NOTICE
GLENPOOL UTILITY SERVICE AUTHORITY
SPECIAL MEETING

A Special Session of the Glenpool Utility Service Authority will be held at 6:00 p.m. immediately following the Glenpool City Council Meeting on October 18, 2021 at Glenpool City Hall, City Council Chambers, 12205 S. Yukon Ave., 3rd Floor, Glenpool, Oklahoma.

NOTE: The Glenpool Utility Service Authority will be assembled for the meeting at the City Council Chambers, 12205 S. Yukon Ave, Glenpool, Oklahoma. Members of the public are invited to attend the in-person meeting, or join a live broadcast at this link:
Join Zoom Meeting
https://us02web.zoom.us/j/89753555435?pwd=QzdFVjA1b0lKa1lSUFlKbUNrUUxtdz09
Meeting ID: 897 5355 5435
Passcode: 974088
One tap mobile
+13462487799, US (Houston)
+14086380968, US (San Jose)
Dial by your location
+1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston)
Meeting ID: 897 5355 5435
Passcode: 974088
Find your local number: https://us02web.zoom.us/u/kdrY6w7ABX

The GUSA Board welcomes comments from citizens of Glenpool who wish to address any item on the agenda.

- Speakers attending in **PERSON** are required to complete the Request to Speak form located on the agenda table and return to the City Clerk **PRIOR TO THE CALL TO ORDER.**
- Speakers attending via **ZOOM** are required to complete the Request to Speak form located on our website: https://glenpoolonline.civicweb.net/document/19057/Request%20to%20Speak%20Form.pdf and email it to the City Clerk: Wknight@cityofglenpool.com **PRIOR TO 6:00 PM, OCTOBER 18, 2021.**

AGENDA

Page

A) **Call to Order - Joyce G. Calvert, Chair**

B) **Roll Call, Declaration of Quorum – Wendy Knight, Secretary; Joyce G. Calvert, Chair**

C) **Scheduled Business**

1) Discussion and possible action to approve or deny receipt of audited FY2019-2020 Financial Report and direct that the Report be placed in the permanent files. (Frank Ordaz, Finance Director) — 3 - 83

Acceptance of the Audited FY2019-2020 Financial Report
2020 City of Glenpool OK SAS 114 Letter Final
Audited FY2019-2020 Financial Report of the City of Glenpool OK

2) Discussion and possible action to approve or deny the annual issuance by Bancfirst, a Letter of Credit in the amount of $25,903.58, in compliance with the Agreement of Settlement, Compromise and Release ("Settlement Agreement") entered into with Creek County Rural Water District #2 in Settlement of Litigation. (Frank Ordaz, Finance Director) 84 - 93

Annual issuance of $25000 plus incremental increase per settlement agreement with Creek County Rural Water District # 2

BancFirst Letter of Credit Paperwork

D) **Adjournment**

This notice and agenda was posted at Glenpool City Hall, 12205 S. Yukon Ave., Glenpool, Oklahoma, on October 14, 2021, by 4:00 pm.

Signed: Wendy Knight

Secretary

To: Honorable Mayor and City Council

From: Frank Ordaz, Finance Director

Date: October 8, 2021

Re: Acceptance of the Audited Fiscal Year 2019-2020 Financial Report

Background:

Hinkle & Company has completed its audit of the financial activities of the City of Glenpool, the Glenpool Utility Service Authority, and the Glenpool Industrial Authority for Fiscal Year 2019-2020.

Mr. Kirk Vanderslice, CPA, from Hinkle & Company will present the audit results at the City Council Regular Meeting on October 18, 2021.

Staff Recommendation:

Staff recommends a motion to acknowledge receipt of the audited Fiscal Year 2019-2020 Financial Report.

Attachments:

- Communication letter from Hinkle & Company dated September 21, 2021
- Audited Fiscal Year 2019-2020 Financial Report

12205 S. Yukon, Glenpool, OK 74033 OFFICE: 918-322-5409 FAX: 918-209-4641
Mayor Joyce Calvert, Ward 3; Vice-Mayor Brandon Kearns, At-Large;
Tim Fox, Ward 1; Chris Brobst, Ward 2; Jacqueline Lund, Ward 4
City Manager David Tillotson, Assistant City Manager Susan White, City Clerk Wendy Knight
www.glenpoolonline.com

HINKLE & COMPANY PC
Strategic Business Advisors

City Council
City of Glenpool
Glenpool, Oklahoma

We have audited the financial statements of the City of Glenpool as of and for the year ended June 30, 2020, and have issued our report thereon dated September 21, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit
As communicated in our engagement letter dated September 3, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Glenpool solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit
We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence
The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

5028 E. 101st Street
Tulsa, OK 74137
TEL: 918.492.3388
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www.hinklecpas.com

Significant Accounting Policies
Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Glenpool is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates
Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are estimated pension liability.

Management's estimate of the pension liability is based on estimated reports of the City's percent of participation and estimated liability. We evaluated the key factors and assumptions used to develop the pension liability and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures
Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

Significant Difficulties Encountered during the Audit
We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements
For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management
For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of Glenpool's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management
We have requested certain written representations from management, which were agreed to in letter dated September 21, 2021.

Management's Consultations with Other Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues
In the normal course of our professional association with the City of Glenpool, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City of Glenpool's auditors.

This report is intended solely for the information and use of the City Council, and management of the City of Glenpool and is not intended to be and should not be used by anyone other than these specified parties.

Hinkle & Company, pc

Tulsa, Oklahoma
September 21, 2021

City Of Glenpool
Creating Opportunity

City of Glenpool, Oklahoma

Annual Financial Report

For the Year Ended June 30, 2020

City of Glenpool, Oklahoma
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June 30, 2020

(Continued)

City of Glenpool, Oklahoma

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June 30, 2020
(Continued)

Reports Required by Government Auditing Standards

Schedule of Findings and Responses

HINKLE & COMPANY PC
Strategic Business Advisors

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, 2020, 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.

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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, 2020, 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.

Emphasis of a Matter
As described in Note 1 to the financial statements, the City of Glenpool restated its beginning net position in the government-wide financial statements and proprietary fund statements associated with capital assets, notes payable and accrued interest improperly excluded in previous years. Our opinions are not modified with respect to this matter.

Other Matters
Prior Period
The financial statements of City of Glenpool for the year ended June 30, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on October 12, 2020.

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 September 21, 2021, 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.

Hinkle & Company, PC

Tulsa, Oklahoma
September 21, 2021

Introduction

This section of the financial statements of the City of Glenpool offers a narrative overview and analysis of the financial activities for fiscal year ended June 30, 2020. The information contained within the Management Discussion and Analysis (MD&A) should be considered only part of a greater whole. The reader of these statements is encouraged to read and evaluate all sections of this report, including the notes to the financial statements and required supplementary information.

Financial Highlights

- Net position was $15.6 million as of June 30, 2020. (Table 1). This represents an increase of 47% over 2019.
- The FY2020 sales and use taxes revenue was $11 million compared to $10.1 in FY2019. This represents an increase of 9% over 2019. Other general revenue increased from $0.9 million in FY2019 to $1.4 million in FY2020. Charges for services increased from $5.9 million in FY2019 to $6.3 million in FY2020. Capital grants and contributions increased from $0.0 million in FY2019 to $2.7 million in FY2020. Other taxes revenue decreased from $0.6 million to $0.5 million.
- Operating expenses (including depreciation) were $17.9 million for FY2020 compared to $15.4 million for FY2019, an increase of 16%.

Overview of the Financial Statements and Financial Analysis

This annual report consists of a series of financial statements. The financial statements presented herein include all the activities of the City of Glenpool (the "City"), the Glenpool Utility Service Authority ("GUSA") and the Glenpool Industrial Authority ("GIA"). The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole, including the GUSA and GIA component units, and present a longer-term view of the City's finances. Included in this report are government-wide statements for each of the two categories of activities – governmental and business-type.

Government-wide Financial Statements

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

Statement of Net Position and Statement of Activities

- The **Statement of Net Position** presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position has the following three components: net investment in capital assets; restricted net position and unrestricted net position. Over time, increases or decreases in net position serves as a useful indicator to determine the financial position of the City of Glenpool. However, other non-financial factors must be considered, such as changes in the City's sales tax base to assess the overall health of the City.

- The **Statement of Activities** presents information showing how the City's net position changed during the most recent fiscal year. The operations of the City of Glenpool are presented in a net (expenses) revenues format in the statement of activities to report the relative financial burden of each of the government's functions or programs on its taxpayers, and to identify the extent to which each function or program draws from the general revenues of the organization or is self-supporting through fees and intergovernmental aid. The statement includes the annual depreciation for infrastructure and governmental assets.

The Statement of Net Position provides a columnar presentation of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the City of Glenpool in the following two categories:

- **Governmental Activities** – Most of the City's basic services are reported here, including the police, fire,administration, streets, and parks. Sales and other taxes, license and permit fees, franchise fees, fines, grants, rental income, and reimbursements finance most of these activities.
- **Business-type Activities** – The City charges a fee to customers to help cover all or most of the cost ofcertain services it provides. The City's water, sewer, storm water management and refuse fees are reported here, along with loan and bond proceeds. In addition, the conference center activities and economic development initiatives of the Glenpool Industrial Authority (GIA) are reported in the business-type activities.

Reporting the City's Funds – Fund Financial Statements

Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Glenpool, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by State law and by bond covenants. However,management establishes other funds to help it control and manage money for specific purposes, or toshow that it is meeting legal responsibilities for using certain taxes, grants, and other money. All the funds of the City of Glenpool can be divided into two categories: governmental funds and proprietary funds.

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 the 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 service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent soon 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 the reconciliation following each Governmental Fund financial statement.

The General Fund's fund balance in fiscal year 2020 increased from fiscal year 2019 by $91,761 compared to an increase of $1.3 million from fiscal year 2018. The increase occurred despite flat revenues in 2020 when compared to 2019, predominantly due to continued conservative spending. The 8% expenditure increase, compared to fiscal year 2019, is primarily due to public safety and capital outlay for new equipment and infrastructure in fiscal year 2020.

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

The net position of the GUSA increased from fiscal year 2019 by $1.3 million. In addition, operating revenues increased by 21% primarily due to the Glenpool Utility Services Authority Utility System Revenue Bonds, Taxable Refunding Series 2019. Operating costsiincreased by 36% due to an increase in water and sewer operation cost. Some increases were directly attributable to the rise of the COVID virus. Despite the increase water and sewer operational costs, GUSA still realized an operating profit of $140,235 in 2020 compared to a profit of $665,704 in fiscal year 2019.

The net position of the GIA decreased in fiscal year 2020 by $69,845 due to increases in Conference Center costs and a reduction in Conference Center revenues. Both conditions can be predominantly attributable to the rise of the COVID pandemic in the United States.

The City as a Whole

For the year ended June 30, 2020, the net position for the governmental activities and business-type activities is as follows:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current Assets	$ 10,956	$ 9,949	$ 1,136	$ 1,059	$ 12,092	$ 11,008
Non-current Assets	$ 27	$ 202	$ 4,812	$ 1,054	$ 4,839	$ 1,256
Capital Assets	$ 14,386	$ 10,909	$ 33,908	$ 33,175	$ 48,294	$ 44,084
Total Assets	$ 25,369	$ 21,060	$ 39,856	$ 35,288	$ 65,225	$ 56,348
DEFERRED OUTFLOW OF RESOURCES						
Deferred Amount on Refunding	$ -	$ -	$ 1,749	$ -	$ 1,749	$ -
Pension and OPEB Related	$ 3,083	$ 3,112	$ 57	$ 33	$ 3,140	$ 3,145
Total Deferred Outflows	$ 3,083	$ 3,112	$ 1,806	$ 33	$ 4,889	$ 3,145
LIABILITIES						
Current Liabilities	$ 1,252	$ 1,165	$ 2,351	$ 1,870	$ 3,603	$ 3,035
Non-current Liabilities	$ 8,788	$ 8,280	$ 41,323	$ 36,907	$ 50,111	$ 45,187
Total Liabilities	$ 10,040	$ 9,445	$ 43,674	$ 38,777	$ 53,714	$ 48,222
DEFERRED INFLOW OF RESOURCES						
Pension and OPEB Related	$ 789	$ 665	$ 2	$ 2	$ 791	$ 667
Total Deferred Inflows	$ 789	$ 665	$ 2	$ 2	$ 791	$ 667
NET POSITION						
Net Investment in Capital Assets	$ 11,395	$ 8,001	$ (8,929)	$ (4,823)	$ 2,466	$ 3,178
Restricted	$ 3,841	$ 3,043	$ 4,598	$ 841	$ 8,439	$ 3,884
Unrestricted (Deficit)	$ 2,388	$ 3,018	$ 2,317	$ 524	$ 4,705	$ 3,542
Total Net Position (Deficit)	$ 17,624	$ 14,062	$ (2,014)	$ (3,458)	$ 15,610	$ 10,604

The City's combined net position increased from $10.6 million to $15.6 million between fiscal years 2019 and 2020, with an increase of 25% in net position for governmental activities and an increase of 42% in net position for business-type activities. Overall, the net position for both governmental and business-type activities increased by 47% for fiscal year 2020, and the City can report a positive balance in net position for the City as a whole.

The increase in deferred outflows is primarily due to the Glenpool Utility Services Authority Utility System Revenue Bonds, Taxable Refunding Series 2019.

The largest portion of the City's net position reflects its investments in capital assets, less any related debt used to acquire those assets to provide services to citizens. Capital assets are items such as land, buildings, machinery and equipment, and infrastructure, which includes streets, water, and sewer lines, as well as storm water facilities. These assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position represents resources that are subject to external restrictionson how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

Change in Net Position

For the year ended June 30, 2020, the change in net position for the governmental activities and business-type activities is as follows:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUE						
Program Revenue:						
Charges for Services	$ 835	$ 690	$ 5,512	$ 5,227	$ 6,347	$ 5,917
Operating Grants and Contributions	$ 672	$ 637	$ -	$ -	$ 672	$ 637
Capital Grants and Contributions	$ 2,731	$ -	$ -	$ -	$ 2,731	$ -
General Revenues:						
Sales and Use Taxes	$ 11,015	$ 10,110	$ -	$ -	$ 11,015	$ 10,110
Other Taxes	$ 588	$ 666	$ -	$ -	$ 588	$ 666
Other General Revenue	$ 458	$ 853	$ 987	$ 109	$ 1,445	$ 962
Total Revenue	$ 16,299	$ 12,956	$ 6,499	$ 5,336	$ 22,798	$ 18,292
EXPENSES						
General Government	$ 2,311	$ 1,828	$ -	$ -	$ 2,311	$ 1,828
Public Safety and Judiciary	$ 7,418	$ 5,388	$ -	$ -	$ 7,418	$ 5,388
Public Works	$ 779	$ 327	$ -	$ -	$ 779	$ 327
Cultural, Parks and Recreation	$ -	$ -	$ -	$ -	$ -	$ -
Economic Development	$ 83	$ 82	$ -	$ -	$ 83	$ 82
Financing	$ -	$ 107	$ 903	$ 1,842	$ 903	$ 1,949
Water and Sewer	$ -	$ -	$ 4,284	$ 2,661	$ 4,284	$ 2,661
Solid Waste	$ -	$ -	$ 672	$ 728	$ 672	$ 728
Storm Water	$ -	$ -	$ -	$ 4	$ -	$ 4
Glenpool Industrial Authority	$ -	$ -	$ 477	$ 367	$ 477	$ 367
Unallocated Depreciation	$ -	$ 1,075	$ 1,013	$ 991	$ 1,013	$ 2,066
Total Expenses	$ 10,591	$ 8,807	$ 7,349	$ 6,593	$ 17,940	$ 15,400
Increase (decrease) in net position before transfers	$ 5,708	$ 4,149	$ (850)	$ (1,257)	$ 4,858	$ 2,892
Transfers	$ (2,086)	$ (1,880)	$ 2,086	$ 1,880	$ -	$ -
Increases (decreases) in net position	$ 3,622	$ 2,269	$ 1,236	$ 623	$ 4,858	$ 2,892
Net position (deficit) - Beginning of Year	$ 14,062	$ 11,793	$ (3,459)	$ (4,081)	$ 10,604	$ 7,712
Prior period adjustment	$ (60)	$ -	$ 209	$ -	$ 149	$ -
Net position (deficit) - End of Year	$ 17,624	$ 14,062	$ (2,014)	$ (3,458)	$ 15,610	$ 10,604

The change in net position measures the change in assets derived from revenues, expenses, and any releases on the restrictions of assets during the period. A positive change indicates resources are prudently managed. The change in net reason for this format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note all taxes are classified as general revenue even if restricted for a specific purpose. The City's net position increased by $5 million as compared to fiscal year 2019.

Governmental Activities

Governmental Activities provided an increase in net position of $3.6 million as compared to 2019. Government-wide sales and use tax revenues increased from the prior year by $905,000, or 9%. Total expenses for governmental activities increased by $1.7 million compared to fiscal year 2019, or 20.3%, largely due to public safety and public works activities. Total revenues increased by approximately $3.3 million (25.8%). The increase in transfers of 11% is primarily due to expected overages in Move Glenpool Forward projects that were supplemented from the General Fund budget and secondarily due to an increase in sales taxes received for the two Tax Increment Financing (TIF) projects. These sales taxes are required to be transferred to a designated fund to be used for these TIF projects.

Business-type Activities

Business-type Activities related to GUSA increased net position by $1.3 million in FY2020 compared to FY2019 due to 21% operating revenues increase from the Glenpool Utility Services Authority Utility System Revenue Bonds, Taxable Refunding Series 2019. Operating costs increased by 36% due to an increase in water and sewer operation cost. Some increases were directly attributable to the rise of the COVID virus. Despite the increase water and sewer operational costs, GUSA still realized an operating profit of $140,235 in 2020 compared to a profit of $665,704 in fiscal year 2019.

General Fund Budgetary Highlights

The FY2020 general fund total revenue and transfers-in were $11.8 million compared to $12.2 in FY2019**.** This represents a decrease of 2.7% over FY2019 due to one-time sale of property for $773,000 and one-time grant for $115,352 Community Development Block Grant in FY2019. Total tax revenue in FY2020 was $8.9 million compared to $8.4 million in FY2019. This represents an increase of 5.8% over FY2019 due to higher sales tax receipts. Total expenditures and transfers-out were over $11.9 million in FY2020 compared to $10.9 million in FY2019. This represents an increase of 8.5% over FY2019 due to streets repairs, emergency radio maintenance and three new positions for the Public Works Department.

Capital Asset & Debt Administration

The following is a summary of changes in capital assets and debt administration for fiscal year 2020. More detailed information on capital asset activity and long-term debt activity is contained in the accompanying notes to the financial statements on pages 29 to 30; and, pages 32 to 34, respectively.

Capital Assets

At the end of June 30, 2020, the City had $48 million invested in capital assets including police and fire equipment, buildings, park facilities, water and sewer lines and roads.

	Governmental Activities		Business-type Activities		Total	
	6/30/2020	6/30/2019	6//30/2020	6/30/2019	6/30/2020	6/30/2019
Land	$ -	$ -	$ 2,883	$ 2,883	$ 2,883	$ 2,883
Construction in Progress	$ 477	$ 37	$ 182	$ -	$ 659	$ 37
Buildings and Improvements	$ 7,986	$ 7,986	$ 14,707	$ 14,707	$ 22,693	$ 22,693
Furniture & Equipment	$ 4,984	$ 4,898	$ 792	$ 780	$ 5,776	$ 5,678
Vehicles	$ 4,728	$ 4,728	$ 499	$ 499	$ 5,227	$ 5,227
Infrastructure	$ 5,909	$ 1,787	$ 26,438	$ 24,882	$ 32,347	$ 26,669
	$ 24,084	$ 19,436	$ 45,501	$ 43,751	$ 69,585	$ 63,187
Less: Depreciation	$ (9,698)	$ (8,527)	$ (11,594)	$ (10,576)	$ (21,292)	$ (19,103)
Total	$ 14,386	$ 10,909	$ 33,907	$ 33,175	$ 48,293	$ 44,084

Debt Administration

At the end of June 30, 2020, the City had total bonded debt outstanding of $40.4 million with debt service supported by the 1-penny sales tax transferred from the General Fund as well as pledged revenues generated by Business-type activities of the City.

See Note 10 or additional information about notes payable, lease obligations, bonds payable and settlements.

At year end, the City had $45.8 million in long term debt as detailed below (expressed in $ 000's):

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue Bonds Payable	$ -	$ -	$ 40,485	$ 35,425	$ 40,485	$ 35,425
Notes Payable	$ 811	$ 28	$ 2,353	$ 2,572	$ 3,164	$ 2,600
Lease Payable	$ 2,180	$ 2,881	$ -	$ -	$ 2,180	$ 2,881
Total Assets	$ 2,991	$ 2,909	$ 42,838	$ 37,997	$ 45,829	$ 40,906

Economic Factors and Next Year's Budget

Sales tax revenues for the year were volatile, showing significant changes from month to month, but the City ended the year with an increase of 3.65% in sales taxes. As a result of this volatility in the economic environment, the City took a conservative approach and projected relatively flat revenues for fiscal year 2020-2021. Projected expenditures were then balanced against those estimates.

Another unknown entering the FY2020-2021 budget year is the pending expiration of the City's 1-Penny Capital Improvement Tax. This tax was approved by voters in March of 2001 for a 20-year term. The Council has set an election date for August 2020 to renew this tax.

The FY2020-2021 budget includes a 2.0% across the board increase in salaries and wages for all non-represented employees. Represented Public Safety employees received varied increases according to the terms of their respective labor agreements. Also included in the budget are several major capital improvement projects, many funded by the new sales tax propositions. These projects include new equipment for public safety personnel, improvements to streets and water and sewer infrastructure, as well as several routine repair projects throughout the City.

Several major residential development projects were underway at the end of FY2020. These and other large development projects are expected to contribute positively to Glenpool's tax base in the year ahead.

Contacting the City's Financial Management

This report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 12205 South Yukon Avenue, Glenpool, OK 74033.

City of Glenpool, Oklahoma

Annual Financial Report
For the Year Ended June 30, 2020

City Council

Joyce Calvert, Mayor – Ward 3
Brandon Kearns, Vice -Mayor – At Large
Timothy Lee Fox, Councilmember – Ward 1
Chris Brobst, Councilmember– Ward 2
Jacqueline Lund, Councilmember – Ward 4

Executive Staff

David Tillotson, City Manager
Susan White, Asst City Manager
Lowell Peterson, City Attorney

Prepared by

Susan White, Interim Treasurer

Basic Financial Statements

City of Glenpool, Oklahoma
Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 4,864,731	$ 1,947,186	$ 6,811,917
Restricted cash and cash equivalents	2,583,603	110,340	2,693,943
Accounts receivable, net	552,753	741,888	1,294,641
Due from other governments	1,291,683	-	1,291,683
Internal balances	1,663,611	(1,663,611)	-
Total current assets	10,956,381	1,135,803	12,092,184
Non-current assets			
Restricted investments	-	4,812,079	4,812,079
Net pension assets	26,959	-	26,959
Capital assets:			
Land and construction in progress	477,065	3,065,357	3,542,422
Other capital assets, net	13,908,922	30,843,059	44,751,981
Total non-current assets:	14,412,946	38,720,495	53,133,441
	25,369,327	39,856,298	65,225,625
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts on refunding	-	1,749,410	1,749,410
Deferred resources related to pensions and OPEB	3,082,782	56,877	3,139,659
Total deferred outflows	3,082,782	1,806,287	4,889,069
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	397,330	470,833	868,163
Accrued interest payable	28,770	121,210	149,980
Deposits subject to refund	-	64,908	64,908
Leases payable	713,791	-	713,791
Notes payable	97,614	224,039	321,653
Revenue bonds payable	-	1,470,000	1,470,000
Amounts held in escrow	14,022	-	14,022
Total current liabilities	1,251,527	2,350,990	3,602,517
Non-current liabilities			
Accrued compensated absences	356,349	31,071	387,420
Net pension liability	5,245,030	-	5,245,030
OPEB liability	1,006,934	148,306	1,155,240
Leases payable	1,466,208	-	1,466,208
Notes payable	713,389	2,128,624	2,842,013
Revenue bonds payable	-	39,015,000	39,015,000
Total non-current liabilities	8,787,910	41,323,001	50,110,911
	10,039,437	43,673,991	53,713,428
DEFERRED INFLOW OF RESOURCES			
Deferred resources related to pensions and OPEB	788,671	2,679	791,350
Total deferred inflows	788,671	2,679	791,350
NET POSITION			
Net investment in capital assets	11,394,985	(8,929,247)	2,465,738
Restricted for:			
Public safety	1,338,779	-	1,338,779
Streets and infrastructure	1,637,932	-	1,637,932
Parks & recreation capital projects	208,433	-	208,433
Capital projects	121,277	3,555,010	3,676,287
Economic development/culture	514,948	-	514,948
Juvenile programs	19,584	-	19,584
Debt service	-	1,042,878	1,042,878
Unrestricted	2,388,063	2,317,274	4,705,337
Total Net Position (deficit)	$ 17,624,001	$ (2,014,085)	$ 15,609,916

See Notes to Financial Statements.

City of Glenpool, Oklahoma
Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary Government					
Governmental activities					
General government	$ 2,310,985	$ 539,730	$ -	$ 2,731,477	$ 960,222
Public safety					
Fire	4,065,710	103,275	504,814	-	(3,457,621)
Police and animal control	2,770,445	78,796	167,056	-	(2,524,593)
Emergency management	423,917	-	-	-	(423,917)
Dispatch and 911 operations	157,606	113,182	-	-	(44,424)
Total public safety and judiciary	7,417,678	295,253	671,870	-	(6,450,555)
Public works					
Streets	779,359	-	-	-	(779,359)
Total public works	779,359	-	-	-	(779,359)
Economic development					
Hotel-motel	82,803	-	-	-	(82,803)
Total governmental activities	10,590,825	834,983	671,870	2,731,477	(6,352,495)
Business-type activities					
Water & sewer	4,284,059	4,274,510	-	-	(9,549)
Solid waste	672,218	789,992	-	-	117,774
Storm water	-	98,802	-	-	98,802
Industrial authority	476,949	348,580	-	-	(128,369)
Financing costs	902,650	-	-	-	(902,650)
Unallocated depreciation	1,013,162	-	-	-	(1,013,162)
Total business-type activities	7,349,038	5,511,884	-	-	(1,837,154)
Total Primary Government	$ 17,939,863	$ 6,346,867	$ 671,870	$ 2,731,477	$ (8,189,649)

(Continued)

City of Glenpool, Oklahoma
Statement of Activities
Year Ended June 30, 2020
(Continued)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Net (expense)/revenue	$ (6,352,495)	$ (1,837,154)	$ (8,189,649)
General revenues:			
Taxes:			
Sales and use taxes	11,014,518	-	11,014,518
Franchise taxes	411,085	-	411,085
Hotel/motel tax	176,761	-	176,761
Intergovernmental	237,064	-	237,064
Investment earnings	68,047	51,332	119,379
Miscellaneous/other fees	127,883	935,254	1,063,137
Rental income	25,233	-	25,233
Transfers - internal activities	(2,086,288)	2,086,288	-
Total general revenues and transfers	9,974,303	3,072,874	13,047,177
Change in net position	3,621,808	1,235,720	4,857,528
Net position (deficit) - beginning of year as previously reported	14,062,159	(3,458,620)	10,603,539
Prior period adjustment	(59,966)	208,815	148,849
Net position (deficit) - beginning of year as restated	14,002,193	(3,249,805)	10,752,388
Net position (deficit) - end of year	$ 17,624,001	$ (2,014,085)	$ 15,609,916

See Notes to Financial Statements.

City of Glenpool, Oklahoma
Balance Sheet
Governmental Funds
June 30, 2020

		Special Revenue Funds		Capital Projects				
	General Fund	Hotel-Motel Tax Fund	Public Safety Personnel Fund	Parks & Rec Fund	Capital Improvement Fund	Streets & Infrastructure Fund	Public Safety Capital Fund	Total Governmental Funds
Assets								
Cash and cash equivalents	$ 4,864,731	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,864,731
Due from other governments	1,291,683	-	-	-	-	-	-	1,291,683
Accounts receivable, net	203,467	15,213	158,638	-	-	95,604	79,831	552,753
Due from other funds	1,663,611	-	-	-	-	-	-	1,663,611
Restricted assets:								
Cash and cash equivalents	-	499,735	488,780	208,433	121,277	1,053,501	211,877	2,583,603
Total assets	8,023,492	514,948	647,418	208,433	121,277	1,149,105	291,708	10,956,381
Liabilities and Fund Balances:								
Liabilities								
Accounts payable	205,056	-	1,905	-	-	153,153	52,882	412,996
Other accrued expenses	119,827	-	21,022	-	-	-	-	140,849
Amounts held in escrow	14,022	-	-	-	-	-	-	14,022
Total liabilities	338,905	-	22,927	-	-	153,153	52,882	567,867
Fund balances								
Restricted	-	514,948	624,491	208,433	121,277	995,952	238,826	2,703,927
Unassigned	7,684,587	-	-	-	-	-	-	7,684,587
Total fund balances	7,684,587	514,948	624,491	208,433	121,277	995,952	238,826	10,388,514
Total liabilities and fund balance	$ 8,023,492	$ 514,948	$ 647,418	$ 208,433	$ 121,277	$ 1,149,105	$ 291,708	$ 10,956,381

See Notes to Financial Statements.

City of Glenpool, Oklahoma
Reconciliation of the Governmental Funds Balance Sheet
To the Government-Wide Statement of Net Position
June 30, 2020

Total Fund Balances - Governmental Funds	$ 10,388,514
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund statements. These assets consist of:	
Construction in progress	477,065
Buildings	7,986,179
Furniture, fixtures, and equipment	4,984,060
Vehicles	4,727,670
Infrastructure	5,908,770
Accumulated Depreciation	(9,697,757)
Certain long-term assets and deferred outflows of resources are not available to pay current fund liabilities, and are therefore deferred in the funds:	
Unavailable revenue - court fines	156,515
Net pension assets	26,959
Pension and OPEB related deferred outflows	3,082,782
Some liabilities and deferred inflows of resources are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:	
Accrued compensated absences	(356,349)
Net pension liability	(5,245,030)
OPEB liability	(1,006,934)
Pension and OPEB related deferred inflows	(788,671)
Accrued interest payable	(28,770)
Capital leases payable	(2,179,999)
Notes payable	(811,003)
Total Net Position - Governmental Activities	$ 17,624,001

See Notes to Financial Statements.

City of Glenpool, Oklahoma

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	General Fund	Special Revenue: Hotel-Motel Tax Fund	Special Revenue: Public Safety Personnel Fund	Capital Projects: Parks & Rec Fund	Capital Projects: Capital Improvement Fund	Capital Projects: Streets & Infrastructure	Capital Projects: Public Safety Capital	Total Governmental Funds
Revenues:								
Taxes	$ 9,049,792	$ 176,761	$ 1,179,033	$ -	$ -	$ 634,199	$ 562,579	$ 11,602,364
Licenses and permits	141,998	-	-	13,300	-	-	-	155,298
Charges for services	295,253	-	-	-	-	-	-	295,253
Intergovernmental programs	914,152	-	-	-	-	-	-	914,152
Fines and forfeits	227,917	-	-	-	-	-	-	227,917
Interest income	48,499	4,875	4,999	1,916	1,171	4,295	2,292	68,047
Miscellaneous	146,034	-	-	-	-	-	-	146,034
Total revenues	10,823,645	181,636	1,184,032	15,216	1,171	638,494	564,871	13,409,065
Expenditures:								
Current:								
General government	1,981,628	-	-	-	-	-	-	1,981,628
Public safety	4,874,704	-	1,208,585	-	-	-	-	6,083,289
Highways and roads	559,106	-	-	-	-	-	-	559,106
Economic Development	-	82,803	-	-	-	-	-	82,803
Debt service:								
Principal	61,465	-	-	-	-	255,484	481,299	798,248
Interest expense	8,246	-	-	-	-	14,709	65,630	88,585
Capital outlay	615,435	-	-	-	-	388,329	184,875	1,188,639
Total expenditures	8,100,584	82,803	1,208,585	-	-	658,522	731,804	10,782,298
Excess of revenues over (under) expenditures	2,723,061	98,833	(24,553)	15,216	1,171	(20,028)	(166,933)	2,626,767
Other financing sources (uses):								
Operating transfers in	1,905,900	-	-	-	-	559,422	143,963	2,609,285
Operating transfers out	(4,537,200)	(60,000)	-	-	-	(98,373)	-	(4,695,573)
Total other financing sources (uses)	(2,631,300)	(60,000)	-	-	-	461,049	143,963	(2,086,288)
Net change in fund balances	91,761	38,833	(24,553)	15,216	1,171	441,021	(22,970)	540,479
Fund balances - beginning of year	7,592,826	476,115	649,044	193,217	120,106	554,931	261,796	9,848,035
Fund balance - end of year	$ 7,684,587	$ 514,948	$ 624,491	$ 208,433	$ 121,277	$ 995,952	$ 238,826	$ 10,388,514

See Notes to Financial Statements.

City of Glenpool, Oklahoma

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds	$ 540,479
Amounts reported for governmental activities in the Statement of Activities are different because:	
Government-wide Statement of Activities report the cost of pension benefits earned net of employee contributions as an element of pension expense. The fund financial statements report pension contributions as expenditures:	
Net pension expense - Police	(162,884)
Net pension expense - Fire	(514,204)
OPEB Liability	150,428
Governmental funds report outlays for capital assets as expenditures While governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	1,021,913
Capital assets donated	2,731,477
Depreciation expense	(1,134,941)
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are not reported in the fund:	
Unavailable revenue - court fines	156,515
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:	
Capital lease obligation principal payments	700,634
Notes payable principal payments	97,614
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Changes in:	
Accrued interest	28,770
Accrued compensated absences	6,007
Change in Net Position of Governmental Activities	$ 3,621,808

See Notes to Financial Statements.

City of Glenpool, Oklahoma
Statement of Net Position
Proprietary Funds
June 30, 2020

	Enterprise Funds		
	Glenpool Utility Service Authority	Glenpool Industrial Authority	Total Enterprise Funds
Assets			
Current assets:			
Cash and equivalents	$ 1,050,984	$ 896,202	$ 1,947,186
Restricted cash and equivalents	110,340	-	110,340
Accounts receivable, net	731,582	10,306	741,888
Total current assets	1,892,906	906,508	2,799,414
Non current assets:			
Restricted investments	4,812,079	-	4,812,079
Capital assets:			
Land and construction in process	2,092,557	972,800	3,065,357
Depreciable buildings, equipment and infrastructure, net of	30,595,211	247,848	30,843,059
Total non-current assets:	37,499,847	1,220,648	38,720,495
Total assets	39,392,753	2,127,156	41,519,909
Deferred outflow of resources			
Deferred amounts on refunding	1,749,410	-	1,749,410
Deferred resources related to OPEB	42,709	14,168	56,877
Total deferred outflow of resources	1,792,119	14,168	1,806,287
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	455,202	15,631	470,833
Accrued interest payable	121,210	-	121,210
Accrued compensated absences	24,687	6,384	31,071
Due to other funds	1,663,611	-	1,663,611
Deposits subject to refund	64,908	-	64,908
Notes payable	224,039	-	224,039
Revenue bonds payable	1,470,000	-	1,470,000
Total current liabilities:	4,023,657	22,015	4,045,672
Non-current liabilities:			
Notes payable	2,128,624	-	2,128,624
OPEB Liability	115,506	32,800	148,306
Revenue bonds payable	39,015,000	-	39,015,000
Total non-current liabilities	41,259,130	32,800	41,291,930
Total liabilities	45,282,787	54,815	45,337,602
Deferred Inflow of resources			
Deferred resources related to OPEB	2,088	591	2,679
Total deferred inflows	2,088	591	2,679
Net position:			
Net investment in capital assets	(10,149,895)	1,220,648	(8,929,247)
Restricted	4,922,419	-	4,922,419
Unrestricted	1,127,473	865,270	1,992,743
Net position (deficit)	$ (4,100,003)	$ 2,085,918	$ (2,014,085)

See Notes to Financial Statements.

City of Glenpool, Oklahoma
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2020

	Enterprise Funds		
	Glenpool Utility Service Authority	Glenpool Industrial Authority	Total Enterprise Funds
Operating Revenues:			
Water revenue	$ 2,750,464	$ -	$ 2,750,464
Sewer revenue	1,322,604	-	1,322,604
Solid waste revenue	772,872	-	772,872
Water taps	60,000	-	60,000
Sewer taps	15,100	-	15,100
Solid waste management fees	17,120	-	17,120
Storm water management fees	98,802	-	98,802
Water/sewer fees	4,773	-	4,773
Connect/transfer fees	6,922	-	6,922
Delinquent fees	83,587	-	83,587
Miscellaneous charges	935,254	-	935,254
Reconnect fees	31,060	-	31,060
Lease revenue	-	348,580	348,580
Total revenues	6,098,558	348,580	6,447,138
Operating expense:			
Water and sewer operations	4,284,059	-	4,284,059
Solid waste operations	672,218	-	672,218
Conference Center operations	-	476,586	476,586
Economic Development	-	363	363
Depreciation	1,002,046	11,116	1,013,162
Total operations expense	5,958,323	488,065	6,446,388
Operating income (loss)	140,235	(139,485)	750
Non-operating revenues (expenses):			
Interest revenue	40,545	10,787	51,332
Interest expense and fiscal agent charges	(902,650)	-	(902,650)
Total Non-operating revenues (expenses)	(862,105)	10,787	(851,318)
Income (loss) before operating transfers	(721,870)	(128,698)	(850,568)
Transfers in	3,887,435	104,753	3,992,188
Transfers out	(1,860,000)	(45,900)	(1,905,900)
Change in net position	1,305,565	(69,845)	1,235,720
Total net position (deficit), beginning (as restated)	(5,405,568)	2,155,763	(3,249,805)
Total net position (deficit), ending	$ (4,100,003)	$ 2,085,918	$ (2,014,085)

See Notes to Financial Statements.

City of Glenpool, Oklahoma
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2020

	Enterprise Funds		
	Glenpool Utility Service Authority	Glenpool Industrial Authority	Total Enterprise Funds
Cash flows from operating activities:			
Cash received from customers & service users	$ 6,129,143	$ 357,235	$ 6,486,378
Cash payments for goods & services & employees	(4,901,211)	(460,383)	(5,361,594)
Net cash provided by (used in) operating activities	1,227,932	(103,148)	1,124,784
Cash flows from noncapital financing activities:			
Transfers to other funds	-	(45,900)	(45,900)
Net cash provided by (used in) for noncapital financing activities	-	(45,900)	(45,900)
Cash flows from capital and related financing activities:			
Transfers from other funds	3,887,435	104,753	3,992,188
Transfers to other funds	(1,860,000)	-	(1,860,000)
Acquisition & construction of capital assets	(1,355,773)	(182,336)	(1,538,109)
Proceeds from debt	40,720,000	-	40,720,000
Principal paid on debt	(37,629,154)	-	(37,629,154)
Interest paid on debt	(941,618)	-	(941,618)
Net cash provided by (used in) for capital and related financing activities	2,820,890	(77,583)	2,743,307
Cash flows from investing activities:			
(Purchase) liquidation of investments	(3,757,533)	-	(3,757,533)
Interest on investments	40,545	10,787	51,332
Net cash provided by (used in) investing activities	(3,716,988)	10,787	(3,706,201)
Net increase (decrease) in cash & cash equivalents	331,834	(215,844)	115,990
Cash and cash equivalents - beginning of year	829,490	1,112,046	1,941,536
Cash and cash equivalents - end of year	$ 1,161,324	$ 896,202	$ 2,057,526
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	$ 140,235	$ (139,485)	$ 750
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1,002,046	11,116	1,013,162
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	30,585	8,655	39,240
Increase (decrease) in customer deposits	(250,558)	-	(250,558)
Increase (decrease) in accounts payable and accrued expenses	290,830	13,296	304,126
Increase (decrease) in OPEB Liability	15,873	4,774	20,647
Increase (decrease) in compensated absences	(1,079)	(1,504)	(2,583)
Total adjustments	1,087,697	36,337	1,124,034
Net cash provided by (used in) operating activities	$ 1,227,932	$ (103,148)	$ 1,124,784

See Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

The financial statements of the City of Glenpool, Oklahoma (the City) are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The more significant accounting policies of the City are described below.

Reporting Entity

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, and judiciary (fire, police, animal control and court), public works, and culture, parks and recreation for the geographical area organized as the City.

As required by accounting principles generally accepted in the United States of America, these financial statements present the activities of the City and its blended component units or trusts, entities for which the City is considered to be financially accountable. Public trusts, although legally separate entities are, in substance, part of the City’s operations; therefore, data from these blended component units are combined with the data of the primary government.

Blended Component Units:

The Glenpool Utility Services Authority (the GUSA) was 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 GUSA is exempt from State and Federal Income taxes. The GUSA is reported as an enterprise fund.

The Glenpool Industrial Authority (the GIA) was 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. The GIA is exempt from State and Federal Income taxes. The GIA is reported as an enterprise fund.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non- exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

The reporting entity is organized into funds, each of which is considered a separate accounting entity. Separate financial statements are provided for the two fund categories which are governmental and proprietary. For the governmental and proprietary fund categories, an emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- Total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding fund category total, and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental funds and enterprise funds combined.

The funds of the City are described below:

General Fund - The general fund is the primary operating fund of the City government and will always be classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - A Special revenue fund is used to account for the proceeds of specific revenue sources, other than capital projects, that are legally restricted to expenditures for specified purposes or otherwise segregated for accounting purposes. The City had two special revenue funds active during the fiscal year ending June 30, 2020. The Hotel-Motel Tax fund accounts for hotel-motel tax revenues and expenditures related to economic development and cultural activities. The Public Safety Personnel fund accounted for a dedicated tax that is used solely for public safety personnel expenditures.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Financial Statements *(Continued)*

Capital Projects Fund - A capital projects fund is used to account for the resources restricted for the acquisition or construction of specific capital projects or items. The following capital projects funds were active during the fiscal year ending June 30, 2020:

- Parks & Recreation Fund - This fund does not meet the percentage criteria for a major fund but has been presented as a major fund within the governmental-type financial statements.
- Capital Improvement Fund.
- Streets & Infrastructure Fund. This fund does not meet the percentage criteria for a major fund but has been presented within the governmental-type financial statements.
- Public Safety Capital Fund. This fund does not meet the percentage criteria for a major fund but has been presented within the governmental-type financial statements.

Enterprise Fund - An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, management control, accountability or other purpose. The reporting entity includes the following enterprise funds:

- Glenpool Utility Service Authority (GUSA): Accounts for the operations of providing public works (water, sewer, and sanitation) for the City.
- Glenpool Industrial Authority (GIA): Promotes the development of industry in the City and operates the Glenpool Conference Center, which is dedicated to attracting business and social functions to Glenpool. This fund does not meet the percentage criteria for a major fund, but the City has elected to treat this non-major fund as though it were major fund for purposes of presentation within the proprietary funds of the financial statements rather than aggregating this information separately, solely for the benefit of user understandability of the financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation *(Continued)*

The government-wide statement of net position and statement of activities are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The governmental funds financial statements are presented on the current financial resources measurement focus and the 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 revenues are collectible within the current period or within 60 days of the end of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest and accrued compensated absences which are recorded when due.

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balances

Cash and Cash Equivalents - Cash in bank, cash on hand and short-term investments with original maturities of ninety days or less are reported as cash and cash equivalents. The resources of the individual funds are general in purpose and combined to form a pool of investments which is managed by the Director of Finance. These pooled assets are stated at amortized cost if the investment had a maturity of one year or less at the time of purchase. All investments held are authorized under Oklahoma State Statutes. Permissible investments include direct obligations of the U. S. government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations.

Investments - Money market investments with an original maturity of one year or less are recorded at amortized cost. Long term investments are recorded at fair value.

Accounts Receivable/Due from Other Governments - In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable of $208,886, consisting mostly of unpaid court fines, are based upon the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes and court fines. In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax and grants and other similar intergovernmental revenues since they are usually both measurable and available. Proprietary fund 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 of $225,000 are based upon the periodic aging of accounts receivable.

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balances *(Continued)*

Restricted Assets - Proceeds from debt and related sinking fund accounts and contributions from governmental grantors to the Enterprise Funds are classified as restricted assets since their use is restricted by applicable bond indentures and grant agreements. Customer utilities deposits held by the City are classified as restricted assets.

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

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in the business-type activities column of the government-wide statement of net position and in the respective funds. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of $10,000 for the governmental and proprietary funds.

The City's infrastructure consists of roads, bridges, culverts, curbs and gutter, streets and sidewalks, drainage system, lighting systems and similar assets that are immovable and of value only to the City. Such infrastructure assets acquired are capitalized in accordance with the requirements of GASB 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add value of the asset or materially extend an asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

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

Class of Asset	Estimated Useful Life
Buildings	40 years
Furniture, Fixtures and Equipment	3-5 years
Land Improvements	20 years
Vehicles	5-20 years
Infrastructure	10-50 years

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balances *(Continued)*

Compensated Absences - It is the City's policy to permit full-time employees to accumulate earned but unused vacation. Full-time employees who have been employed continuously for at least 12 months are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. The expense and related liability for vested vacation benefits and compensatory time is recorded in the respective funds of the City or component unit.

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

Government-wide Financial Statements - All long-term debts to be repaid from governmental and business-type component unit resources are reported as liabilities in the government-wide statements. The long-term debts consist primarily of accrued compensated absences, pension benefits, capital leases payable, notes payable and revenue bonds payable.

Fund Financial Statements - Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. Payment of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Deferred Outflow/Inflow of Resources - In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) which will not be recognized as an outflow of resources until that time. The City reports deferred outflows related to pension contributions subsequent to the measurement date, the change in proportion, and the difference between the expected and actual plan experience. Also, the deferred amounts on refunding are reported in the government-wide statement of net position. A deferred amounts on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or funding debt.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) which will not be recognized as an inflow of resources (revenues) until that time. The City reports the deferred inflows related to pension accounting for the net difference between projected and actual earnings on pension plan investments and the change in proportion.

Equity Classifications

Government-wide Financial Statements - Equity is classified as net position and is displayed in three components:

Note 1: Summary of Significant Accounting Policies (Continued)

Equity Classifications *(Continued)*

Assigned fund balance comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City's Council or (2) a body or official to which the City's Council has delegated the authority to assign amounts to be used for specific purposes. Such delegation is made to the City Manager, CFO, or applicable department manager at a City Council meeting and is recorded in the meeting minutes.

Unassigned fund balance – the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Additionally, although the City Council has not adopted a formal fund balance policy, the City considers committed, then assigned, then unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

Revenues, Expenditures and Expenses

Sales Tax: The City 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. The Tax Commission receives the sales tax approximately one month after collection by vendors. The entire sales tax is recorded as revenue within the General Fund. Upon receipt, the General Fund distributes the dedicated portion of the sales tax as follows:

- Three cents retained by the General Fund for operations.
- One cent transferred to the Capital Improvement Fund as approved by the voters in 2001 to be used for capital projects or debt service related to capital projects.

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 bonds and court-assessed judgments. Property taxes attach an enforceable lien on property as of January 1. Taxes are levied annually on November 1 and are due one-half by December 31 and one-half by March 31. The County Tax Assessor's office bills and collects the property taxes and remits to the City its portion. Property taxes not paid prior to April are considered delinquent. As of June 30, 2020, the City had no outstanding general obligation bonds or judgements. No property tax was levied during the fiscal year ended June 30, 2020.

City of Glenpool, Oklahoma
Notes to the Financial Statements
June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Revenues, Expenditures and Expenses *(Continued)*

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

Activity	**Program Revenue**
General Government	Licenses and Permits, development and zoning fees,inspection fees, operating and capital grants.
Public Safety & Judiciary	Court fines and forfeitures, operating and capital grants,donations from outside contributors.
Public Works	Motor fuel tax, commercial vehicle tax.

All other governmental revenues are reported as general. Aside from motor vehicle taxes, all taxes are classified as general revenue even if restricted for a specific purpose.

Operating Revenues and Expenses: Operating revenues and expenses for proprietary funds and similar discretely presented component units are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing or investing activities.
Expenditures/Expenses:

Government-wide Financial Statements: In the government-wide financial statements, expenses are reported on the accrual basis and are classified by function for both governmental and business-type activities.

Fund Financial Statements: In the fund financial statements, proprietary funds report expenses relating to use of economic resources. Governmental funds report expenditures of financial resources which are classified as follows:

Current (further classified by function)
- Debt Service
- Capital Outlay

Internal and Interfund Balances and Activities

Government-wide Financial Statements: 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. The eliminations or reclassifications, if any, in the government-wide statements are as follows:

Note 1: Summary of Significant Accounting Policies (Continued)

<u>Internal and Interfund Balances and Activities</u> *(Continued)*

Internal balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.

Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities.

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:

Interfund loans – amounts provided with a requirement for repayment are reported as interfund receivables and payables.

Interfund services – sales or purchases of goods and services between funds are reported as revenue and expenditures/expenses.

Interfund reimbursements – repayments from funds responsible for certain expenditures or expenses to the funds that initially paid for them are not reported as reimbursements. Rather, the reimbursements are reported as adjustments to expenditures/expenses in the respective funds.

Interfund transfers – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

<u>Use of Estimates</u>

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1: Summary of Significant Accounting Policies (Continued)

Pensions

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 Firefighter's Pension & Retirement System (OFPRS) and Oklahoma Police Pension & Retirement System (OPPRS), and additions to/deductions from OFPRS and OPPRS's fiduciary net position have been determined on the same basis as they are reported by OFPRS and OPPRS. For this purpose, benefits 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.

Subsequent Events

Subsequent events have been evaluated through September 21, 2021, the date the financial statements were available to be issued.

Note 2: Stewardship, Compliance and Accountability

By its nature as a local government unit, the City and its component units are subject to various federal, state, and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources is detailed below.

Fund Accounting Requirements

The City complies, in all material respects, with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include the following:

Fund	Required by
Glenpool Utility Service Authority Funds	Trust Indenture
Glenpool Industrial Authority Funds	Trust Indenture

Deposits and Investments

The City maintains a cash pool that is available for use by most funds, as discussed in Use of Estimates. In addition, cash and investments are separately held by several of the City's funds.

It is the City's policy to use state statutes (as they relate to municipal deposits and investments) as the City's deposit and investment guide. Therefore, the City collateralizes 100% of all deposit amounts, including interest, not covered by federal deposit insurance. Obligations that may be pledged as collateral include U.S. government issues, U.S. government insured securities, State of Oklahoma bonds, and bonds of any Oklahoma county or school district.

City of Glenpool, Oklahoma
Notes to the Financial Statements
June 30, 2020

Note 2: Stewardship, Compliance and Accountability (Continued)

Deposits and Investments *(Continued)*

Public trusts created under O.S. Title 60, are not subject to the statutory investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2020, the City and its public trusts complied, in all material respects, with these investment restrictions.

Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Revenue Source	Legal Restriction of Use
Sales Tax	See Note Use of Estimates
Gasoline Excise and Commercial Vehicle Tax	Street and alley purposes
E-911 Revenue	E-911 Emergency Service Purposes
Ad Valorem Tax	Debt service on bonds and judgements
Grants Revenue	Based on individual grant agreements

For the year ending June 30, 2020, the City complied, in all material respects, with these revenue restrictions.

Debt Restrictions and Covenants

General Obligation Debt: Article 10, Sections 26 and 27 of the Oklahoma Constitution limits the amount of outstanding general obligation bonded debt of the municipality for non-utility or non-street purposes to no more than 10% of net assessed valuation. For the year ended June 30, 2020, the City complied with this restriction.

Other Long-term Debt: As required by the Oklahoma State Constitution, the City (excluding public trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without obtaining voter approval. For the year ended June 30, 2020, no such debt was incurred by the City.

Revenue Bond Debt: The bond indenture relating to the revenue bond issues of the GUSA contains a number of restrictions or covenants that are financial related such as a required flow of funds through special accounts, required reserve account balances, and revenue bond debt service coverage requirements. The following schedule presents a summary of the most significant requirements and the GUSA's level of compliance thereon as of June 30, 2020:

Note 2: Stewardship, Compliance and Accountability (Continued)

Debt Restrictions and Covenants *(Continued)*

Requirement	Legal of Compliance
Flow of funds through General Fund, Capital Improvement Fund, and other bond accounts	All required accounts have been established and are used per bond indenture requirements
Reserve Account	The bonds are secured by a Bond Fund Reserve Account held by the GUSA's trustee bank.
Revenue Bond and Oklahoma Water Resources Board Note Requirement	For the year ended June 30, 2020, available sales tax, and revenues, as defined by the bond indenture, were $17,899,257 the bond coverage requirement is operating and maintenance excluding depreciation, or $3,392,848 plus 125% of primary principal and interest plus 125% of subordinate principal and interest, or $3,714,295. Excess coverage was $5,378,772 or 1.45 times the required principal, interest, and fee coverage.

Fund Equity/Net Position Restrictions

Title 11, section 17-211 of the Oklahoma statutes prohibits the creation of a deficit fund balance in any individual fund of the City (excluding public trusts). The City had no fund balance deficits at June 30, 2020.

Prior Period Restatement

Net position was restated as follows:

	Fund Level					Government-Wide Level	
	Governmental Funds			Proprietary Fund			
	General	Special Revenue Funds	Capital Projects	GUSA	GIA	Governmental Activities	Business-Type Activities
Beginning Fund balance/net position as previously reported at June 30, 2019:	$ 7,592,826	$ 1,125,159	$ 1,130,050	$ (5,614,383)	$ 2,155,763	$ 14,062,159	$ (3,458,620)
Prior period adjustment:							
Donated infrastructure	-	-	-	208,815	-	-	208,815
Capitalized infrastructure	-	-	-	-	-	858,304	-
Notes payable	-	-	-	-	-	(880,731)	-
Accrued interest	-	-	-	-	-	(37,539)	-
Fund Balance/Net position as restated July 1, 2019	$ 7,592,826	$ 1,125,159	$ 1,130,050	$ (5,405,568)	$ 2,155,763	$ 14,002,193	$ (3,249,805)

Note 2: Stewardship, Compliance and Accountability (Continued)

Detailed Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for various assets, deferred outflows, liabilities, deferred inflows, equity, revenues, and expenditures/expenses.

Note 3: Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The deposit policy of the City for custodial credit risk requires compliance with the provisions of state law. State law requires collateralization of all deposits with federal depository insurance, U.S. government issues, U.S. government insured securities, State of Oklahoma bonds or bonds of any county or school district of the State of Oklahoma. At June 30, 2020 the City's bank balance of $9,505,860 was not exposed to custodial credit risk.

Investments

The City may legally invest in direct obligations of the U.S. government and agency securities, certificates of deposit and savings accounts or savings certificates of savings and loan associations.

Interest Rate Risk—Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The City's investment policy does not address interest rate risk.

Credit Risk—Investment credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address credit risk.

Concentration of Credit Risk—The City places no limit on the amount that may be invested in any one issuer.

Custodial Credit Risk—Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial risk. However, the City's investments are in the City's name, thus the City has no custodial risk at June 30, 2020.

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

Note 3: Deposits and Investments (Continued)

Investments *(Continued)*

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.

Certificates of deposits 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.

With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.

County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality, or school district.

Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.

Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (1) through (4).

Fair Value Measurement

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. For the year ended June 30, 2020, mutual funds held by the City were valued using quoted prices in active markets (Level 1 inputs).

The City had the following deposits and investments at June 30, 2020:

Type	Weighted Average Maturity (Months)	Credit Rating	Value
Demand deposits and cash on hand	N/A	(1)	$ 14,014,747
Certificates of deposit	N/A	(1)	303,192
			$ 14,317,939

City of Glenpool, Oklahoma
Notes to the Financial Statements
June 30, 2020

Note 3: Deposits and Investments (Continued)

Fair Value Measurement *(Continued)*

Reconciliation to Statement of Net Position	
Cash and cash equivalents	$ 6,811,917
Restricted cash and cash equivalents	2,693,943
Restricted investments	4,812,079
	$ 14,317,939

Note 4: Accounts Receivable

The accounts receivable of the governmental activities consist of hotel tax, franchise taxes, court fines and E911 fees. The remaining receivables are intergovernmental and/or due from various customers. The accounts receivable of the business-type activities are amounts due from utility customers and conference center operations.

Note 5: Accounts Payable

Accounts payable balances are payables to vendors. Accrued liabilities are salaries and wages payable as well as accrued insurance where applicable.

Note 6: Restricted Assets

Certain cash and cash equivalents of the City are restricted in their use through grant agreements, contracts or laws and ordinances. Certain cash, cash equivalents, and investments of the GUSA are restricted in their use by bond and note indentures. Customer deposits received for water, sewer and refuse service are restricted in their use toward the customer's final bill. The following schedule shows restricted cash and cash equivalents and investments.

City of Glenpool, Oklahoma
Notes to the Financial Statements
June 30, 2020

Note 6: Restricted Assets (Continued)

	Governmental	Business-Type	
	Current Cash and Cash Equivalents	Current Cash and Cash Equivalents	Non-current Investments
2011 CWSRF OWRB debt service fund	$ -	$ -	$ 57,846
2019 Construction fund	-	-	3,555,010
2019 Tax bond fund	-	-	985,032
Utility deposits	-	110,340	214,191
Police and fire operations	488,780	-	-
Economic development and cultural programs	499,735	-	-
Developer fees for future park improvements	208,433	-	-
Matching funds for construction of sidewalk improvements - ODOT	121,277	-	-
Streets and other infrastructure capital	1,053,501	-	-
Public safety capital	211,877	-	-
	$ 2,583,603	$ 110,340	$ 4,812,079

Note 7: Capital Assets

Governmental capital asset activity for the year ended is summarized below:

	Restated Balance 6/30/2019	Additions	Disposals	Balance 6/30/2020
Governmental Activities:				
Non-depreciable assets:				
Land	$ -	$ -	$ -	$ -
Construction in progress	36,694	440,371	-	477,065
Total non-depreciable assets	36,694	440,371	-	477,065
Depreciable assets:				
Buildings and improvements	7,986,179	-	-	7,986,179
Furniture, fixtures and equipment	4,898,604	85,456	-	4,984,060
Vehicles	4,727,670	-	-	4,727,670
Infrastructure	2,681,207	3,227,563	-	5,908,770
Total depreciable assets	20,293,660	3,313,019	-	23,606,679
Less accumulated depreciation:				
Buildings and improvements	(2,724,989)	(197,962)	-	(2,922,951)
Furniture, fixtures and equipment	(2,924,124)	(408,721)	-	(3,332,845)
Vehicles	(2,585,123)	(378,054)	-	(2,963,177)
Infrastructure	(328,580)	(150,204)	-	(478,784)
Total accumulated depreciation	(8,562,816)	(1,134,941)	-	(9,697,757)
Net depreciable assets	11,730,844	2,178,078	-	13,908,922
Net governmental activities capital assets	$ 11,767,538	$ 2,618,449	$ -	$ 14,385,987

Note 7: Capital Assets (Continued)

Business-type capital asset activity for the year ended is as follows:

	Restated Balance 6/30/2019	Additions	Disposals	Balance 6/30/2020
Business-Type Activities:				
Non-depreciable assets:				
Land	$ 2,883,021	$ -	$ -	$ 2,883,021
Construction in progress	-	182,334	-	182,334
Total non-depreciable assets	2,883,021	182,334	-	3,065,355
Depreciable assets:				
Buildings and improvements	14,707,380	-	-	14,707,380
Furniture, fixtures and equipment	779,973	12,284	-	792,257
Vehicles	498,732	-	-	498,732
Infrastructure	25,094,870	1,343,491	-	26,438,361
Total depreciable assets	41,080,955	1,355,775	-	42,436,730
Less accumulated depreciation:				
Buildings and improvements	(3,022,965)	(367,160)	-	(3,390,125)
Furniture, fixtures and equipment	(645,300)	(28,523)	-	(673,823)
Vehicles	(414,524)	(22,816)	-	(437,340)
Infrastructure	(6,497,718)	(594,663)	-	(7,092,381)
Total accumulated depreciation	(10,580,507)	(1,013,162)	-	(11,593,669)
Net depreciable assets	30,500,448	342,613	-	30,843,061
Net governmental activities capital assets	$ 33,383,469	$ 524,947	$ -	$ 33,908,416

Note 8: Interfund Receivables and Payables

The City's General Fund made an advance to the GUSA to cover a cash deficit resulting from operating losses in prior years. The balance of this advance at June 30, 2020 was $1,663,611 and will not be paid within one year.

City of Glenpool, Oklahoma

Notes to the Financial Statements
June 30, 2020

Note 9: Interfund Transfers

Interfund transfers were made to comply with sales tax collection provisions and agreements and to fund cash shortages in various funds as needed. These shortages occurred due to operating expenditures exceeding fund revenues. Interfund transfers reported in the fund financial statements for the year ended June 30, 2020, consisted of the following:

Transfer From	Transfer To	Amount	Nature of Interfund Transfer
General Fund	GUSA	$ 1,929,062	Dedicated Sales Tax for Debt Service
General Fund	GUSA	1,860,000	Bond Pledge
General Fund	GIA	44,753	Budgetary
General Fund	Streets & Park	559,422	Supplemental Funds for Road Improv.
General Fund	Public Safety Capital	143,963	Debt Service
GUSA	General Fund	1,860,000	Return of Bond Pledge
Hotel Motel Fund	GIA	60,000	Budgetary
GIA	General Fund	31,500	Budgetary
GIA	Capital Improvement Fund	14,400	Budgetary
Streets & Park	GUSA	98,373	Capital Purchases
		$ 6,601,473	

	Transfer In	Transfer Out	Total
Reconciliation to Fund Financial Statements:			
Governmental Funds	$ 2,609,285	$ 4,695,573	$ (2,086,288)
Proprietary Funds	3,992,188	1,905,900	2,086,288
	$ 6,601,473	$ 6,601,473	$ -

Note 10: Long-term Liabilities

The reporting entity’s long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type.

Note 10: Long-term Liabilities (Continued)

Governmental Activities: As of June 30, 2020, the governmental activities long-term debt consisted of the following:

		2020
Notes Payable - Direct Borrowings		
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.	$	9,525
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.		15,961
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		785,517
Total Notes Payable	$	811,003
Current portion	$	97,614
Non-current portion		713,389
Total Notes Payable	$	811,003

		2020
Capital Lease Obligations		
$472,765 capital lease with Oshkosh Capital for fire truck, interest rate of 4.5%, annual installments commencing September 24, 2011 through September 24, 2020, balloon payment October 24, 2020.	$	135,220
$26,320 capital lease with Oklahoma State Bank for animal control truck, interest rate of 1.98%, monthly installments commencing April 22, 2017 through March 22, 2021.		5,265
$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		336,315
$731,100.23 capital lease with Community Bank for fire truck, interest rate of 2.9%, annual installments commencing May 1, 2017 through May 5, 2021. Final balloon payment due May 10, 2021.		379,390

City of Glenpool, Oklahoma
Notes to the Financial Statements
June 30, 2020

Note 10: Long-term Liabilities (Continued)

$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.	$	410,955
$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.		242,355
$203,539 capital lease with Oklahoma State Bank for five police vehicles, interest rats of 1.98%, monthly Installments commencing December 1st 2017 through March 1st, 2021		48,071
$84,796 capital lease with Oklahoma State Bank for two Police Vehicles, interest rate 2.39%, Monthly installment commencing December 14th 2017 through November 14th, 2022.		30,961
$227,647.40 capital lease with Oklahoma State Bank for Breathing Apparatus 2.39% Interest rate, annual installment commencing November 14th 2018 through November 14th, 2022		116,507
$36,500 lease with Axon Enterprise Inc., for breathing apparatus equipment annual installment commending December 13th 2017 through December 13th, 2022		15,600
$8,119 Tasers Cartridge with Axon Enterprise Inc, for Tasers Cartridge annual installment commending December 13th 2017 through December 13th, 2022		1,623
$562,976.56 Oklahoma State Bank, 2009 Pierce velocity 100 aerial Platform Fire Truck, 3.36% Interest rate, annual installment commencing April 24th 2019 through April 24th, 2024		457,737
Total Capital Leases	$	2,179,999
Current portion		713,791
Non-current portion		1,466,208
Total Capital Leases	$	2,179,999

City of Glenpool, Oklahoma
Notes to the Financial Statements
June 30, 2020

Note 10: Long-term Liabilities (Continued)

Business-Type Activities: As of June 30, 2020, the business-type activities long-term debt consisted of the following:

	2020
Revenue Bonds Payable	
Series 2011 Utility Revenue Refunding Bond dated January 5, 2011, original issue amount of $7,315,000, secured by utility revenues and dedicated 1 cent sales tax and other pledged sales tax, interest rates range from 3.7% to 5.15%, semiannual interest and annual principal installments commencing June 1, 2011 through December 1, 2040.	$ -
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, 2060	40,485,000
Total Revenue Bonds Payable	$ 40,485,000
Current portion	$ 1,470,000
Non-current portion	39,015,000
Total Revenue Bonds Payable	$ 40,485,000

	2020
Notes Payable - Direct Borrowings	
2001 Oklahoma Water Resources Board (OWRB) CWSRF Note dated May 1, 2001, original amount $1,361,388, secured by utility revenues and pledged sales taxes, no interest plus administrative fee of 5%, semiannual installments of principal commencing September 1, 2001 through March 15, 2021.	$ 68,070
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.	2,284,593
Total Notes Payable	$ 2,352,663
Current portion	$ 224,039
Non-current portion	2,128,624
Total Notes Payable	$ 2,352,663

Note 11: Applicability of Federal Arbitrage Regulations

Certain debt issuances of the GUSA issued after the Tax Reform Act of 1986 are subject to the federal arbitrage regulations. The arbitrage rebate regulations require that all earnings from the investment of gross proceeds of an issue in excess of the amount that could have been earned had the yield on the investment been equal to the yield on the bonds be remitted to the federal government. These carry strict penalties for noncompliance including taxability of interest retroactive to the date of the issue. The City's management believes it is in compliance with these rules and regulations.

Note 12: Revenue Bond Refunding

On September 30, 2019, the City issued the Series 2019 Utility Revenue Refunding Bonds in the amount of $40,720,000. The proceeds of this issue were to advance refund the City's 2010A, 2010B, and 2011 bonds. This transaction reduced debt service payments of approximately $2,846,000 over the next 21 years and result in an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately $2,089,000. The refunding resulted in a deferred gain on refunding of $1,749,410.

Note 13: Changes in Long-term Liabilities

Changes in the long-term liabilities for the year ended June 30, 2020 are summarized below:

Governmental Activities:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
Notes payable	$ 908,617	$ -	$ (97,614)	$ 811,003
Capital lease obligations	2,880,633	-	(700,634)	2,179,999
Compensated absences	362,356	-	(6,007)	356,349
Total	$ 4,151,606	$ -	$ (804,255)	$ 3,347,351

Business-type Activities:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
Revenue Bond 2010A	$ 27,375,000	$ -	$ (27,375,000)	$ -
Revenue Bond 2010B	1,640,000	-	(1,640,000)	-
Revenue Bond 2011	6,410,000	-	(6,410,000)	-
Revenue Bond 2019	-	40,720,000	(235,000)	40,485,000
OWRB 2001	136,140	-	(68,070)	68,070
OWRB 2011	2,436,268	-	(151,675)	2,284,593
Claim Settlement	-	-	-	-
Compensated absences	33,654	-	(2,583)	31,071
Total	$ 38,031,062	$ 40,720,000	$ (35,882,328)	$ 42,868,734

Note 14: Maturities of Long-term Debt

The debt service maturities for long-term indebtedness in the coming years are as follows:

Governmental Activities:

Business-type Activities:

Year Ending June 30,	Principal	Interest	Total
2021	$ 811,405	$ 68,073	$ 879,478
2022	996,672	35,790	1,032,462
2023	256,199	20,016	276,215
2024	261,639	14,575	276,214
2025	143,081	8,926	152,007
2026-2030	518,050	18,490	536,540
2031-2034	3,956	-	3,956
Total	$ 2,991,002	$ 165,870	$ 3,156,872

Year Ending June 30,	Principal	Interest	Total
2021	$ 1,694,039	$ 1,267,715	$ 2,961,754
2022	1,660,203	1,229,215	2,889,418
2023	1,699,553	1,189,855	2,889,408
2024	1,738,893	1,149,675	2,888,568
2025	1,783,607	1,108,308	2,891,915
2026-2030	9,551,271	4,836,909	14,388,180
2031-2035	10,450,097	3,394,873	13,844,970
2036-2040	11,670,000	1,564,377	13,234,377
2041-2042	2,590,000	47,462	2,637,462
Total	$ 42,837,663	$ 15,788,389	$ 58,626,052

Note 15: Pledge of Future Revenues

Sales Tax Pledge: The City has pledged four cents of future sales tax 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, wastewater, solid waste, and stormwater revenues. The bonds are payable through 2042. The total principal and interest payable for the remainder of the life of these bonds is $58,626,052. Pledged sales taxes received in the current year were $7,872,722 for the bonds and the net utility revenues were $6,098,558. Debt service payments for the bonds of $2,688,521 for the current fiscal year were 34% of the pledged sales taxes and 19% of both pledged sales taxes and utility revenues combined.

Note 15: Pledge of Future Revenues (Continued)

In addition, the City has pledged four cents of future sales tax revenues to repay $5,102,013 of 2001 and 2011 OWRB Notes Payable. Proceeds from the notes provided financing for capital assets. The notes are payable from pledged sales tax revenues and further secured by net water, wastewater, solid waste, and stormwater revenues. The notes are payable through 2021 and 2032, respectively. The total principal and interest payable for the remainder of the life of these notes is $2,695,568. Pledged sales taxes received in the current year were $7,872,722 for the notes and the net utility revenues were $6,098,558. Debt service payments for the notes of $239,268 for the current fiscal year were 3% of the pledged sales taxes and 2% of both pledged sales taxes and utility revenues combined.

An annual appropriation for the transfer of pledged sales tax is made based on the annual debt service requirements. Net utility revenues are used first to service the debt for the bonds and notes payable, with any remaining pledged sales taxes transferred back to the General Fund.

Note 16: Employee Pension Plans and Other Post-Employment Benefits

Pension Plan Obligations

Each qualified employee participates in one of the three retirement plans in which the City participates. These are the Oklahoma Police Pension and Retirement System (OPPRS), Oklahoma Firefighters Pension & Retirement System (FPRS) the and the Oklahoma Municipal Retirement Fund (OMRF).

Oklahoma Police Pension and Retirement System

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

Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the 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.

Note 16: Employee Pension Plans and Other Post-Employment Benefits
(Continued)

Benefits provided *(Continued)*
Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

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

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

Contributions **-** The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were $179,041. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of $167,056 during the calendar year and this is reported as both expense and revenue 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 $167,056. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Net Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the City reported an asset of $26,959 for its proportionate share of the net pension asset. The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of July 1, 2019. The City's proportion of the net pension liability (asset) was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2019. Based upon this information, the City's proportion was .42223%.

City of Glenpool, Oklahoma
Notes to the Financial Statements
June 30, 2020

Note 16: Employee Pension Plans and Other Post-Employment Benefits (Continued)

Pension Net Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

For the year ended June 30, 2020, the City recognized pension expense of $323,473. At June 30, 2020, 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 Recourses
Differences between expected and actual experience	$ 16,179	$ 127,287
Changes of assumptions	68,838	-
Net difference between projected and actual earnings on pension plan investments	246,356	-
Changes in proportion	3,806	524
Contributions during measurement date	5,741	1,399
City of benefit payments subsequent to the measurement date	179,041	-
Total	$ 519,961	$ 129,210

In the year ending June 30, 2021, $179,041 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 (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2021	$ 119,831
2022	(33,855)
2023	40,508
2024	81,923
2025	3,303
	$ 211,710

Note 16: Employee Pension Plans and Other Post-Employment Benefits
(Continued)

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	3.5% to 12.0% 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, 2019, valuation was based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

Note 16: Employee Pension Plans and Other Post-Employment Benefits (Continued)

Actuarial Assumptions *(Continued)*

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, 2019, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	4.79%
Domestic equity	5.74%
International equity	9.19%
Real estate	7.99%
Private equity	10.20%
Commodities	3.50%

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.

City of Glenpool, Oklahoma
Notes to the Financial Statements
June 30, 2020

Note 16: Employee Pension Plans and Other Post-Employment Benefits
(Continued)

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 (assets)	$ 1,148,457	$ (29,959)	$ (1,122,973)

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

Oklahoma Firefighter's Pension and Retirement System

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

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

Normal Retirement:

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

Note 16: Employee Pension Plans and Other Post-Employment Benefits
(Continued)

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 $240,694. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of $504,814 during the calendar year and this is reported as both expense and revenue 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 $504,814. 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, 2020, the City reported a liability of $5,245,030 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2019. Based upon this information, the City's proportion was .4964%.

Note 16: Employee Pension Plans and Other Post-Employment Benefits (Continued)

For the year ended June 30, 2020, the City recognized pension expense of $1,142,599. At June 30, 2020, 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 Recourses
Differences between expected and actual experience	$ 878,278	$ 106,686
Changes of assumptions	-	134,742
Net difference between projected and actual earnings on pension plan investments	-	379,679
Changes in proportion	1,105,414	11,276
Contributions during measurement date	4,759	1,118
City of benefit payments subsequent to the measurement date	240,694	-
Total	$ 2,229,145	$ 633,501

In the year ending June 30, 2021, $240,694 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:	
2021	$ 465,636
2022	308,293
2023	414,497
2024	169,331
2025	(2,807)
	$ 1,354,950

Note 16: Employee Pension Plans and Other Post-Employment Benefits
(Continued)

Actuarial Assumptions- The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	3.5% to 9.0% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

For 2019, mortality rates were based on:

Active members—Pub-2010 Public Safety Table with generational mortality improvement using MP-2018.

Retired members—Pub-2010 Public Safety Below Median Table with generational mortality improvement using Scale MP-2018.

Disabled members—Pub-2010 Public Safety Disabled Table set forward 2 years

The actuarial assumptions used in the July 1, 2019, valuation was 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, 2019, are summarized in the following table:

Asset Class	Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	4.90%
Domestic equity	47%	7.09%
International equity	15%	9.19%
Real estate	10%	7.99%
Other assets	8%	5.57%

Note 16: Employee Pension Plans and Other Post-Employment Benefits
(Continued)

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	$ 6,772,817	$ 5,245,030	$ 3,567,384

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

Oklahoma Municipal Retirement Fund (OMRF)

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) of $135,801, $125,689, and $109,089 for 2020, 2019 and 2018, respectively, was equal to the City's required and actual contributions.

Note 16: Employee Pension Plans and Other Post-Employment Benefits
(Continued)

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 2020, the employer contributed 17%, 7%, and 13% respectively for the participants. The City's annual cost for the City Manager's plan of $27,368, $21,899, and $15,610 for 2020, 2019, and 2018 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 $7,950 and $11,671 for 2020 were equal to the City's required and actual contributions.

Other Post-Employment Benefits (OPEB)

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, 2020, one retired employee is receiving benefits under this plan.

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

Employees Covered by Benefit Terms: At June 30, 2020 the following employees were covered by the benefit terms:

Active Employees	89
Inactive or beneficiaries currently receiving benefit payments	1
Total	90

Total OPEB Liability: The City's total OPEB liability of $1,006,934 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Note 16: Employee Pension Plans and Other Post-Employment Benefits
(Continued)

Actuarial Assumptions- The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all prior periods included in the measurement

- Actuarial cost method – entry age normal
- Cost method application – level percentage of pay
- Discount rate – 2.21%
- Healthcare cost trend rates – 6.09% grading to 4.87%
- Pay increases – 3%
- 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	Allocation	Long-Term Expected Real Rate of Return
Large cap stocks	37%	5.70%
Mid/small cap stocks	12%	6.50%
International stocks	17%	5.40%
Bonds	33%	2.50%
Multi-sector bonds	0%	3.50%
Real estate	0%	4.80%
Cash equivalents	1%	0.00%

City of Glenpool, Oklahoma
Notes to the Financial Statements
June 30, 2020

Note 16: Employee Pension Plans and Other Post-Employment Benefits
(Continued)

Deferred Outflows and Deferred Inflows: At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Recourses
Differences between expected and actual experience	$ 26,263	$ 7,217
Changes of assumptions	307,192	10,981
Changes in proportion	-	7,762
Total	$ 333,455	$ 25,960

Amounts reported as deferred outflows and deferred inflows above will be recognized in compensation expense as follows:

Year Ended June 30:	
2021	$ 40,221
2022	40,221
2023	40,221
2024	40,221
Thereafter	146,611
	$ 307,495

Sensitivity of the Total OPEB Liability to changes in the discount rate: The following presents the total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower and higher than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (5.87%)
Employers' net pension liability	$ 1,270,274	$ 1,006,934	$ 805,750

Note 16: Employee Pension Plans and Other Post-Employment Benefits
(Continued)

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates:
The following presents the total OPEB liability, as well as what the City's total OPEB Liability would be if it were calculated using healthcare cost trend rates that are 1% lower and higher than the current healthcare cost trend rates:

	1% Decrease 4.99% Grading to 3.87%	Healthcare Cost, Trend Rates 5.99% Grading to 4.87%	1% Increase 6.99% Grading to 5.87%
Employers' net pension liability	$ 813,858	$ 1,006,934	$ 1,251,739

Note 17: Risk Related Activities

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; unemployment; and natural disasters. The City purchases commercial insurance to cover these and other risks. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The City is a member of the Oklahoma Municipal Assurance Group Workers' Compensation Plan (the Plan), an organization formed for the purpose of providing workers' compensation coverage through the State Insurance Fund to participating municipalities in the State of Oklahoma. In that capacity, the Plan is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for all claims submitted to it during the plan year.

As a member of the Plan, the City is required to pay fees set by the Plan according to an established payment schedule. A Loss Fund has been established from the proceeds of these fees for each participant in the Plan. The State Insurance Fund provides coverage in excess of the Loss Fund, so the City's liability for claim loss is limited to the balance of that fund.

In addition to the Loss Fund, the City maintains two additional funds with the Plan: The Rate Stabilization Reserve (RSR), which can be applied against future premium increases and an Escrow Fund made up of past refunds left on deposit with the Plan. Escrow funds earn interest and are readily available for use by the governing board. In accordance with GASB No. 10, the City reports the required contribution to the pool, net of refunds, as insurance expense. The balances in the RSR Fund and the Escrow Fund were $0 and $0, respectively.

Note 18: Commitments and Contingencies

The City is not aware of any pending or threatened legal actions against it. However, insurance protection has been obtained to cover probable claims.

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

Note 19: 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, 2020 the GIA did not abate hotel-motel tax that would have otherwise been remitted to the City.

Required Supplementary Information

City of Glenpool, Oklahoma

Schedule of City's Proportionate Share of the Net Pension Liability Last 10 Fiscal Years*
For the Year Ended June 30, 2020

	2020	2019
Oklahoma Police Pension and Retirement Plan		
City's proportion of the net pension liability	0.42230%	0.40010%
City's proportionate share of net pension liability (asset)	$ (26,959)	$ (201,718)
City's covered-employee payroll	$ 1,398,315	$ 1,320,836
City proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-1.93%	-15.27%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.24%	101.89%
Oklahoma Firefighters Pension and Retirement Plan		
City's proportion of the net pension liability	0.49638%	0.47067%
City's proportionate share of net pension liability (asset)	$ 5,245,030	$ 5,298,045
City's covered-employee payroll	$ 1,529,807	$ 1,398,565
City proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	342.86%	378.82%
Plan fiduciary net position as a percentage of the total pension liability (asset)	72.85%	70.73%

* Prior year information is not available

(Continued)

City of Glenpool, Oklahoma

Schedule of City's Proportionate Share of the Net Pension Liability Last 10 Fiscal Years*
For the Year Ended June 30, 2020
(Continued)

	2018	2017	2016	2015
Oklahoma Police Pension and Retirement Plan				
City's proportion of the net pension liability	0.40010%	0.37570%	0.37210%	0.37030%
City's proportionate share of net pension liability (asset)	$ 30,779	$ 575,383	$ 15,172	$ (124,661)
City's covered-employee payroll	$ 1,203,929	$ 1,147,269	$ 1,051,731	$ 1,035,823
City proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2.56%	50.15%	1.44%	-12.03%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.68%	93.50%	99.82%	101.53%
Oklahoma Firefighters Pension and Retirement Plan				
City's proportion of the net pension liability	0.42470%	0.33530%	0.32160%	0.32630%
City's proportionate share of net pension liability (asset)	$ 5,341,402	$ 4,096,830	$ 3,413,117	$ 3,354,967
City's covered-employee payroll	$ 1,257,713	$ 982,474	$ 871,564	$ 870,964
City proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	424.69%	416.99%	391.61%	385.20%
Plan fiduciary net position as a percentage of the total pension liability (asset)	66.61%	64.87%	68.27%	68.12%

* Prior year information is not available

City of Glenpool, Oklahoma
Schedule of Pension Contributions - Last 10 Fiscal Years*
For the Year Ended June 30, 2020

	2020	2019
Oklahoma Police Pension and Retirement Plan		
Statutorily required contributions	$ 179,041	$ 181,781
Contributions in relation to the statutorily required contributions	179,041	181,781
Contribution deficiency (excess)	$ -	$ -
City's covered-employee payroll	$ 1,377,238	$ 1,398,315
Contributions as a percentage of covered-employee payroll	13.00%	13.00%
Oklahoma Firefighters Pension and Retirement Plan		
Statutorily required contributions	$ 240,694	$ 214,173
Contributions in relation to the statutorily required contributions	240,694	214,173
Contribution deficiency (excess)	$ -	$ -
City's covered-employee payroll	$ 1,719,243	$ 1,529,807
Contributions as a percentage of covered-employee payroll	14.00%	14.00%

* Prior year information is not available

(Continued)

City of Glenpool, Oklahoma

Schedule of Pension Contributions - Last 10 Fiscal Years*

For the Year Ended June 30, 2020

(Continued)

	2018	2017	2016	2015
Oklahoma Police Pension and Retirement Plan				
Statutorily required contributions	$ 171,709	$ 152,662	$ 149,106	$ 136,836
Contributions in relation to the statutorily required contributions	171,709	152,662	149,106	136,836
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 1,320,836	$ 1,203,929	$ 1,147,269	$ 1,051,493
Contributions as a percentage of covered-employee payroll	13.00%	12.68%	13.00%	13.01%
Oklahoma Firefighters Pension and Retirement Plan				
Statutorily required contributions	$ 195,799	$ 176,080	$ 137,546	$ 122,123
Contributions in relation to the statutorily required contributions	195,799	176,080	137,546	122,123
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 1,398,565	$ 1,257,713	$ 982,474	$ 871,564
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.01%

* Prior year information is not available

See Accompanying Independent Auditors' Report.

City of Glenpool, Oklahoma

Schedule of Changes in Net OPEB Liability and Related Ratios
Postretirement Medical Plan - Last 10 Fiscal Years*
For the Year Ended June 30, 2020

	2020	2019	2018
Total OPEB Liability			
Service Cost	$ 79,815	$ 42,338	$ 43,113
Interest	33,574	22,292	17,633
Changes in Benefits Terms	-	-	-
Difference between expected and actuals experience	(9,317)	38,385	-
Change of Assumptions	179,338	245,965	(19,619)
Expected net benefit payments	(7,615)	(3,217)	-
Net Change in Total OPEB Liability	275,795	345,763	41,127
Total OPEB Liability - Beginning of Year	879,445	533,682	492,555
Total OPEB Liability - End of Year	$ 1,155,240	$ 879,445	$ 533,682
Covered employee payroll	$ 4,830,000	$ 4,850,000	$ 4,250,000
Total OPEB Liability as a percentage of Covered Employee Payroll	23.92%	18.13%	12.56%

* Prior year information is not available

See Accompanying Independent Auditors' Report.

City of Glenpool, Oklahoma
Budgetary Comparison Schedule (Continued)
General Fund

	Budgeted Amounts			Variance With
	Original Budget	Final Budget	Actual	Final Budget Over (Under)
Beginning Budgetary Fund Balance	$ 7,592,824	$ 7,592,824	$ 7,592,824	$ -
Resources (Inflows)				
TAXES				
Sales Tax	$ 5,732,693	$ 5,732,693	$ 5,904,326	$ 171,633
Dedicated Tax	1,911,223	1,911,223	1,968,396	57,173
Use Tax	483,107	483,107	765,985	282,878
Franchise Tax	486,543	486,543	411,085	(75,458)
E911 Prepaid Wireless Fees	6,000	6,000	6,244	244
E911 Fees	100,000	100,000	106,938	6,938
Total Taxes	8,719,566	8,719,566	9,162,974	443,408
LICENSES & PERMITS				
Solicitors License	1,000	1,000	925	(75)
Building Permits	18,000	18,000	25,473	7,473
Occupational Tax	8,550	8,550	19,550	11,000
Plumbing License	5,000	5,000	7,200	2,200
Electrical License	7,000	7,000	5,700	(1,300)
Mechanical License	3,000	3,000	4,700	1,700
Pet License	100	100	60	(40)
Assessment Letters	5,000	5,000	660	(4,340)
Fireworks Permits	5,000	5,000	6,000	1,000
Sign Permits	1,000	1,000	1,255	255
State Permit Fees	50	50	86	36
Liquor License	600	600	-	(600)
Total Licenses & Permits	54,300	54,300	71,609	17,309
CHARGES FOR SERVICES				
Development fees	8,000	8,000	9,197	1,197
Zoning Fees	4,500	4,500	4,950	450
Inspection Fees	50,000	50,000	52,192	2,192
Dog Pound	7,000	7,000	4,324	(2,676)
Police Reports	500	500	472	(28)
GEMS Reimbursement	90,000	90,000	103,275	13,275
Police Special Services	74,000	74,000	74,000	-
Abatemate	-	-	4,050	4,050
Total Charges for Services	234,000	234,000	252,460	18,460
INTERGOVERNMENTAL				
Excise Tax	24,200	24,200	24,673	473
Cigarette Tax	80,200	80,200	87,325	7,125
Alcohol Tax	25,000	25,000	32,427	7,427
Commercial Vehicle Tax	95,000	95,000	92,639	(2,361)
Total Intergovernmental	224,400	224,400	237,064	12,664
FINES & FORFEITURES				
Municipal Court	225,000	225,000	163,068	(61,932)
Court Costs	90,000	90,000	61,484	(28,516)
Juvenile Fines	5,000	5,000	3,365	(1,635)
Total Fines & Forfeitures	320,000	320,000	227,917	(92,083)
OTHER				
Interest Income	67,326	67,326	48,499	(18,827)
Sale of Assets	-	-	-	-
Donations	-	-	3,732	3,732
Refunds	-	-	1,729	1,729
Miscellaneous	-	-	115,340	115,340
Rental Income	37,000	37,000	25,233	(11,767)
Transfers In	1,960,300	2,785,722	1,905,900	(879,822)
Total Other	2,064,626	2,890,048	2,100,433	(789,615)
Total Resources (Inflows)	11,616,892	12,442,314	12,052,457	(389,857)
Amounts Available for Appropriation	$ 19,209,716	$ 20,035,138	$ 19,645,281	$ (389,857)

See Accompanying Independent Auditors' Report.

City of Glenpool, Oklahoma
Budgetary Comparison Schedule (Continued)
General Fund (Continued)

Charges to Appropriations (outflows)	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual	Variance With Final Budget Over (Under)
GENERAL GOVERNMENT				
CITY CLERK/FINANCE				
Personal Services	$ 282,746	$ 282,746	$ 284,648	$ 1,902
Supplies	46,500	59,300	60,880	1,580
Other Services & Charges	335,335	327,735	331,829	4,094
Travel and Training	5,000	5,000	3,350	(1,650)
Repairs and Maintenance	19,000	13,800	11,418	(2,382)
Miscellaneous	30,000	30,000	29,668	(332)
Capital Outlay	15,000	15,000	14,076	(924)
Total City Clerk/Finance	733,581	733,581	735,869	2,288
PUBLIC SAFETY				
ANIMAL CONTROL				
Personal Services	75,935	75,935	66,302	(9,633)
Supplies	13,900	13,100	8,095	(5,005)
Other Services & Charges	1,000	1,000	830	(170)
Travel and Training	1,675	1,675	175	(1,500)
Repairs and Maintenance	1,300	1,700	1,029	(671)
Total Animal Control	93,810	93,410	76,431	(16,979)
POLICE				
Personal Services	1,770,590	1,779,190	1,853,609	74,419
Supplies	114,500	107,500	78,685	(28,815)
Other Services & Charges	83,000	76,600	56,680	(19,920)
Travel and Training	10,000	10,000	6,207	(3,793)
Repairs and Maintenance	42,000	46,700	46,370	(330)
Miscellaneous	400	900	815	(85)
Debt Service	74,200	74,200	11,048	(63,152)
Capital Expenditures	-	-	-	-
Total Police	2,094,690	2,095,090	2,053,414	(41,676)
DISPATCH				
Personal Services	328,548	332,848	343,281	10,433
Supplies	12,000	10,400	7,752	(2,648)
Other Services & Charges	69,000	69,800	64,631	(5,169)
Travel and Training	1,500	1,000	850	(150)
Total Dispatch	411,048	414,048	416,514	2,466
FIRE				
Personal Services	1,644,460	1,648,260	2,155,667	507,407
Supplies	44,500	40,579	35,868	(4,711)
Other Services & Charges	62,700	54,400	35,923	(18,477)
Travel and Training	9,000	9,000	4,436	(4,564)
Repairs and Maintenance	53,000	61,421	58,341	(3,080)
Miscellaneous	3,000	3,000	2,040	(960)
Debt Service	68,263	68,263	56,263	(12,000)
Total Fire	$ 1,884,923	$ 1,884,923	$ 2,348,538	$ 463,615

City of Glenpool, Oklahoma

Budgetary Comparison Schedule (Continued)
General Fund (Continued)

Charges to Appropriations (outflows) - (Continued)	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual	Variance With Final Budget Over (Under)
EMERGENCY MANAGEMENT				
Supplies	$ 3,500	$ 3,500	$ 1,289	$ (2,211)
Other Services & Charges	13,000	13,000	7,133	(5,867)
Repairs and Maintenance	46,445	46,446	38,696	(7,750)
Capital Outlay	16,554	16,554	-	(16,554)
Total Emergency Management	79,499	79,500	47,118	(32,382)
COMMUNITY DEVELOPMENT				
Personal Services	552,002	543,002	519,099	(23,903)
Supplies	17,000	21,800	19,934	(1,866)
Other Services & Charges	61,521	52,221	26,136	(26,085)
Travel and Training	3,750	3,750	3,191	(559)
Repairs and Maintenance	4,500	9,200	8,529	(671)
Miscellaneous	2,000	10,800	1,997	(8,803)
Capital Outlay	16,500	16,500	12,996	(3,504)
Total Community Development	657,273	657,273	591,882	(65,391)
ADMINISTRATION				
Personal Services	601,399	601,599	602,215	616
Supplies	13,800	13,600	4,904	(8,696)
Other Services & Charges	56,000	56,000	40,336	(15,664)
Travel and Training	21,000	21,000	15,603	(5,397)
Miscellaneous	13,000	13,000	4,895	(8,105)
Total Administration	705,199	705,199	667,953	(37,246)
STREETS & PARKS				
Personal Services	351,872	347,172	318,597	(28,575)
Supplies	34,000	41,900	35,835	(6,065)
Other Services & Charges	128,500	125,300	123,843	(1,457)
Travel and Training	500	500	215	(285)
Repairs and Maintenance	450,000	716,000	679,585	(36,415)
Capital Outlay	77,000	77,000	2,390	(74,610)
Debt Service	2,400	2,400	2,400	-
Total Streets & Park	1,044,272	1,310,272	1,162,865	(147,407)
OTHER FINANCING USES				
Transfers out	3,836,263	4,395,685	4,537,200	141,515
Debt Service:				
Capital lease principal	68,086	68,086	-	(68,086)
Capital lease interest	8,246	8,246	-	(8,246)
Total Other Financing Uses	3,912,595	4,472,017	4,537,200	65,183
Total Charges to Appropriations	11,616,890	12,445,313	12,637,784	192,471
Ending Budgetary Fund Balance	$ 7,592,826	$ 7,589,825	$ 7,007,497	$ (582,328)
Ending Unobligated Budgetary Fund Balance			$ 7,007,497	

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance:	
Total Resources per Budgetary Comparison Schedule	$ 12,052,457
Add State Fire and Police pension on-behalf payments	677,088
Less Transfer in	(1,905,900)
Total Revenues per Statement of Revenues, Expenditures and Changes in Fund Balance	$ 10,823,645
Total Charges to Appropriations per Budgetary Comparison Schedule	$ 12,637,784
Less Transfer out	(4,537,200)
Total Expenditures per Statement of Revenues, Expenditures and Changes in Fund Balance	$ 8,100,584

See Accompanying Independent Auditors' Report.

City of Glenpool, Oklahoma
Budgetary Comparison Schedule (Continued)
Special Revenue

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Hotel-Motel Tax Fund				
Beginning Budgetary Fund Balance	$ 476,115	$ 476,115	$ 476,115	$ -
Taxes				
Hotel Motel Tax	145,900	145,900	176,761	30,861
Other				
Interest Income	4,500	4,500	4,875	375
Amounts Available for Appropriation	626,515	626,515	657,751	31,236
Economic Development				
Economic Development	90,400	90,400	82,803	(7,597)
Total Charges to Appropriations	90,400	90,400	82,803	(7,597)
Less Transfers out	(60,000)	(60,000)	(60,000)	-
Ending budgetary fund balance	$ 476,115	$ 476,115	$ 514,948	$ 38,833
Public Safety Personnel Fund				
Beginning Budgetary Fund Balance	$ 649,044	$ 649,044	$ 649,044	$ -
Taxes				
Taxes	1,127,995	1,127,995	1,179,033	51,038
Other				
Interest Income	6,000	6,000	4,999	(1,001)
Amounts Available for Appropriation	1,783,039	1,783,039	1,833,076	50,037
Public Safety				
Personal Services	1,353,833	1,353,833	1,182,514	(171,319)
Supplies	13,300	13,300	13,646	346
Other Services & Charges	6,000	6,000	6,879	879
Travel and Training	1,500	1,500	304	(1,196)
Repairs and Maintenance	9,800	9,800	5,242	(4,558)
Total Charges to Appropriations	1,384,433	1,384,433	1,208,585	(175,848)
Ending budgetary fund balance	$ 398,606	$ 398,606	$ 624,491	$ 225,885

City of Glenpool, Oklahoma

Notes to the Budgetary Comparison Schedule
June 30, 2020

Note 1: Budgetary Information

The City prepares its annual operating budget under the provisions of the Municipal Budget Act of 1979 (the Budget Act). In accordance with those provisions, the following process is followed to adopt the annual budget:

1. Prior to July 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1.
2. Public hearings are held at regular or special meetings to obtain taxpayer input. At least one public hearing must be held no later than 15 days prior to July 1.
3. Subsequent to the public hearings, but no later than seven days prior to July 1, the budget is adopted by resolution of the City Council.
4. The adopted budget is filed with the Office of the State Auditor and Inspector.

All funds of the City with revenues and expenditures are required to have annual budgets. The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund.

All supplemental appropriations require City Council approval. The City Manager may transfer appropriations between departments without City Council approval. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector.

The City prepares its budget for the General Fund on the modified accrual basis of accounting. Encumbrances are recorded when purchase orders are issued but generally are not considered expenditures until liabilities for payments are incurred pursuant to the purchase order.

HINKLE & COMPANY PC
Strategic Business Advisors

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

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, and each major fund of the City of Glenpool, Oklahoma (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 21, 2021.

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

5028 E. 101st Street
Tulsa, OK 74137
TEL: 918.492.3388
FAX: 918.492.4443
www.hinklecpas.com

Honorable Mayor and
Members of the City Council
City of Glenpool, Oklahoma
Page 2

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings
The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Hinkle & Company, PC

Tulsa, Oklahoma
September 21, 2021

City of Glenpool, Oklahoma

Summary Schedule of Findings and Responses
June 30, 2020

No matters are reportable.

City Of Glenpool
Creating Opportunity

To: Honorable Mayor and City Council
Chair and Board of Trustees of the Glenpool Utility Services Authority (GUSA)

From: Frank Ordaz, Finance Director

Date: October 8, 2021

Re: Annual Issuance of $25,000, plus incremental increases, in Compliance with the Agreement of Settlement, Compromise and Release ("Settlement Agreement") entered with Creek County Rural Water District # 2 in Settlement of Litigation

Background:
In the Settlement Agreement that terminated the litigation between the City of Glenpool and the Glenpool Utility Services Authority (together "Glenpool") and Creek County Rural Water District #2 ("Creek-2") in May of 2015, Glenpool undertook the obligation to make certain payments to Creek-2 in consideration of the right to serve water to areas of the Glenpool city limits that have been or will be annexed after March 2, 2012 (known as the "Permissive Area").

Section 6 (c) of the Settlement Agreement provides for the payment of a one-time Meter Connection Fee for each new metered connection added by Glenpool on and after the Effective Date of the Settlement Agreement within the Permissive Area. The initial amount of this payment was $800.00 per connection for connections of less than one-inch (1'') in diameter and was $1,200.00 per connection for connections that are one-inch (1") or larger in diameter. The Meter Connection Fee has been, and shall continue to be, adjusted annually by the Consumer Price Index for Urban dwellers ("CPI-U"), starting with the first Payment Adjustment Date in February 2016, for the life of the Agreement.

Section 6 (d) of the Settlement Agreement provides for the payment by Glenpool of a monthly Royalty for each Active Water Connection maintained by Glenpool within the Permissive Area commencing with the first Glenpool Utility Billing Cycle beginning after the Effective Date in the initial amount of $7.75 per month for each such connection (regardless of pipe size). Like the Meter Connection Fee, the monthly Royalty payment is also adjusted annually based on periodic updates based on the CPI-U throughout the Term of the Agreement.

A critical feature of the Annual Audit Report recently approved by the governing bodies of Glenpool and Creek-2 is that it provides annually for confirmation of, among other things, Glenpool's payments of the foregoing Meter Connection Fees and Royalties.

12205 S. Yukon, Glenpool, OK 74033 OFFICE: 918-322-5409 FAX: 918-209-4641
Mayor Joyce Calvert, Ward 3; Vice-Mayor Brandon Kearns, At-Large;
Tim Fox, Ward 1; Chris Probst, Ward 2; Jacqueline Lund, Ward 4
City Manager David Tillotson, Assistant City Manager Susan White, City Clerk Wendy Knight
www.glenpoolonline.com

Section 14 (c) of the Agreement provides for the annual issuance of a letter of credit to secure performance of Glenpool's reporting and payment obligations referenced above. If the Audit discloses any deficiency of payments under Sections 6 (c) and (d), Creek-2 has the option to rely on the letter of credit as a means of recovering all or a portion of such deficiency pending any other remedies Creek-2 may be entitled to.

Glenpool is required to maintain, without interruption, said letter of credit for each year of the Term of Agreement. The performance security covering the first year from the Effective Date of the Agreement was in the amount of $25,000.00. That amount increases every year throughout the term of the Agreement in such a way that a guaranteed amount of 110% of the amount of the total amount of payments for Meter Connection Fees and monthly Royalty fees, for the immediately preceding audit year is added to the letter of credit. This 110% formula also applies every year for the Term of the Agreement.

Staff Recommendation:

The letter of credit to cover any event of default for audit year July 1, 2021, through June 30, 2022 is in the amount of $25,903.58.

The City of Glenpool did not pay for construction meter connection fees in Fiscal Year 2020-2021 because the Agreement allows five construction meter connections before payment is due on the next one, and the City of Glenpool did not exceed that number. Royalties paid to Creek-2 in Fiscal Year 2020-2021 were as follows:

July 15 – Aug 15 = $68.08	Aug 15 – Sept 15 = $68.08	Sept 15 – Oct 15 = $68.08
Oct 15 – Nov 15 = $68.08	Nov 15 – Dec 15 = $67.92	Dec 15 – Jan 15 = $67.92
Jan 15 – Feb 15 = $68.88	Feb 15 – March 15 = $68.88	March 15 – April 15 = $68.88
April 15 – May 15 = $68.88	May 15 – June 15 = $68.88	June 15 – July 15 = $68.88

Total royalties paid to Creek-2 in Fiscal Year 2020-2021 were $821.44. Of which 110% is $903.58 ($821.44 X 1.1% = $903.58). Therefore, the letter of credit amount is $25,903.58 ($25,000 + 903.58).

Staff recommends the City Council and the GUSA Board of Trustees approve the letter of credit in the amount of $25,903.58. and authorize Mayor Calvert to sign all documents required by BancFirst to ensure issuance of this audit year's letter of credit.

Attachments:

- Application and Agreement for Irrevocable Letter of Credit
- Irrevocable Letter of Credit
- Promissory Note
- Disbursement Request and Authorization

BancFirst

APPLICATION AND AGREEMENT FOR IRREVOCABLE LETTER OF CREDIT

Amount of Credit	Issue Date	Expiration Date	Loan Number	Letter of Credit Number	Officer ID	Initials
$25,903.58	10-14-2021	10-14-2022	0070000057	0070000057	CWS	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "***" has been omitted due to text length limitations.

Borrower: City of Glenpool
12205 S Yukon Ave
Glenpool, OK 74033-6635

Lender: BANCFIRST
GLENPOOL
394 EAST 141ST
P. O. BOX 1089
GLENPOOL, OK 74033-1089
(918) 322-9015

Beneficiary: Rural Water District No. 2, Creek County
2425 W 121st St
Jenks, OK 74037

APPLICATION FOR LETTER OF CREDIT. Borrower hereby requests Lender indicated above to issue a Letter of Credit substantially in the form attached hereto and incorporated herein by this reference. In issuing the Letter of Credit, Borrower expressly authorizes Lender to make such changes from the terms set forth in this Agreement as the Lender in Lender's sole discretion may deem advisable provided that no such change shall vary the material terms hereof.

INSPECTION OF DRAFTS AND ACCOMPANYING DOCUMENTS. Borrower authorizes Lender to accept, honor, or pay (as applicable) against any draft or other document which on its face appears otherwise in order and is signed, issued, or presented by any party or under the name of any party a) purporting to act with authority (actual or apparent) on behalf of the Beneficiary in whose name the Letter of Credit requires that any draft or document must be drawn, issued, or presented; b) purporting to claim through such Beneficiary; or c) posing as such Beneficiary. Borrower agrees to reimburse Lender any and all amounts which Lender pays under the Letter of Credit notwithstanding any legal or factual insufficiency or infirmity in such party's conduct or documents under clauses a), b), or c) in this paragraph.

REPAYMENT OF DRAFTS. Borrower shall immediately repay Lender upon demand, unless otherwise provided, in United States currency for any amounts paid by Lender under the Letter of Credit. Borrower's obligation to repay Lender for any such amounts paid under the Letter of Credit shall be absolute, unconditional, and irrevocable.

INTEREST. All fees and all other amounts payable under this Agreement shall bear interest from their due date or with respect to any draft presented under the Letter of Credit, from the date of payment of any draft at the interest rate and under the terms set forth in the Note executed in conjunction with this Agreement. The Note shall evidence the obligation of Borrower herein to repay Lender for any amounts paid under the Letter of Credit.

SECURITY INTEREST. To secure the payment and performance of Borrower's obligations and duties described in this Agreement and Related Documents, if any, Borrower grants Lender a security interest in: 1) all goods and documents that come into Borrower's actual or constructive possession, custody, control, or in which Borrower may acquire an interest in connection with the Letter of Credit; 2) all goods and documents that come into Lender's actual or constructive possession, custody or control, or that of any of Lender's correspondents in connection with the Letter of Credit; 3) all of Borrower's right, title and interest in Borrower's accounts, monies, instruments, savings, checking, share and other accounts (excluding IRA, Keogh, trust accounts and other accounts subject to tax penalties) that come into Lender's actual or constructive possession, custody or control. Borrower's obligations under this Agreement and Related Documents are also secured by the collateral described in any security instrument(s) executed in connection with this Agreement, and any collateral described in any other security instrument(s) securing this Agreement or all of Borrower's obligations to Lender.

Default. Default will occur if payment of the Indebtedness in full is not made immediately upon demand.

RIGHTS OF LENDER ON EVENT OF DEFAULT. If there is an Event of Default as set out in the Default paragraph of this Agreement, Lender shall be entitled to exercise one or more of the following remedies without notice or demand (except as required by law):

a) to declare any unpaid amounts plus accrued interest under this Agreement and under the Note, if any, and all other present and future obligations of Borrower immediately due and payable in full, such acceleration shall be automatic and immediate if the Event of Default is a filing under the Bankruptcy Code;

b) to require Borrower to deposit with Lender the full amount of any additional monies capable of being drawn under the Irrevocable Letter of Credit;

c) to collect the outstanding obligations of Borrower;

d) to forthwith setoff and/or segregate without notice or demand, Borrower's obligations against any amounts due to Borrower including, but not limited to, monies, instruments, and deposit amounts maintained with Lender;

e) to sell any goods or documents covered by any security interest granted above; and

f) to exercise all other rights available to Lender under any other written agreement or applicable law.

Lender's rights are cumulative and may be exercised together, separately, and in any order. Lender's remedies under this paragraph are in addition to those available at common law, including, but not limited to, the right to set-off. The sale of secured goods or documents will be governed by the Uniform Commercial Code for the State of Oklahoma. If the sale does not pay for the whole amount due, Borrower will pay the shortage to Lender immediately. If the sale results in more than the amount due, Lender will pay the surplus to Borrower or those who have a right to it. If the value of the secured goods declines, Borrower will deliver to Lender on Lender's demand additional collateral that is acceptable to Lender.

INSURANCE. If applicable, Borrower, or a third party, will obtain insurance on all goods described in the Letter of Credit. The insurance will cover fire and other usual risks, and any additional risks Lender may request. Borrower authorizes Lender to collect the proceeds of insurance and apply it against any of Borrower's obligations to Lender.

ASSIGNMENT. Borrower shall not be entitled to assign any of Lender's rights, remedies, or obligations described in this Agreement without the prior written consent of Lender which may be withheld by Lender in Lender's sole discretion. Lender shall be entitled to assign some or all of Lender's rights and remedies described in this Agreement without notice to or the prior consent of Borrower in any manner. The obligations under this Agreement shall bind the heirs, executors, administrators, successors and assigns of Borrower, and all rights, benefits and privileges hereby conferred on Lender shall be and hereby are extended to and conferred upon and may be enforced by Lender's successors and assigns.

RESPONSIBILITIES AND LIABILITIES. Neither Lender nor any of Lender's correspondents shall be responsible for, and Borrower's obligation to reimburse Lender shall not be affected by any change of circumstances or conditions or action of any person related to the Letter of Credit or this Agreement including without limitation: a) the validity, accuracy, sufficiency or genuineness of drafts, documents, certificates, statements or endorsements thereon, even if such drafts, documents, certificates, statements or endorsements thereon prove, in fact, to be in any respect invalid, insufficient, fraudulent or forged; b) any breach of any agreement between Borrower and the Beneficiary of the Letter of Credit or any other party, even if Lender has received notice of same; c) any failure of any draft to bear any reference or adequate reference to the Letter of Credit; d) any act or omission by Lender in connection with the Letter of Credit or related drafts and documents if done in good faith; e) any omissions, interruptions, errors, mis-deliveries or delays in the transmission or delivery of any documents, message or communication by mail, cable, telegram or other media in connection with the Letter of Credit; f) any act, error, default, omission or failure in business of the Beneficiary, any correspondent or any other party, or any other act or omission beyond Lender's control; g) any acceptance or payment of overdrafts or irregular drafts or extensions of time limits or other changes or variations in, the Letter of Credit if assented to, orally or in writing, by Borrower; Borrower shall be conclusively deemed to have waived any right to object to such variation unless within three days of receipt of such irregular drafts or documents or notice of such variation, Borrower files written notice with Lender; h) any delay by any party in giving, or failing to give notice of any default under any agreement involving Lender; i) failure by Lender to perfect any interest in or exercise any right with respect to the collateral securing this Agreement or any other security, endorsement, or guarantee it may have for payment of Borrower's obligations; and, j) any amendments to which Borrower has assented.

LIMITED LIABILITY. Lender shall not be responsible to Borrower for, and Lender's right to reimbursement, indemnification, and other payments hereunder shall not be impaired by any act or omission for which an issuer of a letter of credit is relieved of responsibility under the 2007 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, ICC Publication No. 600 (the "UCP") or other applicable law. In addition, Borrower acknowledges that it has reviewed and agreed to the proposed language of the Letter of Credit and that Lender shall not be responsible for the inclusion or absence of any terms or conditions in that document. Lender shall not be liable for any special, indirect, or consequential damages, unless there is clear and convincing evidence that such damages resulted from Lender's bad faith.

INDEMNITY. Borrower agrees to defend and indemnify Lender (and Lender's directors, officers, employees, attorneys, and agents), on demand and to the fullest extent permitted by law, against each and every claim and liability (and the reasonable costs and legal fees relating thereto) which may arise under or in connection with this Agreement or the Letter of Credit, including, without limitation, actions commenced by the Beneficiary of the Letter of Credit for wrongful dishonor and actions commenced by Borrower to enjoin honor or attach the proceeds of honor.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Borrower's obligations under the Letter of Credit.

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Agreement, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Borrower's obligations under this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Commercial Purposes. This Agreement is being executed for commercial, which includes agricultural, purposes.

Financial Statements. Borrower agrees to provide Lender with such financial statements and other related information at such frequencies and in such detail as Lender may reasonably request.

Joint and Several Liability. All obligations of Borrower under this Agreement shall be joint and several, and all references to Borrower shall mean each and every Borrower. This means that each Borrower signing below is responsible for all obligations in this Agreement.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, shall constitute a waiver of any of Lender's rights or of any of Borrower's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. To the extent permitted by applicable law, any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. To the extent permitted by applicable law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Indebtedness or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

Waiver By Borrower. Borrower waives presentment, demand for payment, notice of dishonor and protest and further waives any right (if any) to require Lender to proceed against anyone else before proceeding against Borrower.

Waive Jury. **All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.**

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Agreement. The word "Agreement" means this Application and Agreement for Irrevocable Letter of Credit, as this Application and Agreement for Irrevocable Letter of Credit may be amended or modified from time to time, together with all exhibits and schedules attached to this Application and Agreement for Irrevocable Letter of Credit from time to time.

Beneficiary. The word "Beneficiary" means Rural Water District No. 2, Creek County
, and Beneficiary's successors and assigns.

Borrower. The word "Borrower" means City of Glenpool, and all other persons and entities signing the Agreement in whatever capacity.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default".

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means BANCFIRST, its successors and assigns.

Letter of Credit. The words "Letter of Credit" mean a letter of credit in the amount of $25,903.58 issued on 10-14-2021, by Lender on behalf of Borrower and in favor of Beneficiary.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS APPLICATION AND AGREEMENT FOR IRREVOCABLE LETTER OF CREDIT AND BORROWER AGREES TO ITS TERMS. THIS APPLICATION AND AGREEMENT FOR IRREVOCABLE LETTER OF CREDIT IS DATED OCTOBER 14, 2021.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS APPLICATION AND AGREEMENT FOR IRREVOCABLE LETTER OF CREDIT.

BORROWER:

CITY OF GLENPOOL

By:______________________________
Joyce G Calvert, Mayor of City of Glenpool

By:______________________________
Joyce G Calvert, Mayor, in connection with this transaction of City of Glenpool

BancFirst

IRREVOCABLE LETTER OF CREDIT

Borrower: City of Glenpool
12205 S Yukon Ave
Glenpool, OK 74033-6635

Lender: BANCFIRST
GLENPOOL
394 EAST 141ST
P. O. BOX 1089
GLENPOOL, OK 74033-1089
(918) 322-9015

Beneficiary: Rural Water District No. 2, Creek County
2425 W 121st St
Jenks, OK 74037

NO.: 0070000057

EXPIRATION DATE. This letter of credit shall expire upon the close of business on 10-14-2022 and all drafts and accompanying statements or documents must be presented to Lender on or before that time (the "Expiration Date").

AMOUNT OF CREDIT. Lender hereby establishes at the request and for the account of Borrower, an Irrevocable Letter of Credit in favor of Beneficiary for a sum of Twenty-five Thousand Nine Hundred Three & 58/100 Dollars ($25,903.58) (the "Letter of Credit"). These funds shall be made available to Beneficiary upon Lender's receipt from Beneficiary of sight drafts drawn on Lender at Lender's address indicated above (or other such address that Lender may provide Beneficiary in writing) during regular business hours and accompanied by the signed written statements or documents indicated below.

WARNING TO BENEFICIARY: PLEASE EXAMINE THIS LETTER OF CREDIT AT ONCE. IF YOU FEEL UNABLE TO MEET ANY OF ITS REQUIREMENTS, EITHER SINGLY OR TOGETHER, YOU SHOULD CONTACT BORROWER IMMEDIATELY TO SEE IF THE LETTER OF CREDIT CAN BE AMENDED. OTHERWISE, YOU WILL RISK LOSING PAYMENT UNDER THIS LETTER OF CREDIT FOR FAILURE TO COMPLY STRICTLY WITH ITS TERMS AS WRITTEN.

DRAFT TERMS AND CONDITIONS. Lender shall honor drafts submitted by Beneficiary under the following terms and conditions: LENDER HEREBY ESTABLISHES AT THE REQUEST AND FOR THE ACCOUNT OF BORROWER, AN IRREVOCABLE LETTER OF CREDIT IN FAVOR OF BENEFICIARY FOR A SUM OF TWENTY-SIX THOUSAND FOUR HUNDRED FIFTY-EIGHT DOLLARS($26,458.00) TO COVER THE INITIAL PAYMENT OF AMOUNTS TO BE PAID TO BENEFICIARY EACH AS REQUIRED BY SECTIONS 6(c) AND 6(d) OF THE SETTLEMENT AGREEMENT.

BY NO LATER THAN 90 DAYS PRIOR TO THE EXPIRATION DATE, AND ANY SUBSEQUENT EXPIRATION DATES, BORROWER SHALL REQUEST THIS LETTER OF CREDIT BE RENEWED, OR A NEW ONE ISSUED, PER THE TERMS OF A CERTAIN SETTLEMENT AGREEMENT WITH BENEFICIARY, FOR A PERIOD OF ONE YEAR AFTER THE CURRENT EXPIRATION DATE. THE AMOUNT OF SUCH RENEWAL OR NEW LETTER OF CREDIT SHALL BE INCREASED OR REDUCED BY AN AMOUNT TO BE AGREED UPON BY AND BETWEEN THE BORROWER AND THE BENEFICIARY IN ACCORDANCE WITH THE TERMS OF SECTIONS 6(c) AND 6(d) OF THE SETTLEMENT AGREEMENT. BY NO LATER THAN 60 DAYS PRIOR TO THE EXPIRATION DATE, BORROWER MUST PROVIDE BENEFICIARY CONFIRMATION OF A RENEWAL OR NEW LETTER OF CREDIT SECURING SUCH PAYMENTS AS MAY BE DUE UNDER SECTION 6(c) and 6(d) OF SETTLEMENT AGREEMENT. IF BORROWER FAILS TO PROVIDE CONFIRMATION BY SUCH TIME, BENEFICIARY MAY DRAW ON THE LETTER OF CREDIT FOR THE FULL AMOUNT OF THE REMAINING FUNDS DUE TO BE PAID UNDER SECTION 6 (c) AND 6 (d) OF THE SETTLEMENT AGREEMENT.

BENEFICIARY MAY ISSUE A DRAFT TO LENDER AND LENDER SHALL HONOR SUCH DRAFT SUBMITTED BY BENEFICIARY ON THE CONDITION THAT BENEFICIARY SHALL SUBMIT SIMULTANEOUSLY WITH SUCH DRAFT, A DECLARATION UNDER PENALTY OF PERJURY SIGNED BY A BOARD MEMBER OR THE DISTRICT MANAGER OF BENEFICIARY, THAT (i) BENEFICIARY HAS NOT RECEIVED FROM BORROWER A RESPECTIVE PAYMENT DUE AND OWING AS DESCRIBED IN THE TERMS OF THE ATTACHED SETTLEMENT AGREEMENT BETWEEN BORROWER AND BENEFICIARY, OR (ii) BORROWER HAS FAILED TO SECURE THE RENEWED OR NEWLY ISSUED LETTER OF CREDIT DESCRIBED ABOVE.

Upon Lender's honor of such drafts, Lender shall be fully discharged of Lender's obligations under this Letter of Credit and shall not be obligated to make any further payments under this Letter of Credit once the full amount of credit available under this Letter of Credit has been drawn.

Beneficiary shall have no recourse against Lender for any amount paid under this Letter of Credit once Lender has honored any draft or other document which complies strictly with this Letter of Credit, and which on its face appears otherwise in order but which is signed, issued, or presented by a party or under the name of a party purporting to act for Beneficiary, purporting to claim through Beneficiary, or posing as Beneficiary without Beneficiary's authorization. By paying an amount demanded in accordance with this Letter of Credit, Lender makes no representation as to the correctness of the amount demanded and Lender shall not be liable to Beneficiary, or any other person, for any amount paid or disbursed for any reason whatsoever, including, without limitation, any nonapplication or misapplication by Beneficiary of the proceeds of such payment. By presenting upon Lender or a confirming bank, Beneficiary certifies that Beneficiary has not and will not present upon the other, unless and until Beneficiary meets with dishonor. Beneficiary promises to return to Lender any funds received by Beneficiary in excess of the Letter of Credit's maximum drawing amount.

USE RESTRICTIONS. All drafts must be marked "DRAWN UNDER BANCFIRST IRREVOCABLE LETTER OF CREDIT NO. 0070000057 DATED 10-14-2021," and the amount of each draft shall be marked on the draft. Only Beneficiary may complete a draft and accompanying statements or documents required by this Letter of Credit and make a draw under this Letter of Credit. This original Letter of Credit must accompany any draft drawn hereunder.

Partial draws are permitted under this Letter of Credit. Lender's honor of a partial draw shall correspondingly reduce the amount of credit available under this Letter of Credit. Following a partial draw, Lender shall return this original Letter of Credit to Beneficiary with the partial draw noted hereon; in the alternative, and in its sole discretion, Lender may issue a substitute Letter of Credit to Beneficiary in the amount shown above, less any partial draw(s).

PERMITTED TRANSFEREES. The right to draw under this Letter of Credit shall be nontransferable, except for:

A. A transfer (in its entirety, but not in part) by direct operation of law to the administrator, executor, bankruptcy trustee, receiver, liquidator, successor, or other representative at law of the original Beneficiary; and

B. The first immediate transfer (in its entirety, but not in part) by such legal representative to a third party after express approval of a governmental body (judicial, administrative, or executive).

TRANSFEREES REQUIRED DOCUMENTS. When the presenter is a permitted transferee (i) by operation of law or (ii) a third party receiving transfer from a legal representative, as described above, the documents required for a draw shall include a certified copy of the one or more documents which show the presenter's authority to claim through or to act with authority for the original Beneficiary.

COMPLIANCE BURDEN. Lender is not responsible for any impossibility or other difficulty in achieving strict compliance with the requirements of this Letter of Credit precisely as written. Beneficiary understands and acknowledges: (i) that unless and until the present wording of this Letter of Credit is amended with Lender's prior written consent, the burden of complying strictly with such wording remains solely upon Beneficiary, and (ii) that Lender is relying upon the lack of such amendment as constituting Beneficiary's initial and continued approval of such wording.

NON-SEVERABILITY. If any aspect of this Letter of Credit is ever declared unenforceable for any reason by any court or governmental body having jurisdiction, Lender's entire engagement under this Letter of Credit shall be deemed null and void ab initio, and both Lender and Beneficiary shall be restored to the position each would have occupied with all rights available as though this Letter of Credit had never occurred. This non-severability provision shall override all other provisions in this Letter of Credit, no matter where such provision appears within this Letter of Credit.

EXPIRATION. Lender hereby agrees with Beneficiary that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to Lender on or before the Expiration Date unless otherwise provided for above.

GOVERNING LAW. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions, and except to the extent such laws are inconsistent with the 2007 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, ICC Publication No. 590. This Agreement has been accepted by Lender in the State of Oklahoma.

Dated: October 14, 2021

LENDER:

BANCFIRST

By:______________________________
CHRIS SMITH, President

ENDORSEMENT OF DRAFTS DRAWN:

Date	Negotiated By	Amount In Words	Amount In Figures

BancFirst.

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$25,903.58	10-14-2021	10-14-2022	0070000057	4A / 28	***	CWS	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "***" has been omitted due to text length limitations.

Borrower: City of Glenpool
12205 S Yukon Ave
Glenpool, OK 74033-6635

Lender: BANCFIRST
GLENPOOL
394 EAST 141ST
P. O. BOX 1089
GLENPOOL, OK 74033-1089
(918) 322-9015

Principal Amount: $25,903.58 **Date of Note: October 14, 2021**

PROMISE TO PAY. City of Glenpool ("Borrower") promises to pay to BANCFIRST ("Lender"), or order, in lawful money of the United States of America, the principal amount of Twenty-five Thousand Nine Hundred Three & 58/100 Dollars ($25,903.58), together with interest on the unpaid principal balance from October 14, 2021, until paid in full.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one principal payment of $25,903.58 plus interest on October 14, 2022. This payment due on October 14, 2022, will be for all principal and all accrued interest not yet paid. Unless otherwise agreed or required by applicable law, payments will be applied to accrued unpaid interest, then to principal, then to any late charges, then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing. All payments must be made in U.S. dollars and must be received by Lender consistent with any written payment instructions provided by Lender. If a payment is made consistent with Lender's payment instructions but received after 5:00 PM on a business day, or received any time on a weekend, or received any time on a legal public holiday, Lender will credit Borrower's payment on the next business day.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the The Prime Rate as quoted in the Money Rates Section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each DAY. Borrower understands that Lender may make loans based on other rates as well. **The Index currently is 3.250% per annum.** Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 1.000 percentage point over the Index (the "Margin"), rounded to the nearest 0.125 percent, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 4.250% per annum based on a year of 360 days. If Lender determines, in its sole discretion, that the Index has become unavailable or unreliable, either temporarily, indefinitely, or permanently, during the term of this Note, Lender may amend this Note by designating a substantially similar substitute index. Lender may also amend and adjust the Margin to accompany the substitute index. The change to the Margin may be a positive or negative value, or zero. In making these amendments, Lender may take into consideration any then-prevailing market convention for selecting a substitute index and margin for the specific Index that is unavailable or unreliable. Such an amendment to the terms of this Note will become effective and bind Borrower 10 business days after Lender gives written notice to Borrower without any action or consent of the Borrower. NOTICE: Under no circumstances will the interest rate on this Note be less than 0.000% per annum or more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. **All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: BANCFIRST, GLENPOOL, 394 EAST 141ST, P. O. BOX 1089, GLENPOOL, OK 74033-1089.**

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged $50.00.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 21.000% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Oklahoma.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including without limitation all attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of $25.00 if Borrower makes a payment on Borrower's loan and the check or other payment order including any preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts.

COLLATERAL. Collateral securing other loans with Lender may also secure this loan. To the extent collateral previously has been given to Lender by any person which may secure this loan, whether directly or indirectly, it is specifically agreed that, to the extent prohibited by law, all such collateral consisting of household goods will not secure this loan. In addition, if any collateral requires the giving of a right of rescission under Truth in Lending for this loan, such collateral also will not secure this loan unless and until all required notices of that right have been given.

LINE OF CREDIT. This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under the Note shall be solely governed by the provisions found in the Application for Letter of Credit No. 0070000057 as further referenced.

LETTER OF CREDIT PROVISION. The purpose of this promissory note is to fund Letter of Credit No. 0070000057, in favor of Rural Water District NO. 2, Creek County as Beneficiary, in the event said Letter of Credit No. 0070000057 is presented for payment by Beneficiary. Advances made on this note are solely governed by the provisions of the aforementioned Application for Letter of Credit No. 0070000057.

Borrower acknowledges its total inability to affect the advance(s) of the proceeds of this promissory note.

LENDER'S RIGHTS REGARDING FEES AND CHARGES. The late fee on this loan may increase, but will never be more than the maximum allowed by law

PRIOR NOTE. PROMISSORY NOTE # 0070000057, DATED OCTOBER 14, 2019 IN THE AMOUNT OF $25,211.90, PROMISSORY NOTE # 0070000057, DATED OCTOBER 14, 2020 IN THE AMOUNT OF $26,458.00.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: BANCFIRST, GLENPOOL, 394 EAST 141ST, P. O. BOX 1089, GLENPOOL, OK 74033-1089.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

CITY OF GLENPOOL

By:______________________________
Joyce G Calvert, Mayor of City of Glenpool

By:______________________________
Joyce G Calvert, Mayor, in connection with this transaction of City of Glenpool

![BancFirst]

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$25,903.58	10-14-2021	10-14-2022	0070000057	4A / 28	***	CWS	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "***" has been omitted due to text length limitations.

Borrower: City of Glenpool
12205 S Yukon Ave
Glenpool, OK 74033-6635

Lender: BANCFIRST
GLENPOOL
394 EAST 141ST
P. O. BOX 1089
GLENPOOL, OK 74033-1089
(918) 322-9015

LOAN TYPE. This is a Variable Rate Nondisclosable Loan to a Government Entity for $25,903.58 due on demand and, if no demand, on October 14, 2022. This is a secured renewal of the following described indebtedness: PROMISSORY NOTE # 0070000057, DATED OCTOBER 14, 2019 IN THE AMOUNT OF $25,211.90, PROMISSORY NOTE # 0070000057, DATED OCTOBER 14, 2020 IN THE AMOUNT OF $26,458.00..

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

☐ Personal, Family, or Household Purposes or Personal Investment.

☒ Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: TO BACK LETTER OF CREDIT #0070000057 DATED OCTOBER 14, 2021 IN THE AMOUNT OF $25,903.58.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of $25,903.58 as follows:

Amount paid to others on Borrower's behalf: $25,903.58 to Rural Water District No 2, Creek County, Oklahoma as governed by the provisions in the Letter of Credit #0070000057	$25,903.58
Note Principal:	$25,903.58

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash:	$0.00
Other Charges Paid in Cash: $125.00 Letter of Credit Fee	$125.00
Total Charges Paid in Cash:	$125.00

AUTOMATIC PAYMENTS. If you have elected to have your loan payment automatically drafted from your BancFirst deposit account, your overdraft privilege amount will be considered when processing your payment.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED OCTOBER 14, 2021.

BORROWER:

CITY OF GLENPOOL

By: ______________________________
Joyce G Calvert, Mayor of City of Glenpool

By: ______________________________
Joyce G Calvert, Mayor, in connection with this transaction of City of Glenpool