292	33,574	27,860
Changes in benefit terms	-	-	-	
Difference between expected and actual experience	-	38,385	(9,317)	11,602
Changes in assumptions	(19,619)	245,965	179,338	8,401
Expected net benefit payments	-	(3,217)	(7,615)	(8,072)
Net change in total OPEB liability	41,127	345,763	275,795	145,182
Balances - Beginning of Year	492,555	533,682	879,445	1,155,240
Balances - End of Year	<u>\$ 533,682</u>	<u>\$ 879,445</u>	<u>\$ 1,155,240</u>	<u>\$ 1,300,422</u>
Covered employee payroll	\$ 4,250,000	\$ 4,850,000	\$ 4,830,000	\$ 5,018,000
Total OPEB liability as a percentage of covered employee payroll	12.56%	18.13%	23.92%	25.92%

**Notes to Schedule:**

\* Only four 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, 2021**

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**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF GLENPOOL, OKLAHOMA**  
**ANNUAL FINANCIAL STATEMENTS**  
**As of and for the Year Ended June 30, 2021**

**Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2021**

	<u>Special Revenue</u>	<u>Capital Project Funds</u>			
	<u>Hotel-Motel Tax Fund</u>	<u>Parks &amp; Rec Fund</u>	<u>Capital Improvement Fund</u>	<u>Streets &amp; Infrastructure Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 586,439	\$ 217,033	\$ 121,277	\$ 746,344	\$ 1,671,093
Due from other governments	-	-	-	99,076	99,076
Other receivables	23,599	-	-	-	23,599
Total assets	<u>\$ 610,038</u>	<u>\$ 217,033</u>	<u>\$ 121,277</u>	<u>\$ 845,420</u>	<u>\$ 1,793,768</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 94,936	\$ 94,936
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,936</u>	<u>94,936</u>
Fund balances:					
Restricted	610,038	217,033	121,277	750,484	1,698,832
Total fund balances	<u>610,038</u>	<u>217,033</u>	<u>121,277</u>	<u>750,484</u>	<u>1,698,832</u>
Total liabilities and fund balances	<u>\$ 610,038</u>	<u>\$ 217,033</u>	<u>\$ 121,277</u>	<u>\$ 845,420</u>	<u>\$ 1,793,768</u>

**CITY OF GLENPOOL, OKLAHOMA**  
**ANNUAL FINANCIAL STATEMENTS**  
**As of and for the Year Ended June 30, 2021**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2021**

	<u>Special Revenue</u>	<u>Capital Project Funds</u>			
	<u>Hotel-Motel Tax Fund</u>	<u>Parks &amp; Rec Fund</u>	<u>Capital Improvement Fund</u>	<u>Streets &amp; Infrastructure Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 215,205	\$ -	\$ -	\$ 707,796	\$ 923,001
Charges for services	-	27,400	-	-	27,400
Total revenues	<u>215,205</u>	<u>27,400</u>	<u>-</u>	<u>707,796</u>	<u>950,401</u>
<b>EXPENDITURES</b>					
Economic development	60,115	-	-	-	60,115
Capital outlay	-	18,800	-	683,071	701,871
Debt service:					
Principal	-	-	-	260,244	260,244
Interest and other charges	-	-	-	9,949	9,949
Total expenditures	<u>60,115</u>	<u>18,800</u>	<u>-</u>	<u>953,264</u>	<u>1,032,179</u>
Excess (deficiency) of revenues over expenditures	<u>155,090</u>	<u>8,600</u>	<u>-</u>	<u>(245,468)</u>	<u>(81,778)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(60,000)	-	-	-	(60,000)
Total other financing sources (uses)	<u>(60,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,000)</u>
Net change in fund balances	95,090	8,600	-	(245,468)	(141,778)
Fund balances - beginning	514,948	208,433	121,277	995,952	1,840,610
Fund balances - ending	<u>\$ 610,038</u>	<u>\$ 217,033</u>	<u>\$ 121,277</u>	<u>\$ 750,484</u>	<u>\$ 1,698,832</u>

**CITY OF GLENPOOL, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2021**

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**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND UNIFORM  
GUIDANCE**



## **Independent Auditors' 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

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 1, 2022.

### **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.



### **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  
March 1, 2022





**Independent Auditors' Report on Compliance for Each Major Federal Program: Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Glenpool (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a material effect on each of the City of Glenpool's major federal award programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions applicable to its federal programs.

**Auditors' Responsibility**

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

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

### **Opinion on Each Major Federal Program**

In our opinion, the City of Glenpool, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

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

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

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

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



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

We have audited the financial statements of the City as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 1, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Hill & Company, PC*

Tulsa, Oklahoma  
March 1, 2022



**CITY OF GLENPOOL, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2021**

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**Schedule of Expenditures of Federal Awards – Year Ended June 30, 2021**

<b>Federal/State Grantor/Pass through agency Grantor/Program Title</b>	<b>Federal AL Number</b>	<b>Agency or Grant Number</b>	<b>Program or Award Amount</b>	<b>Federal Expenditures</b>
<b>FEDERAL ASSISTANCE:</b>				
<b><u>U. S. DEPARTMENT OF TREASURY:</u></b>				
Passed through Oklahoma Office of Management and Enterprise Services: Coronavirus Relief Fund	21.019	N/A	\$ 1,074,190	\$ 1,074,190
Passed through Tulsa County: Coronavirus Relief Fund	21.019	N/A	110,226	110,226
Total U. S. Department of Treasury			<u>1,184,416</u>	<u>1,184,416</u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u>\$ 1,184,416</u>	<u>\$ 1,184,416</u>

**City of Glenpool, Oklahoma**  
Notes to Schedule of Expenditures of Federal Awards  
June 30, 2021

**Note A:       Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of the City of Glenpool for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Glenpool, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Glenpool.

**Note B:       Summary of Significant Accounting Policies**

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. The City has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**City of Glenpool, Oklahoma**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021

**Summary of Auditors' Results** (Continued)

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.
9. The City qualified as a low-risk auditee as that term is defined in the Uniform Guidance. ☒ Yes ☐ No

**Findings Required to be Reported by Government Auditing Standards**

None

**Findings Required to be Reported in Accordance with the Uniform Guidance**

None



**City of Glenpool, Oklahoma**  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2021

**Findings Required to be Reported by Government Auditing Standards**

None

**Findings Required to be Reported in Accordance with the Uniform Guidance**

None