



**COMPREHENSIVE ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORTS**

AS OF AND FOR THE FISCAL YEAR ENDED

JUNE 30, 2013

CITY OF SAPULPA, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ACCOMPANYING
INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

**CITY OF SAPULPA, OKLAHOMA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTION SECTION:</u>	
Letter of Transmittal	1-3
Principal Officials and Staff	5
City Organizational Chart	6
<u>FINANCIAL SECTION:</u>	
INDEPENDENT AUDITOR'S REPORT	7-8
MANAGEMENT'S DISCUSSION AND ANALYSIS	9-16
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	19-20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	21-22
Statement of Net Position – Proprietary Funds	23
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds	25-26
Notes to the Basic Financial Statements	27-61
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule (Budgetary Basis) – General Fund	63-66
Notes to Required Supplementary Information	
Budgetary Comparison Schedule	67-68
Schedule of Funding Progress - OPEB	69
OTHER SUPPLEMENTARY INFORMATION:	
Combining Balance Sheet – Non-Major Governmental Funds	71-72
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds	73-74
Combining Balance Sheet – General Fund Accounts	75
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Accounts	76
Combining Schedule of Net Position – SMA Utility Fund Accounts	77
Combining Statement of Revenues, Expenses and Changes in Net Position – SMA Utility Fund Accounts	78
Schedule of Debt Service Coverage Requirements	79

**CITY OF SAPULPA, OKLAHOMA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

TABLE OF CONTENTS

<u>STATISTICAL SECTION:</u>	<u>Table</u>	<u>Page</u>
FINANCIAL TRENDS		
Net Assets/Position by Component	1	81
Changes in Net Assets/Position	2	82-83
Fund Balances - Governmental Funds	3	84
Changes in Fund Balances – Governmental Funds	4	85
Governmental Activities Tax Revenues by Source	5	86
Assessed Value and Estimated Actual Value of Taxable Property	6	87
Property Tax Rates – Direct and Overlapping Governments	7	88
Principal Property Taxpayers	8	89
Property Tax Levies and Collections	9	90
Sales Tax Rates of Direct and Overlapping Governments	10	91
Taxable Sales by Category	11	92
Ratio for Outstanding Debt by Type	12	93
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	13	94
Computation of Direct and Overlapping Debt	14	95
Legal Debt Margin Information	15	96
The Sapulpa Municipal Authority Utility Systems Division Pledged Revenue Coverage	16	97
Demographic and Economic Statistics	17	98
Principal Employers Current Year	18	99
Full-Time Equivalent City Government Employees by Function/Program	19	100
Capital Asset Statistics by Function/Program	20	101
Operating Indicators by Function/Program	21	102

INTRODUCTION SECTION



425 East Dewey Avenue
P O Box 1130 Sapulpa, OK 74067

May 9, 2014

To the Honorable Mayor Reg Green, City Councilors, and Citizens:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Sapulpa for the fiscal year ended June 30, 2013. The report was prepared by the Finance Department of the City of Sapulpa to present the financial position of the City and the results of the City's financial operations in accordance with generally accepted accounting principles. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects, and all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The Management's Discussion and Analysis provide additional narrative and detailed analysis of the City's financial affairs, and we encourage readers to consider that information in conjunction with the information presented here.

To facilitate the understanding of the City's financial affairs, the CAFR is divided into the following sections:

- **Introductory Section** – Includes a table of contents, a letter of transmittal, the City's organizational chart, and a list of City Officials.
- **Financial Section** – Consists of the independent auditor's report, management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information.
- **Statistical Section** – Presents unaudited financial, economic and demographic data and other information relative to the community.

Governmental Structure

The City of Sapulpa, the County seat of Creek County, Oklahoma, is located in the extreme northeast corner of the County, only twelve miles from the City of Tulsa, Oklahoma. The City lies astride Interstate Highway 44 (Turner Turnpike) connecting the cities of Tulsa and Oklahoma City. First incorporated prior to Oklahoma statehood, its first City Charter was adopted in 1910, with major revisions thereto in 1922, 1970, 2002, and 2005. Currently operating under a Municipal Charter form of Government pursuant to Oklahoma Statutes 1991, Sect. 13-101, et seq., the city is governed by a Board of Councilors consisting of ten councilors, two council members from each of five wards. The mayor is chosen from among the council itself. The City Council also serves as trustees of the Sapulpa Municipal Authority. The Mayor and Council appoint a City Manager, a City Attorney, and a City Treasurer. The responsibility for the day-to-day operations of the City rests with the City Manager.

Economic Conditions and Outlook

The primary measure of local economic activity is sales tax revenue which decreased approximately 3.3% from the prior fiscal year. The City relies on sales tax revenue to fund its governmental operations and anticipating a slowdown in the economy budgeted accordingly with only an \$18,928 difference between actual revenue and budget.

Another major revenue is the Sapulpa Municipal Authority (SMA) charges for service, which include water, sewer, and refuse revenue. SMA charges for service were increased by a rate adjustment of 2.38% effective in July 2012 with an overall increase of 4.7% from prior year.

In preparing the FY 2013/2014 budget City officials continue to cope with several challenges, lower sales tax revenue, departments still operating with lower staffing levels and increased materials costs. Despite these challenges the overall outlook for the City remains strong. Due to the debt restructuring and additional bond funds the Sapulpa Municipal Authority was able to address several major improvements to the water and sewer systems in the FY 2013/2014 budget. The City was also able to obtain grant funding in the amount of \$1,820,000 which combined with City and County funds will provide \$2,586,000 for infrastructure construction, including streets, drainage, water and sewer, for a 150 acre industrial park.

Acknowledgments

The preparation of this report is a combined effort of the staff of the Finance Department with the professional assistance of our consultants, Crawford & Associates, P.C., and our independent auditors, Arledge & Associates, P.C. We would like to express our appreciation to all individuals who assisted in the preparation of this report.

We would also like to thank the Mayor and the members of the City Council for their leadership, encouragement and support in our effort to provide the citizens with quality services, management and financial reporting.

Respectfully submitted,


Tom DeArman
City Manager


Pamela Vann
Finance Director

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF SAPULPA
LIST OF CITY OFFICIALS
FOR THE FISCAL YEAR
JULY 1, 2012 – JUNE 30, 2013

REG GREEN, MAYOR
LOUIS MARTIN, JR, VICE-MAYOR

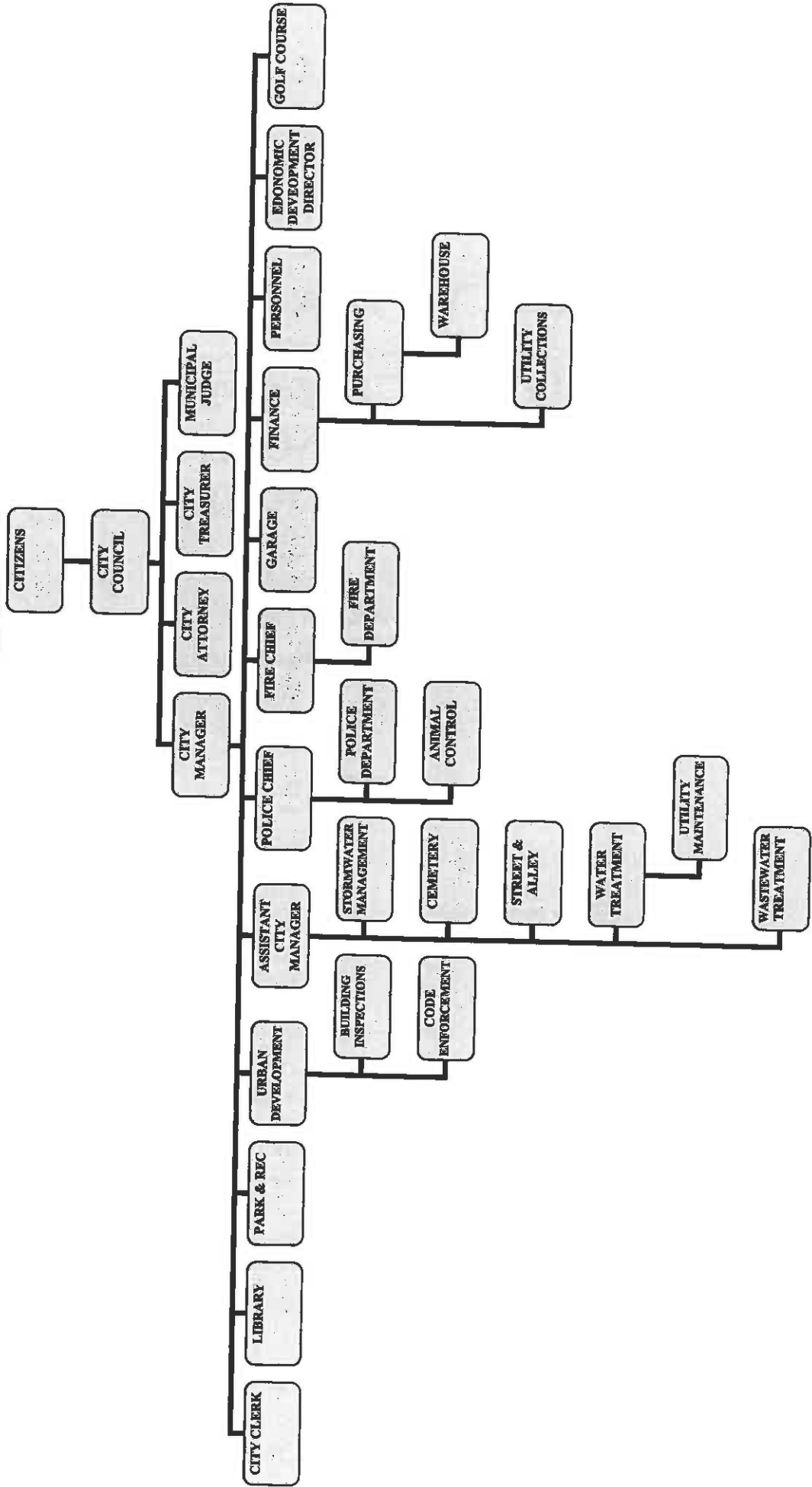
COUNCIL:

CRAIG HENDERSON
THERESA JONES
CHARLES STEPHENS
JOHN ANDERSON

MARTY CUMMINS
MIKE HURT
ALAN H. JONES
BILL ROLLINGS

Tom M. DeArman, City Manager
David Widdoes, City Attorney
David E. Gilliland, Assistant City Manager
Shirley Burzio, City Clerk
Pamela Vann, Finance Director

CITY OF SAPULPA ORGANIZATIONAL CHART



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Sapulpa, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sapulpa, Oklahoma, (the "City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and schedule of funding progress, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2014, 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.

Arledge & Associates, P.C.

May 28, 2014

Our discussion and analysis of the City of Sapulpa's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2013, the City's total net position decreased by \$0.6 million from the prior year.
- During the year, the City's expenses for governmental activities were \$18.1 million and were funded by program revenues of \$4.4 million and further funded with taxes, other general revenues and transfers that totaled \$14.5 million.
- In the City's business-type activities, such as utilities and golf course, total expenses exceeded program revenues by \$2.5 million, funded with general revenues and transfers of \$1.1 million.
- At June 30, 2013, the General Fund reported an unassigned fund balance of \$0.6 million.
- For budgetary reporting purposes, the General Fund reported revenues more than estimates by \$0.04 million or 0.2%, while expenditures were less than final appropriations by \$0.6 million or 3%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Sapulpa (the "City") and its component units using the integrated approach as prescribed by GASB Statement No. 34. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type. The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets) as well as all liabilities (including all long-term debt).

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

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

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

As mentioned above, in the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities** -- Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- **Business-type activities** -- The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, sanitation, stormwater and golf course activities are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

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

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

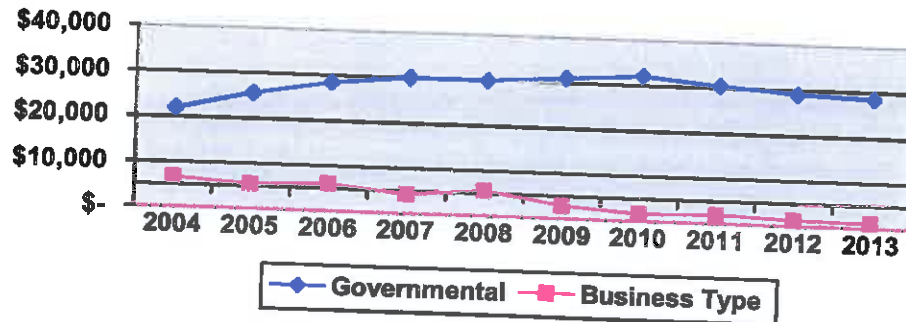
Net Position

The City's combined net position decreased from \$30.6 million to \$30.0 million between fiscal years 2012 and 2013. Looking at the net position of governmental and business-type activities separately, governmental activities increased \$0.8 million and business-type activities decreased \$1.4 million. A comparative, condensed presentation of net position follows (reported in thousands).

CITY OF SAPULPA, OKLAHOMA
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2013

	Governmental Activities		Business-Type Activities		Total	
	2013	Restated 2012	2013	Restated 2012	2013	Restated 2012
Current and other assets	\$9,766	\$9,641	\$9,119	\$9,467	\$18,885	\$19,108
Capital assets, net	38,033	37,473	59,369	60,152	97,402	97,625
Total assets	<u>47,799</u>	<u>47,114</u>	<u>68,488</u>	<u>69,619</u>	<u>116,287</u>	<u>116,733</u>
Long-term debt outstanding	18,382	18,556	65,830	64,813	84,212	83,369
Other liabilities	761	665	1,339	2,096	2,100	2,761
Total liabilities	<u>19,143</u>	<u>19,221</u>	<u>67,169</u>	<u>66,909</u>	<u>86,312</u>	<u>86,130</u>
Net position						
Net invested in capital assets	24,658	23,546	(6,021)	(4,274)	18,637	19,272
Restricted	3,983	3,438	384	2,853	4,367	6,291
Unrestricted	15	909	6,956	4,131	6,971	5,040
Total net position	<u>\$28,656</u>	<u>\$27,893</u>	<u>\$1,319</u>	<u>\$2,710</u>	<u>\$29,975</u>	<u>\$30,603</u>

**Net Position
(in 000's)**



Some of the 2012 balances were restated to move street-related debt that had been accounted for in an enterprise fund to governmental fund/activity. See Note 3.I. for more detail.

Explanations for the more significant changes include:

Business-Type Activities Other Liabilities - \$0.8 million (36%) decrease due primarily to interest payable decreasing because of debt refunding.

Business-Type Activities Restricted Net Position - \$2.5 million (86.5%) decrease due primarily to debt service restriction decreasing because of debt refunding.

Business-Type Activities Unrestricted Net Position - \$2.8 million (68.4%) increase due primarily to a decrease in restricted net position.

Changes in Net Position

For the year ended June 30, 2013, the change in net position of the primary government was the result of the following (amounts are reported in thousands):

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Expenses						
Administration	\$ 1,177	\$ 1,111	\$ -	\$ -	\$ 1,177	\$ 1,111
General government	1,390	1,408	-	-	1,390	1,408
Legal and judicial	327	311	-	-	327	311
Public safety	10,849	10,504	-	-	10,849	10,504
Urban development	485	436	-	-	485	436
Streets	1,745	2,704	-	-	1,745	2,704
Culture and recreation	1,484	1,396	-	-	1,484	1,396
Interest on long-term debt	629	627	-	-	629	627
Water	-	-	4,921	4,304	4,921	4,304
Wastewater	-	-	6,014	6,784	6,014	6,784
Sanitation	-	-	1,326	1,318	1,326	1,318
Stormwater	-	-	307	364	307	364
Golf	-	-	763	778	763	778
Interest charges - governmental activities	-	-	3	136	3	136
Total expenses	<u>18,086</u>	<u>18,497</u>	<u>13,334</u>	<u>13,684</u>	<u>31,420</u>	<u>32,181</u>
Program revenues						
Charges for services	1,941	1,835	10,799	10,283	12,740	12,118
Operating grants and contributions	1,756	1,480	-	-	1,756	1,480
Capital grants and contributions	654	248	83	-	737	248
Total program revenues	<u>4,351</u>	<u>3,563</u>	<u>10,882</u>	<u>10,283</u>	<u>15,233</u>	<u>13,846</u>
Net revenues (expenses)	<u>(13,735)</u>	<u>(14,934)</u>	<u>(2,452)</u>	<u>(3,401)</u>	<u>(16,187)</u>	<u>(18,335)</u>
General revenues						
Taxes:						
Sales and use taxes	11,820	12,526	-	-	11,820	12,526
Property taxes	1,630	1,709	-	-	1,630	1,709
Franchise and public service taxes	536	567	-	-	536	567
Payment in lieu of tax	490	429	-	-	490	429
Hotel/motel tax	216	191	-	-	216	191
E-911 taxes	213	202	-	-	213	202
Intergovernmental revenue not restricted to specific programs	256	276	-	-	256	276
Interest income	35	57	30	13	65	70
Miscellaneous	182	251	152	150	334	401
Transfers - Internal activity	(880)	(2,517)	880	2,517	-	-
Total general revenues and transfers	<u>14,498</u>	<u>13,691</u>	<u>1,062</u>	<u>2,680</u>	<u>15,560</u>	<u>16,371</u>
Change in Net Position	<u>\$763</u>	<u>(\$1,243)</u>	<u>(\$1,390)</u>	<u>(\$721)</u>	<u>(\$627)</u>	<u>(\$1,964)</u>

Explanations for the more significant changes include:

Streets Expense - \$959,000 decrease (35.5%) due to a construction project expensed in the prior year.

Governmental activities transfers - \$1,637,000 (65%) due to less capital asset transfer activity in special revenue funds that are business-type activities.

Business-Type Interest Charges - \$133,000 (97.8%) decrease due to debt paying off in current year.

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants 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 following table compares fiscal year 2013 and 2012 total Governmental Activities expenses and net revenue (expense) of services:

Net Revenue (Expense) of Governmental Activities				
(In thousands of dollars)				
	Total Expense of Services		Net Revenue (Expense) of Services	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Administration	\$1,177	\$1,111	(\$1,177)	(\$1,111)
General government	1,390	1,408	(1,036)	(1,103)
Legal and judicial	327	311	(327)	(311)
Public safety	10,849	10,504	(8,132)	(8,126)
Urban development	485	436	(412)	(256)
Streets	1,745	2,704	(1,533)	(2,305)
Culture and recreation	1,484	1,396	(489)	(1,093)
Interest on long-term debt	629	627	(629)	(628)
Total	<u>\$18,086</u>	<u>\$18,497</u>	<u>(\$13,735)</u>	<u>(\$14,933)</u>

Business-type Activities

The following table compares fiscal year 2013 and 2012 total Business-Type Activities expenses and net revenue (expense) of services:

Net Revenue (Expense) of Business-Type Activities
(In thousands of dollars)

	<u>Total Expense of Services</u>		<u>Net Revenue (Expense) of Services</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Water	\$4,921	\$4,304	(\$300)	\$185
Wastewater	6,014	6,784	(2,495)	(3,555)
Sanitation	1,326	1,318	107	57
Stormwater	307	364	597	486
Golf	763	778	(358)	(438)
Interest charges - govt'l activities	3	136	(3)	(136)
Total	<u>\$13,334</u>	<u>\$13,684</u>	<u>(\$2,452)</u>	<u>(\$3,401)</u>

The \$2.5 million net expense of the wastewater activities is funded with dedicated sales taxes, which amounted to \$3.14 million in 2013.

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2013 fiscal year, the governmental funds reported a combined fund balance of \$6.4 million or a 25.2% decrease from the prior year due to the use of prior year G. O. bond proceeds for capital projects. The enterprise funds reported combined net position of \$1.0 million or a 51.2% decrease from 2012 due to capital debt transferred to the governmental activities.

<u>Governmental Funds</u>		<u>Fund Balance/Net Position (In thousands of dollars)</u>	<u>Enterprise Funds</u>	
Nonspendable	\$ 82			
Restricted	4,733			
Committed	8		Net investment in capital assets	\$ (6,020)
Assigned	1,015		Restricted for debt service	111
Unassigned	<u>552</u>		Unrestricted	<u>6,956</u>
Total Fund Balance	<u>\$ 6,390</u>		Total Net Position	<u>\$ 1,047</u>

Other fund highlights include:

- For the year ended June 30, 2013, the General Fund's total fund balance decreased by \$0.8 million or 40.2%.
- The Sapulpa Municipal Authority enterprise fund reported a decrease in net position, after transfers, of \$1.1 million or 81%.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the General Fund budget various times. The revised budget included an increase in overall revenue projections of less than 0.9% or \$0.2 million and an increase in appropriations of 1.3% or \$0.3 million.

For budgetary reporting purposes, the General Fund reported revenues more than final estimates by \$0.04 million or 0.2%, while expenditures were less than the final appropriations by \$0.6 million or 3%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2013, the City had \$97.4 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, water lines and sewer lines. (See table below). This remains consistent with last year.

Primary Government Capital Assets
(Net of accumulated depreciation - in thousands of dollars)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$4,652	\$4,614	\$71	\$52	\$4,723	\$4,666
Buildings	7,648	7,836	2,690	2,767	10,338	10,603
Imp. other than buildings	2,377	2,470	578	607	2,955	3,077
Equipment	4,184	4,301	1,657	1,578	5,841	5,879
Intangible water rights	-	-	4,915	4,914	4,915	4,914
Utility property	-	-	44,434	45,866	44,434	45,866
Infrastructure	17,637	17,486	2,043	1,874	19,680	19,360
Construction in progress	1,535	766	2,980	2,494	4,515	3,260
Totals	\$38,033	\$37,473	\$59,368	\$60,152	\$97,401	\$97,625

This year's more significant capital asset additions included:

- \$559,789 – Kelly Lane Pedestrian Bridge
- \$163,358 – 6 2013 Dodge Chargers
- \$179,411 – Cleveland Ave. Paving Improvement
- \$153,325 – Lee Boy Asphalt Paver

See Note 3.D. to the financial statements for more detail information on the City's capital assets and changes therein.

Long-Term Debt

At year-end, the City had \$91.3 million in long-term debt outstanding which represents a \$2.8 million or 3.1% increase from the prior year resulting mainly from new Revenue Bonds in the current year. The

City's changes in long-term debt by type of debt are as follows (excludes unamortized premiums/discounts and loss on refunding):

Primary Government Long-Term Debt
(In thousands of dollars)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	Restated		Restated		Restated	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Accrued absences	\$1,749	\$1,666	\$180	\$128	\$1,929	\$1,794
Revenue bonds	1,920	2,500	69,995	65,507	71,915	68,007
Due to depositors	-	-	261	259	261	259
Water contract obligations	-	-	2,362	2,648	2,362	2,648
Notes payable	-	-	137	267	137	267
General obligation bonds	13,130	13,895	-	-	13,130	13,895
Judgments payable	302	416	-	-	302	416
Estimated claims payable	15	50	-	-	15	50
OPEB liability	930	837	-	-	930	837
Capital leases	344	349	-	-	344	349
Totals	\$18,390	\$19,713	\$72,935	\$68,809	\$91,325	\$88,522

See Note 3.F. to the financial statements for more detail information on the City's long-term debt and changes therein.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Economic factors play a key role in developing the City's Budget. The overall economic outlook for the City of Sapulpa seems to be fairly positive. Total sales tax collections, which is the major revenue for the General fund, had a decrease of \$385,014, or 3.2%, from fiscal year 2011-2012 (\$11,812,788) to fiscal year 2012-2013 (\$11,427,776). Continued uncertainty of the national economy was the major contributing factor of the slight decrease, 1.7%, in the sales tax revenue projected for fiscal year 2013-2014 (\$11,156,805) from fiscal year 2012-2013 budget (\$11,351,760).

The Sapulpa Municipal Authority (SMA) charges for service, which include water, sewer, and refuse revenues, shows a slight increase, 5.2%, for fiscal year 2012-2013 (\$9,520,748) from 2011-2012 actual (\$9,050,052). Total revenues for fiscal 2013-2014, excluding transfers in, were projected only 3% higher than fiscal year 2012-2013 budget. This projected included a 2% increase in utility rates, including water, sewer and refuse.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's office at 425 E. Dewey, P. O. Box 1130, Sapulpa, Oklahoma 74067-1130 or by phone at (918) 248-5911.

**City of Sapulpa
Statement of Net Position
June 30, 2013**

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 3,002,118	\$ 3,139,907	\$ 6,142,025
Investments	3,045,059	967,271	4,012,330
Deposits with insurance pool	120,528	-	120,528
Deposits with fiscal agent	188	-	188
Internal balances	(118,060)	118,060	-
Interest receivable	9,215	-	9,215
Accounts receivable, net of allowance	-	1,091,161	1,091,161
Franchise tax receivable	22,814	-	22,814
Court fine receivable, net of allowance	688,634	-	688,634
Due from other governments	2,000,815	402,653	2,403,468
Other receivables	271,936	104,744	376,680
Inventory	37,338	70,655	107,993
Prepaid expenses	-	663,351	663,351
Capital assets:			
Land and construction in progress	6,186,229	7,966,581	14,152,810
Other capital assets, net of depreciation	31,846,586	51,402,149	83,248,715
Unamortized bond issuance costs	685,685	2,561,643	3,247,328
Total assets	47,799,065	68,488,175	116,287,240
LIABILITIES			
Accounts payable	547,999	448,074	996,073
Accrued payroll liabilities	102,907	52,886	155,793
Accrued interest payable	53,160	833,022	886,182
Due to other governments	8,994	-	8,994
Escrow deposits	13,008	-	13,008
Due to bondholders	35,407	-	35,407
Unearned revenue	-	4,435	4,435
Long-term liabilities:			
Due within one year	2,286,653	1,123,272	3,409,925
Due in more than one year	16,094,952	64,707,227	80,802,179
Total liabilities	19,143,080	67,168,916	86,311,996
NET POSITION			
Net investment in capital assets	24,658,364	(6,020,714)	18,637,650
Restricted for:			
Capital projects	178,228	-	178,228
Debt service	1,168,638	111,277	1,279,915
Public safety	2,636,022	-	2,636,022
Water or sewer maintenance	-	79,360	79,360
Water capital projects	-	153,281	153,281
Sewer capital projects	-	39,772	39,772
Unrestricted	14,733	6,956,283	6,971,016
Total net position	\$ 28,655,985	\$ 1,319,259	\$ 29,975,244

See accompanying notes to the basic financial statements

City of Sapulpa
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs Primary government	Primary government				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Program Revenue and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Administration	\$ 1,176,999	\$ -	\$ -	\$ -	\$ (1,176,999)	\$ -	\$ (1,176,999)
General government	1,389,891	351,610	2,103	-	(1,036,178)	-	(1,036,178)
Legal and judicial	326,787	-	-	-	(326,787)	-	(326,787)
Public safety	10,848,677	1,336,141	1,371,147	8,881	(8,132,508)	-	(8,132,508)
Urban development	485,346	-	-	73,451	(411,895)	-	(411,895)
Streets	1,743,231	2,025	185,292	25,155	(1,532,759)	-	(1,532,759)
Culture and recreation	1,483,769	251,688	197,009	546,257	(488,815)	-	(488,815)
Interest on long-term debt	628,875	-	-	-	(628,875)	-	(628,875)
Total governmental activities	18,085,575	1,941,464	1,755,551	653,744	(13,734,816)	-	(13,734,816)
Business-type activities							
Water	4,920,543	4,567,862	-	52,178	-	(300,483)	(300,483)
Wastewater	6,013,722	3,519,075	-	-	-	(2,494,647)	(2,494,647)
Sanitation	1,326,338	1,433,791	-	-	-	107,453	107,453
Stormwater	307,344	904,277	-	-	-	596,933	596,933
Golf operations	763,120	374,750	-	30,690	-	(357,680)	(357,680)
Interest charges	3,320	-	-	-	-	(3,320)	(3,320)
Total business-type activities	13,334,387	10,799,775	-	82,868	-	(2,451,744)	(2,451,744)
Total primary government	\$ 31,419,962	\$ 12,741,239	\$ 1,755,551	\$ 736,612	(13,734,816)	(2,451,744)	(16,186,560)
General revenues:							
Taxes:							
Sales and use taxes					11,819,642	-	11,819,642
Property taxes					1,630,259	-	1,630,259
Franchise and public service taxes					536,362	-	536,362
Payment in lieu of tax					489,500	-	489,500
Hotel/motel taxes					215,883	-	215,883
E-911 taxes					212,641	-	212,641
Intergovernmental revenue not restricted to specific programs					256,192	-	256,192
Miscellaneous					34,713	29,845	64,558
Transfers - Internal activity					181,936	151,710	333,646
Total general revenues and transfers					(879,543)	879,543	-
Change in net position					762,769	(1,380,646)	(627,877)
Net position - beginning, restated					27,893,216	2,709,905	30,603,121
Net position - ending					\$ 28,655,985	\$ 1,319,259	\$ 29,975,244

See accompanying notes to the basic financial statements

**City of Sapulpa
Balance Sheet
Governmental Funds
June 30, 2013**

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 178,384	\$ 2,126,303	\$ 2,304,687
Investments	15,034	2,856,948	2,871,982
Deposits with insurance pool	120,528	-	120,528
Deposits with fiscal agent	-	188	188
Accrued interest receivable	-	9,215	9,215
Due from other funds	1,759	-	1,759
Due from other governments	773,273	1,630,195	2,403,468
Franchise tax receivable	22,814	-	22,814
Court fine receivable, net	629,702	58,932	688,634
Other receivables	208,313	63,569	271,882
Inventory	10,187	71,860	82,047
Total assets	<u>\$ 1,959,994</u>	<u>\$ 6,817,210</u>	<u>\$ 8,777,204</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 153,976	\$ 417,431	\$ 571,407
Accrued payroll liabilities	78,059	36,986	115,045
Due to other funds	-	295,239	295,239
Due to other governments	8,405	589	8,994
Escrow deposit	13,008	-	13,008
Deferred revenue	547,479	800,179	1,347,658
Refundable court bonds	32,170	3,237	35,407
Total liabilities	<u>833,097</u>	<u>1,553,661</u>	<u>2,386,758</u>
 Fund balances:			
Non-spendable	10,187	71,860	82,047
Restricted	-	4,733,237	4,733,237
Committed	7,753	-	7,753
Assigned	476,068	539,397	1,015,465
Unassigned	632,889	(80,945)	551,944
Total fund balances	<u>1,126,897</u>	<u>5,263,549</u>	<u>6,390,446</u>
Total liabilities and fund balances	<u>\$ 1,959,994</u>	<u>\$ 6,817,210</u>	<u>\$ 8,777,204</u>

See accompanying notes to the basic financial statements.

City of Sapulpa
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2013

Fund Balance - Net Position Reconciliation:	\$ 6,390,446
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$20,042,568	38,032,795
Certain long-term assets are not reported in the funds on the modified accrual basis of accounting; however, at the government-wide financial statements are reported due to the accrual basis of accounting:	
Unamortized bond issuance costs	685,685
Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance costs, to individual funds. The assets and liabilities of these internal service funds are reported in the governmental activities of the Statement of Net Position:	
Internal service funds' net position	891,358
Certain special revenue funds are used by management to perform business-type activities. The assets and liabilities of these special revenue funds are included in business-type activities in the Statement of Net Position:	
Water & sewer sales tax fund	(79,360)
Water resources fund	(153,281)
Sewer plant sales tax fund	(39,772)
	(272,413)
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Deferred revenue	1,347,658
Certain long-term liabilities are not due and payable from current financial resources and therefore are not reported in the funds:	
Accrued interest payable	(53,160)
Capital lease obligation	(343,534)
Judgments payable	(301,645)
Revenue bonds	(1,782,453)
General obligation bond	(13,130,000)
Unamortized premium on general obligation bonds	(129,288)
OPEB liability	(930,068)
Accrued compensated absences	(1,749,396)
	(18,419,544)
Net Position of Governmental Activities in the Statement of Net Position	\$ 28,655,985

See accompanying notes to the basic financial statements.

City of Sapulpa
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 6,677,944	\$ 7,988,714	\$ 14,666,658
Intergovernmental	1,405,187	470,004	1,875,191
Charges for services	753,129	322,334	1,075,463
Fines and forfeitures	789,179	30,453	819,632
Licenses and permits	170,794	-	170,794
Investment income	3,487	32,674	36,161
Miscellaneous	224,904	123,160	348,064
Total revenues	<u>10,024,624</u>	<u>8,967,339</u>	<u>18,991,963</u>
EXPENDITURES			
Current:			
Administration	1,142,548	-	1,142,548
General government	816,658	770,733	1,587,391
Legal and judicial	295,223	-	295,223
Public safety	10,305,764	158,377	10,464,141
Urban development	299,612	181,933	481,545
Streets	-	989,421	989,421
Culture and recreation	549,293	574,525	1,123,818
Water	-	807,385	807,385
Wastewater	-	379	379
Capital Outlay	162,521	2,896,899	3,059,420
Debt Service:			
Principal	30,584	1,878,084	1,908,668
Interest	4,949	655,113	660,062
Total expenditures	<u>13,607,152</u>	<u>8,912,849</u>	<u>22,520,001</u>
Excess (deficiency) of revenues over expenditures	<u>(3,582,528)</u>	<u>54,490</u>	<u>(3,528,038)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	5,119,162	1,676,381	6,795,543
Transfers out	(2,296,256)	(3,608,856)	(5,905,112)
Proceeds from long-term debt	-	6,450,534	6,450,534
Judgment proceeds	-	24,312	24,312
Payment to escrow	-	(6,002,824)	(6,002,824)
Total other financing sources (uses)	<u>2,822,906</u>	<u>(1,460,453)</u>	<u>1,362,453</u>
SPECIAL ITEM			
Proceeds from sale of building	-	8,881	8,881
Net change in fund balances	(759,622)	(1,397,082)	(2,156,704)
Fund balances - beginning	1,886,519	6,660,631	8,547,150
Fund balances - ending	<u>\$ 1,126,897</u>	<u>\$ 5,263,549</u>	<u>\$ 6,390,446</u>

See accompanying notes to the basic financial statements.

City of Sapulpa
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

Changes in Fund Balance - Changes in Net Position Reconciliation: \$ (2,156,704)

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

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

Capital asset purchases capitalized	2,188,212
Book value of disposed capital assets	(17,677)
Depreciation expense	<u>(1,611,126)</u>
	<u>559,409</u>

Governmental funds report bond issuance costs as expenditures while governmental activities report amortization expense to allocate those expenditures over the term of the bonds:

Amortization expense	(43,176)
----------------------	----------

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

Deferred revenue	187,859
------------------	---------

Certain special revenue funds are used by management to perform business-type activities. The net change in fund balances of these special revenue funds are included in business-type activities in the Statement of Net Position:

Water & Sewer Sales Tax Fund	107,347
Water Resources Fund	89,924
Sewer Plant Sales Tax Fund	<u>96,378</u>
	<u>293,649</u>

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

Principal payment on capital lease obligation	175,002
Principal payment on judgments payable	138,667
Principal payment on G.O. bonds payable	1,015,000
Principal payment on Revenue bonds payable	580,000
Payment to escrow	6,002,824
G.O. Bond premium received	(111,476)
G.O. Bond premium amortized	5,952
G.O. Bond issue costs paid	252,321
Proceeds from Judgment payable	(24,312)
Proceeds from capital lease obligation	(169,058)
Proceeds from G.O. bonds payable	<u>(6,170,000)</u>
	<u>1,694,920</u>

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

Change in accrued interest payable	25,236
Change in OPEB liability	(93,462)
Change in accrued compensated absences	<u>(83,750)</u>
	<u>(151,976)</u>

Internal service fund activity is reported as a proprietary fund in the fund financial statements, but certain net revenues are reported in governmental activities on the Statement of Activities:

Change in net position for internal service funds	378,788
---	---------

Change in net position of governmental activities	<u>\$ 762,769</u>
---	-------------------

See accompanying notes to the basic financial statements.

**City of Sapulpa
Statement of Net Position
Proprietary Funds
June 30, 2013**

	<u>Enterprise Funds</u>			
	<u>SMA Utility Fund</u>	<u>Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Fund</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,050,287	\$ 77,269	\$ 1,127,556	\$ 705,780
Restricted cash and cash equivalents	2,004,002	-	2,004,002	-
Investments	731,076	-	731,076	-
Accounts receivable, net	1,081,113	10,048	1,091,161	200,745
Other receivables	104,744	-	104,744	-
Due from other funds	293,480	-	293,480	54
Inventory	-	-	-	-
Total current assets	<u>5,264,702</u>	<u>25,946</u>	<u>25,946</u>	<u>-</u>
Non-current assets:				
Restricted investments	-	113,263	113,263	906,579
Prepaid bond insurance	208,527	-	208,527	-
Capital assets:	663,351	-	663,351	-
Land and other non-depreciable assets	7,932,421	34,180	7,966,581	-
Other capital assets, net of depreciation	50,708,528	693,621	51,402,149	-
Unamortized debt issuance costs	2,561,643	-	2,561,643	-
Total non-current assets	<u>62,074,470</u>	<u>727,781</u>	<u>62,802,251</u>	<u>-</u>
Total assets	<u>67,339,172</u>	<u>841,044</u>	<u>68,180,216</u>	<u>906,579</u>
LIABILITIES				
Current liabilities:				
Accounts payable	414,236	9,181	423,419	-
Accrued payroll liabilities	31,339	10,656	41,995	-
Accrued interest payable	833,022	-	833,022	-
Deferred revenue	-	-	-	-
Estimated liability for claims	-	4,435	4,435	-
Current portion of:	-	-	-	15,221
Due to depositors	52,116	-	52,116	-
Notes payable	95,566	-	95,566	-
Water contract obligations	297,958	-	297,958	-
Revenue bonds payable	660,000	-	660,000	-
Accrued compensated absences	15,148	-	15,148	-
Total current liabilities	<u>2,399,387</u>	<u>2,484</u>	<u>2,426,143</u>	<u>15,221</u>
Non-current liabilities:				
Due to depositors	208,465	-	208,465	-
Notes payable	41,513	-	41,513	-
Water contract obligations	2,063,781	-	2,063,781	-
Revenue bonds payable, net	62,230,626	-	62,230,626	-
Accrued compensated absences	140,489	22,353	162,842	-
Total non-current liabilities	<u>64,684,674</u>	<u>22,353</u>	<u>64,707,227</u>	<u>-</u>
Total liabilities	<u>67,084,261</u>	<u>49,109</u>	<u>67,133,370</u>	<u>15,221</u>
NET POSITION				
Net investment in capital assets	(6,748,495)	727,781	(6,020,714)	-
Restricted for debt service	111,277	-	111,277	-
Unrestricted	6,892,129	64,154	6,956,283	891,358
Total net position	<u>\$ 254,911</u>	<u>\$ 791,935</u>	<u>\$ 1,046,846</u>	<u>\$ 891,358</u>

Amounts reported for business-type activities in the Statement of Net Position are different because:

Certain special revenue funds are used by management to perform business-type activities. The assets and liabilities of certain special revenue funds are included in the business-type activities in the Statement of Net Position.

272,413

Net Position of business-type activities

\$ 1,319,259

See accompanying notes to the basic financial statements.

City of Sapulpa
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Enterprise Funds			Internal Service Fund
	SMA Utility Fund	Golf Course Fund	Total	
REVENUES				
Water charges	\$ 4,204,618	\$ -	\$ 4,204,618	\$ -
Sewer charges	3,191,639	-	3,191,639	-
Sanitation	1,407,257	-	1,407,257	-
Water taps	15,750	-	15,750	-
Sewer taps	327,436	-	327,436	-
Late charges	193,601	-	193,601	-
Trucked water	26,534	-	26,534	-
Stormwater	904,277	-	904,277	-
Golf course	-	372,236	372,236	-
Self insurance charges	-	-	-	2,770,585
Miscellaneous	153,913	2,514	156,427	-
Total operating revenues	<u>10,425,025</u>	<u>374,750</u>	<u>10,799,775</u>	<u>2,770,585</u>
OPERATING EXPENSES				
General government	236,094	-	236,094	-
Administration	170,758	-	170,758	-
Utility collections	328,394	-	328,394	-
Water treatment plant	1,727,436	-	1,727,436	-
Industrial pretreatment	70,801	-	70,801	-
Wastewater treatment plant	1,076,661	-	1,076,661	-
Stormwater management	245,167	-	245,167	-
Sanitation	1,177,757	-	1,177,757	-
Golf course operations	-	637,442	637,442	-
Amortization expense	213,380	-	213,380	-
Depreciation expense	1,796,014	123,514	1,919,528	-
Claims expense	-	-	-	2,393,459
Total operating expenses	<u>7,042,462</u>	<u>760,956</u>	<u>7,803,418</u>	<u>2,393,459</u>
Operating income (loss)	<u>3,382,563</u>	<u>(386,206)</u>	<u>2,996,357</u>	<u>377,126</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	28,493	197	28,690	1,662
Miscellaneous	144,013	-	144,013	-
Gain/loss on disposal of capital assets	(6,723)	-	(6,723)	-
Interest expense and fiscal charges	(4,347,122)	(1,082)	(4,348,204)	-
Total non-operating revenue (expenses)	<u>(4,181,339)</u>	<u>(885)</u>	<u>(4,182,224)</u>	<u>1,662</u>
Income (loss) before contributions and transfers	<u>(798,776)</u>	<u>(387,091)</u>	<u>(1,185,867)</u>	<u>378,788</u>
Capital contributions	958,336	30,690	989,026	-
Transfers in	5,867,531	351,500	6,219,031	-
Transfers out	(7,119,187)	-	(7,119,187)	-
Change in net position	(1,092,096)	(4,901)	(1,096,997)	378,788
Total net position - beginning	1,347,007	796,836	2,143,843	512,570
Total net position - ending	<u>\$ 254,911</u>	<u>\$ 791,935</u>	<u>\$ 1,046,846</u>	<u>\$ 891,358</u>
Change in net position			\$ (1,096,997)	

Amounts reported for business-type activities in the Statement of Activities are different because:

Certain special revenue funds are used by management to perform business-type activities. The activities of these special revenue funds are included in the business-type activities in the Statement of Activities.

Water & sewer sales tax fund	(107,347)
Water resources fund	(89,924)
Sewer plant sales tax fund	(96,378)
	<u>(293,649)</u>

Change in net position of the business-type activities \$ (1,390,646)

See accompanying notes to the basic financial statements.

**City of Sapulpa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013**

	SMA Utility Fund	Golf Course Fund	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers				
Payments to suppliers	\$ 10,509,709	\$ 369,772	\$ 10,879,481	\$ -
Payments to employees	(2,244,541)	(192,206)	(2,436,747)	-
Receipts of customer meter deposits	(2,741,601)	(441,194)	(3,182,795)	(2,428,238)
Refunds of customer meter deposits	88,430	-	88,430	-
Interfund receipts/payments	(88,989)	-	(88,989)	-
Receipts from others	(382,650)	-	(382,650)	-
Net cash provided by (used in) operating activities	<u>5,162,378</u>	<u>(263,628)</u>	<u>4,898,750</u>	<u>2,770,585</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds				
Transfers to other funds	5,867,531	351,500	6,219,031	-
Net cash provided by (used in) noncapital financing activities	<u>(7,119,187)</u>	<u>-</u>	<u>(7,119,187)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets				
Proceeds from sale of capital assets	(126,432)	(27,791)	(154,223)	-
Proceeds from issuance of capital debt	540	-	540	-
Debt issuance costs paid	69,995,000	-	69,995,000	-
Bond insurance premium paid	(2,606,431)	-	(2,606,431)	-
Bond discount paid	(663,351)	-	(663,351)	-
Bond premium received	(269,412)	-	(269,412)	-
Payment to escrow for refunding	1,186,220	-	1,186,220	-
Principal paid on capital debt	(66,046,583)	-	(66,046,583)	-
Interest and fiscal agent fees paid on capital debt	(377,826)	(37,930)	(415,756)	-
Net cash provided by (used in) capital and related financing activities	<u>(4,232,910)</u>	<u>(70,369)</u>	<u>(4,303,279)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments				
Interest and dividends	131,954	-	131,954	-
Net cash provided by (used in) investing activities	<u>28,493</u>	<u>197</u>	<u>28,690</u>	<u>1,662</u>
Net increase (decrease) in cash and cash equivalents	<u>(161,741)</u>	<u>17,700</u>	<u>(144,041)</u>	<u>344,009</u>
Balances - beginning of year, restated	<u>3,216,030</u>	<u>59,569</u>	<u>3,275,599</u>	<u>562,516</u>
Balances - end of year	<u>\$ 3,054,289</u>	<u>\$ 77,269</u>	<u>\$ 3,131,558</u>	<u>\$ 906,525</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents				
Restricted cash and cash equivalents - current	\$ 1,050,287	\$ 77,269	\$ 1,127,556	\$ 705,780
Restricted cash and cash equivalents - noncurrent	2,004,002	-	2,004,002	-
Total cash and cash equivalents, end of year	<u>\$ 3,054,289</u>	<u>\$ 77,269</u>	<u>\$ 3,131,558</u>	<u>\$ 906,525</u>

(Continued)

See accompanying notes to the financial statements.

**City of Sapulpa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013**

	<u>SMA Utility Fund</u>	<u>Golf Course Fund</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 3,382,563	\$ (386,206)	\$ 2,996,357	\$ 377,126
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	1,796,014	123,514	1,919,528	-
Amortization expense	213,380	-	213,380	-
Miscellaneous income	144,013	-	144,013	-
Change in assets and liabilities:				
Due from other funds	(282,280)	-	(282,280)	-
Accounts receivable	(141,685)	(5,102)	(146,787)	-
Other receivables	82,356	-	82,356	-
Inventory	-	(106)	(106)	-
Accounts payable	(10,174)	-	(10,174)	-
Accrued payroll payable	6,595	2,142	8,737	-
Due to other funds	(80,370)	-	(80,370)	-
Deferred revenue	-	124	124	-
Claims liability	-	-	-	(34,779)
Deposits subject to refund	1,461	-	1,461	-
Accrued compensated absences	50,505	2,006	52,511	-
Net cash provided by (used in) operating activities	<u>\$ 5,162,378</u>	<u>\$ (263,628)</u>	<u>\$ 4,898,750</u>	<u>\$ 342,347</u>
Noncash activities:				
Contributed capital assets	\$ 958,336	\$ 30,690	\$ 989,026	\$ -
Fair value of hedging derivative	103,554	-	103,554	-
Total noncash activities	<u>\$ 1,061,890</u>	<u>\$ 30,690</u>	<u>\$ 1,092,580</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

During the fiscal year, the City implemented the following GASB Pronouncements:

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* – GASB 60 addresses issues related to service concession arrangements (SCA's), which are a type of public-private or public-public partnership. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. The implementation of this statement had no effect on the City's financial statements in the current year.

Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*. GASB No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity and also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. The implementation of this statement had no effect on the City's financial statements in the current year.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB No. 62 is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. All references to FASB and AICPA pronouncements have been removed from the City's financial statement notes.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Adoption of this statement requires the City to make changes in its financial statement presentation. The most significant change resulting from implementation of this standard is the replacement of "net assets" with "net position".

1.A. FINANCIAL REPORTING ENTITY

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

Primary Government:	City of Sapulpa
Component Units:	Sapulpa Municipal Authority Sapulpa Development Authority

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

The component units listed above are Public Trusts established pursuant to Title 60 of Oklahoma State law. A Public Trust (Authority) has no taxing power. The Authority is generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authority generally retains title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, the City has leased certain existing assets at the creation of the Authority to the Trustees on a long-term basis. The City, as beneficiary of the Public Trust, receives title to any residual assets when a Public Trust is dissolved.

BLENDING COMPONENT UNITS

A blended component unit is a separate legal entity that meets the component unit criteria in the standards listed above. The Sapulpa Municipal Authority, a blended component unit is included since 1) the City can impose its will by authorization of debt issuances; 2) the governing body is the same as the City Council; and 3) management of the Trust and the City are the same. The component units' funds are blended into those of the City's by appropriate fund category to comprise the primary government presentation. The Sapulpa Development Authority is inactive but would be blended for the same reasons.

The component unit that is blended into the primary government's fund categories is presented below.

<u>Component Unit</u>	<u>Brief Description/Inclusion Criteria</u>	<u>Included Funds</u>
Sapulpa Municipal Authority	Created February 19, 1968, to finance, develop and operate the water, wastewater, solid waste and golf activities of the City. Current City Council serves as the entire governing body (Trustees). Debt issued by the Authority requires 2/3rds approval of the City Council. And management of the City and Trust is the same.	SMA Utility and SMA Golf Course Enterprise Funds
Sapulpa Development Authority	Created September 21, 2009 to promote the development of business and industry within and without the city limits and to provide additional employment and commerce that will benefit and strengthen the economy of the City. Current City Council serves as the entire governing body (Trustees). Debt issued by the Authority requires 2/3rds approval of the City Council. And management of the City and Trust is the same.	Inactive

1.B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

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

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

Fund Financial Statements:

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

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. A fund that does not meet the criteria of (a) and (b), but for which management has determined is of such significance to be reported as a major fund.

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

GOVERNMENTAL FUNDS

General Fund (Major Fund)

The General Fund is the primary operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund. Included or combined with the General Fund are the following Funds that, in addition to the General Fund, comprise the General Fund Accounts:

<u>Fund</u>	<u>Description</u>
Hunting & Fishing Fund	Accounts for revenues from hunting and fishing fees and other sources and expenditures made there from.
Library Fund	Accounts for revenues received from sales tax (2.5% of the second and third penny), grants, fines and other sources for library maintenance and operations.
Swimming Pool Fund	Accounts for revenues received from donations and charges for services for swimming pool expenditures.

Special Revenue Funds (Nonmajor Funds)

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The reporting entity includes the following special revenue funds:

<u>Fund</u>	<u>Description</u>
Cemetery Maintenance Fund	Accounts for revenues received from sales tax (2.5% of the second and third penny), lot sales and charges for interment to be used for maintenance and operations of the cemetery. Additional monies are transferred into this fund for right-of-way mowing operations.

CITY OF SAPULPA, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2013

Street & Alley Fund	Accounts for revenues received from gasoline excise tax, motor vehicle tax and expenditures made for street maintenance and operations.
Parks & Recreation Fund	Accounts for revenues received from sales tax (5% of the second and third penny) and from other sources to be used for parks and leisure services.
Federal SAF Fund	Accounts for monies received from federal drug seizures. All monies and property received must be used for law enforcement purposes only.
Major Thoroughfare Fund	Accounts for revenue received from sales tax (5% of the second and third penny) and expenditures for major thoroughfares.
Water & Sewer Sales Tax Fund	Accounts for revenues received from sales tax (10% of the second and third penny) and expenditures made for maintenance, operations and capital outlay.
Spay & Neuter Fund	Accounts for monies received for and expenditures related to spaying and neutering.
E911 Fund	Accounts for revenues received from tariff rates on base line telephone charges and expenditures for operations and maintenance of the E-911 system.
Juvenile Justice Fund	Accounts for revenues received and expenditures related to the municipal juvenile court and/or any juvenile programs.
Hotel/Motel Tax Fund	Accounts for revenues received from Hotel/Motel Tax and expenditures for operations of the Sapulpa Economic Development Department, promoting tourism, and park capital improvements.
Grants & Aid Fund	Accounts for revenue received and expenditures made for all grant projects, except for library grants and aid.

Capital Project Fund (Nonmajor Funds)

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays. The reporting entity includes the following capital project funds:

<u>Fund</u>	<u>Description</u>
Restricted Construction Park & Recreation Fund	Accounts for revenue received and expenditures made exclusively for the acquisition of new park lands and/or capital and maintenance improvements of such new parks.
Park Development Fund	Accounts for revenue received from the Hotel/Motel Tax fund and expenditures for the acquisition of new park lands and/or making capital improvements to parks.

**CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013**

Fire Cash Fund	Accounts for revenue received from sales tax (2.5% of the second and third penny) and for expenditures for capital improvements.
Police Cash Fund	Accounts for revenue received from sales tax (2.5% of the second and third penny) and for expenditures for capital improvements.
Cemetery Care Fund	Accounts for revenues received from 12.5% of cemetery lot sales and interments. Per state statute, the principal can only be used for the purchase of land and for making permanent capital improvements. The interest can be used for improving, caring for and embellishing lots, walks, drives, parks and other improvements in such cemeteries and maintenance of office and care of records.
Capital Improvement Fund	Accounts for revenues received from sales tax (10% of the second and third penny) and other sources and expenditures for capital improvements in an amount of \$4,500 or greater in value with an estimated life of three years or more.
Water Resources Fund	Accounts for revenues received from sales tax (20% of the second and third penny) and expenditures made for water systems capital improvements.
Street Improvement Sales Tax	Accounts for revenues received from ½ cent dedicated sales tax, transfers made to the SMA for debt service payments, and expenditures made for capital outlay.
Sewer Plant Sales Tax	Accounts for revenues received from ½ cent dedicated sales tax, transfers made to the SMA for debt service payments, and expenditures made for capital outlay.
GO Bond Construction Fund	Accounts for the financing and construction of specified capital improvements.

Debt Service Fund (Nonmajor Fund)

The Debt Service Fund is used to account for ad-valorem taxes levied by the City for use in retiring court-assessed judgments and general obligation bonds and their related interest expense. In State Statutes this fund is referred to as the Sinking Fund.

PROPRIETARY FUNDS

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

Enterprise Funds (Major Funds)

<u>Fund</u>	<u>Description</u>
Sapulpa Municipal Authority Utility	Accounts for revenues of the public trust from providing water, wastewater and sanitation services to the public. Included accounts of the SMA:

Sewer System Development & Extension Fee Fund	Accounts for revenues received from sewer system development and extension fees associated with the sewer expansion program, related expenses, and to account for funds being placed in escrow which are received from developers.
Stormwater Management Fund	Accounts for revenues received from stormwater management fees and expenditures made for stormwater maintenance and operations.
Series 2012 Revenue Bond Construction Fund	Accounts for bond proceeds used to construct utility capital assets
SMA Golf Course	Accounts for revenues received from fees and operational expenses associated with the golf course.
<u>Internal Service Fund</u>	
Insurance Fund	Accounts for revenues and expenses of insurance costs for employees with the City, including police and fire retirees.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

Government-wide and Proprietary Fund Financial Statements

In the government-wide Statement of Net Position and the Statement of Activities, and the proprietary fund statements, the “*economic resources*” measurement focus is applied. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Fund equity is classified as net position.

Governmental Fund Financial Statements

In the governmental fund financial statements, a “*current financial resources*” measurement focus is applied. Under this focus, only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

Government-wide and Proprietary Fund Financial Statements

In the government-wide Statement of Net Position and Statement of Activities, and the proprietary fund financial statements, the accrual basis of accounting is applied. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows, liabilities and deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental Fund Financial Statements

In the governmental fund financial statements, the modified accrual basis of accounting is applied. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable

means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City has defined "available" as collected within 60 days after year end. Sales and use taxes, franchise taxes, hotel/motel taxes, court fines and interest are considered susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general long-term debt principal and interest, claims and judgments, and accrued compensated absences, which are recorded as expenditures to the extent they have matured. Proceeds of general long-term debt and capital leases are reported as other financial sources.

1.D. ASSETS, LIABILITIES AND EQUITY

Cash and Cash Equivalents

Cash and cash equivalents include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. Investments in open-ended mutual funds held in the trustee accounts are considered cash equivalents.

Investments

Investments consist of certificates of deposit whose original maturity term exceeds three months and certain U.S. Government securities. Investments that do not have an established market are reported at estimated fair value as estimated by a broker/dealer. The U.S. Government securities are reported at fair value. All non-negotiable certificates of deposit whose original maturity term exceeds three months are carried at cost.

Receivables

Material receivables in governmental funds and governmental activities include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Revenue from non-exchange transactions collectible but not available are deferred in accordance with GASB 33 at the fund level.

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

Inventories

Inventory recorded in governmental funds and governmental activities is valued at average cost and consists of material and supplies used for vehicle maintenance and office and janitorial activities. The cost is allocated to the various user departments based upon their consumption. The consumption method of accounting treatment is utilized by the City's governmental funds.

Special reporting treatments are applied to governmental fund inventories to indicate that they do not represent available spendable resources even though they are a component of net current assets. Such amounts are generally offset by fund balance nonspendable accounts.

Proprietary fund and business-type activities inventories are recorded on an average cost basis. Inventory of the enterprise funds consists of materials and supplies used for golf.

Capital Assets and Depreciation

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

Government-Wide Statements and Proprietary Funds

In the government-wide financial statements and proprietary funds, property, plant and equipment are accounted for as capital assets. The City's capitalization threshold was \$2,000 for the year ended June 30, 2013. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. General infrastructure assets (such as roads, bridges, and traffic systems) acquired prior to July 1, 2002, are reported at estimated historical cost using deflated replacement costs. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the asset or materially extend the assets' useful lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an operating expense in proprietary fund financial statements and an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Buildings	25 - 50 years
Other Improvements	5 - 50 years
Infrastructure	25-100 years
Machinery and Equipment	3 - 20 years
Utility System	25 - 50 years

In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures.

Restricted Assets

Restricted assets include current and noncurrent assets of enterprise funds and business-type activities that are legally restricted as to their use. The primary restricted assets are related to trustee accounts restricted for debt service and deposits held for refund.

Long-Term Debt

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

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

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

Compensated Absences

The City's policies regarding vacation, sick and compensatory time permit employees to accumulate varying amounts as determined by management and contracts with employee groups.

Compensated absences are reported as accrued in the government-wide and proprietary fund financial statements. Governmental funds report only the matured compensated absences payable to currently terminating employees.

Equity Classification

Government-Wide and Proprietary Fund Financial Statements:

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

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

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

Governmental Fund Financial Statements:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance.
- d. Assigned – includes amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted or committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

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

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

1.E. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

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

Government-Wide Financial Statements:

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

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

Fund Financial Statements:

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

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

1.F. REVENUES, EXPENDITURES AND EXPENSES

Sales Tax

The City presently levies a four 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. One cent of the sales tax received is to be recorded as sales tax revenue within the General Fund, one-half cent in the Street Improvement Sales Tax Fund, one-half cent in the Sewer Plant Sales Tax Fund and the remaining two cents distributed to various funds based on various percentages. These percentages, initially set by ordinance, have been further restricted by management and governing body approval as follows:

General Fund	40.00%
Cemetery Maintenance Fund	2.50%
Library Fund	2.50%
Parks & Recreation Fund	5.00%
Fire Cash Fund	2.50%
Police Cash Fund	2.50%
Major Thoroughfare Fund	5.00%
Capital Improvement Fund	10.00%
Water & Sewer Sales Tax Fund	10.00%
Water Resources Fund	<u>20.00%</u>
Total	<u>100.00%</u>

In accordance with the 2012 and 2013 sales tax agreements of their respective bond indentures, sales tax has been pledged for the payment of principal and interest on the indebtedness. The 2012 and 2013 revenue bond indentures state that 40% of two cents of the sales tax levied and assessed pursuant to the City's ordinances is pledged for the payment of those debt issues. In addition, ½ of one cent recorded in the Street Improvement Sales Tax Fund has been pledged for payment on the 2004 Capital Improvement Revenue Bonds.

Sales tax resulting from sales occurring prior to year-end and received by the City after year end have been accrued and are included under the caption *Due from Other Governments* because they represent taxes on sales occurring during the reporting period.

Property Tax

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

At the present time the City levies a property tax, in addition to dedicated sales tax, to fund the annual debt service requirements of the following general obligation bonds:

General Obligation Bonds

2005 General Obligation Bonds
2006 General Obligation Bonds
2010 General Obligation Bonds
2012A Refunding General Obligation Bonds
2012B Refunding General Obligation Bonds

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

Property taxes levied by the City are billed and collected by the County Treasurer's office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October.

For the year ended June 30, 2013, the City's net assessed valuation of taxable property was \$123,912,805. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2013, was \$13.44.

Expenditures/Expenses

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

1.G. USE OF ESTIMATES

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component unit 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 follows:

2.A. DEPOSITS AND INVESTMENT LAWS AND REGULATIONS

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at no more than market value. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, surety bonds or certain letters of credit. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. At June 30, 2013, the carrying amount of the City's deposits was \$10,154,355 and the bank balance was \$10,071,494. Of the bank balance \$9,447,469 was covered by federal depository insurance or by collateral held by its agent in the City's name and \$624,025 was uninsured and uncollateralized at one institution. In July 2013, the City obtained collateral for deposits that were uninsured and uncollateralized.

Investments of a City (excluding Public Trusts) are limited by State Law to the following:

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

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

2.B. DEBT RESTRICTIONS AND COVENANTS

General Obligation Debt

Article 10, Sections 26 and 27 of the Oklahoma Constitution limits the amount of certain 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, 2013, 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 first obtaining voter approval.

Revenue Bond Debt

The bond indentures relating to the revenue bond issues of the Sapulpa Municipal Authority contain a number of restrictions or covenants that are financial related. These include covenants such as a required flow of funds through special accounts, debt service coverage requirements and required reserve account balances.

The following schedule presents a brief summary of the most significant requirements and the Authority's level of compliance, thereon, as of June 30, 2013:

<u>Requirement</u>	<u>Level of Compliance</u>
a. Flow of Funds	
1. 2012 Refunding Revenue Bonds:	
- Revenue Fund	The Authority maintained all required accounts and made the required payments into such accounts.
- Construction Fund	
- Bond Fund	
- Bond Reserve Fund	
2. 2013 Refunding Revenue Bonds:	
- Revenue Account	The Authority maintained all required accounts and made the required payments into such accounts.
- Construction Fund	
- Bond Account	
- Sinking Fund	
b. Revenue Bond Coverage:	
Net operating revenue plus transferred sales tax must equal 1.25 times annual debt service on the 2012 and 2013 Refunding Revenue Bonds.	Net revenues available amounted to \$9,233,031. The annual debt service was \$4,095,687. Actual coverage was 2.25 times.
c. Reserve Account Requirements:	
2012 Refunding Revenue Bonds:	
Insurance policy fair value to be \$1,642,550.	The Authority purchased financial security assurance municipal bond debt service reserve insurance policy with a \$1,642,550 fair value.
2013 Refunding Revenue Bonds:	
Insurance policy fair value to be \$2,473,088.	The Authority purchased financial security assurance municipal bond debt service reserve insurance policy with a \$2,473,088 fair value.

2.C. FUND EQUITY / NET POSITION RESTRICTIONS

Restricted Net position

Restricted net position at the government-wide financial statements are required to restrict funds in accordance with various laws and regulations, specifically those laws and regulations dealing with debt service and the use of restricted revenues. See Note 3. I. for details of restricted net position.

2.D. BUDGETARY COMPLIANCE

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

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

The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund.

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

In accordance with Title 60 of the Oklahoma State Statutes, the Sapulpa Municipal Authority, accounted for as a blended enterprise fund in this report, is required to prepare an annual budget and submit a copy to the City as beneficiary. However, there are no further requirements such as form of budget, approval of the budget or definition of a legal level of control; and, therefore, no budget and actual financial presentation for the SMA fund is included in this report.

2.E. FUND EQUITY RESTRICTIONS

Deficit Prohibition

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund (excluding public trusts). At June 30, 2013, the City reported a fund balance deficit in the Grants and Aid Fund of \$80,945.

NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

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

3. A. DEPOSIT AND INVESTMENT RISKS

Primary Government:

The City of Sapulpa, including its blended component units held the following deposits and investments at June 30, 2013:

<u>Type</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Carrying Value</u>
Deposits:			
Demand deposits			\$ 3,211,905
Cash on hand			1,600
Time deposits	Due within one year		3,501,870
Time deposits	Due in 1 - 5 years		145,000
			<u>\$ 6,860,375</u>
Investments:			
Trustee money market accounts - Federated Treasury Obligations Fund		AAA+m	2,960,002
Judgments	Due in 1 - 5 years		298,978
U.S. Treasury HH Savings Bonds	7/1/2022		35,000
			<u>3,293,980</u>
Total deposits and investments			<u>\$ 10,154,355</u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents			\$ 6,142,025
Investments			4,012,330
			<u>\$ 10,154,355</u>

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

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100% of the uninsured deposits and accrued interest thereon. The investment policy also limits acceptable collateral to U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the state of Oklahoma. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2013, the City was exposed to custodial credit risk of \$624,025.

Investment Credit Risk – The City’s investment policy limits investments to those allowed in state law applicable to municipalities. These investment limitations are described in Note 2.A. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations—rating agencies—as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

The fair value of the City's interest rate cap agreements are fully exposed to credit risk. The interest rate cap agreement requires the counterparty to notify the trustee, SMA, and the bond insurer if any of the long-term unsecured outstanding debt of the guarantor falls below A- by S&P and below A3 by Moody's or is unrated by either rating agency. Upon such notice, the trustee or SMA may (1) direct the counterparty to either assign the agreements to an acceptable transferee, (2) provide a guaranty issued by an acceptable guarantor, or (3) terminate the agreements without penalty.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

As noted in the schedule of deposits and investments above, at June 30, 2013, the investments held by the City mature at various times.

Concentration of Investment Credit Risk - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration.

At June 30, 2013, the City had no concentration of credit risk as defined above.

3. B. RESTRICTED ASSETS

The amounts reported as restricted assets on the Proprietary Funds Statement of Net position are comprised of cash and investments held by the trustee bank on behalf of the public trust (Authority) related to its required revenue bond accounts as described in Note 2.B and amounts due to depositors related to utility deposits.

The restricted assets as of June 30, 2013 were as follows:

	<u>Current Cash and cash Equivalents</u>	<u>Noncurrent Investments</u>
Utility Deposits	\$52,054	\$208,527
Trustee Accounts:		
2012 Bond Fund	541,938	-
2012 Sinking Fund	625	-
2012 Construction Fund	1,007,649	-
2013 Bond Fund	401,736	-
Total	\$ 2,004,002	\$ 208,527

3. C. ACCOUNTS RECEIVABLE AND COURT FINES RECEIVABLE

Accounts receivable of the business-type activities consists of customer utilities services provided, both billed and unbilled, and golf services due at year end, reported net of allowance for uncollectible amounts.

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

	Utilities		Total	Court Fines
	Receivable	Golf		Receivable
Accounts receivable	2,433,713	\$ 10,048	\$ 2,443,761	\$ 2,556,375
Less: allowance for uncollectible accounts	<u>(1,352,600)</u>	-	<u>(1,352,600)</u>	<u>(1,867,741)</u>
Accounts receivable, net of allowance	<u>\$ 1,081,113</u>	<u>\$ 10,048</u>	<u>\$ 1,091,161</u>	<u>\$ 688,634</u>

3. D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Restated Balance at July 1, 2012	Additions	Transfers	Disposals	Balance at June 30, 2013
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$ 4,614,056	\$ 37,500	\$ -	\$ -	\$ 4,651,556
Construction in progress	766,322	1,507,551	-	(739,200)	1,534,673
Total capital assets not being depreciated	<u>5,380,378</u>	<u>1,545,051</u>	<u>-</u>	<u>(739,200)</u>	<u>6,186,229</u>
Other capital assets:					
Buildings	10,879,353	23,968	-	-	10,903,321
Other improvements	3,383,801	65,725	-	-	3,449,526
Machinery and equipment	10,422,714	590,968	(13,188)	(201,624)	10,798,870
Infrastructure	28,295,504	701,700	-	(26,456)	28,970,748
Total other capital assets at historical cost	<u>52,981,372</u>	<u>1,382,361</u>	<u>(13,188)</u>	<u>(228,080)</u>	<u>54,122,465</u>
Less accumulated depreciation for:					
Buildings	(3,043,082)	(212,226)	-	-	(3,255,308)
Other improvements	(913,610)	(158,279)	-	-	(1,071,889)
Machinery and equipment	(6,121,429)	(701,259)	13,188	194,955	(6,614,545)
Infrastructure	(10,810,242)	(539,363)	-	15,448	(11,334,157)
Total accumulated depreciation	<u>(20,888,363)</u>	<u>(1,611,127)</u>	<u>13,188</u>	<u>210,403</u>	<u>(22,275,899)</u>
Other capital assets, net	<u>32,093,009</u>	<u>(228,766)</u>	<u>-</u>	<u>(17,677)</u>	<u>31,846,566</u>
Governmental activities capital assets, net	<u>\$ 37,473,387</u>	<u>\$ 1,316,285</u>	<u>\$ -</u>	<u>\$ (756,877)</u>	<u>\$ 38,032,795</u>
<i>Business-type activities:</i>					
Capital assets not being depreciated:					
Land	\$ 52,001	\$ 18,720	\$ -	\$ -	\$ 70,721
Water rights contracts	4,915,486	-	-	-	4,915,486
Construction in progress	2,493,677	725,103	-	(238,406)	2,980,374
Total capital assets not being depreciated	<u>7,461,164</u>	<u>743,823</u>	<u>-</u>	<u>(238,406)</u>	<u>7,966,581</u>
Other capital assets:					
Buildings	3,831,040	-	-	-	3,831,040
Other improvements	1,532,622	36,446	-	-	1,569,068
Utility property	67,691,865	-	-	-	67,691,865
Machinery and equipment	3,599,617	362,978	13,188	(27,315)	3,948,468
Infrastructure	2,150,619	238,407	-	-	2,389,026
Total other capital assets at historical cost	<u>78,805,763</u>	<u>637,831</u>	<u>13,188</u>	<u>(27,315)</u>	<u>79,429,467</u>
Less accumulated depreciation for:					
Buildings	(1,063,753)	(77,253)	-	-	(1,141,006)
Other improvements	(925,635)	(65,819)	-	-	(991,454)
Utility property	(21,824,434)	(1,434,087)	-	-	(23,258,521)
Machinery and equipment	(2,021,357)	(276,274)	(13,188)	20,052	(2,290,767)
Infrastructure	(279,475)	(66,095)	-	-	(345,570)
Total accumulated depreciation	<u>(26,114,654)</u>	<u>(1,919,528)</u>	<u>(13,188)</u>	<u>20,052</u>	<u>(28,027,318)</u>
Other capital assets, net	<u>52,691,109</u>	<u>(1,281,697)</u>	<u>-</u>	<u>(7,263)</u>	<u>51,402,149</u>
Business-type activities capital assets, net	<u>\$ 60,152,273</u>	<u>\$ (537,874)</u>	<u>\$ -</u>	<u>\$ (245,669)</u>	<u>\$ 59,368,730</u>

Depreciation expense was charged to functions in the statement of activities as follows:

Depreciation expense charged to governmental activities:

General government	\$	80,439
Legal and judicial		3,429
Public safety		603,762
Urban development		3,966
Streets		656,562
Culture and recreation		262,969
Total governmental activities depreciation expense		\$ 1,611,127

Depreciation expense charged to business-type activities:

Water	\$	565,796
Wastewater		1,094,097
Sanitation		35,999
Stormwater		100,122
Golf course		123,514
Total business-type activities depreciation expense		\$ 1,919,528

Note: General government, administration, utility collections and utility maintenance of the business-type activities were allocated to the appropriate functions based upon a percentage of revenues.

3. E. WATER RIGHTS CONTRACT

The Sapulpa Municipal Authority (SMA) entered into three agreements with the United States of America for water storage space in Skiatook Lake. In consideration of the right to utilize the aforesaid storage space in the project for municipal and industrial supply purposes, the SMA agreed to pay costs in the amount of \$4,915,486 (which is the balance of the unamortized water rights reported as capital assets at June 30, 2013), along with maintenance and operations costs on an annual basis. The City incurred an obligation to the federal government for the water rights. The obligations were incurred in March 1993, November 1999, November 2002, and June 2006. The obligations are payable in annual installments of \$30,491, \$33,966, \$143,535 and \$184,184, respectively. The total water right obligation balance at June 30, 2013 is \$2,361,740. See Note 3.F. for further disclosures.

Due to the long-term nature of this agreement, and the infinite economic life of the water rights, the SMA's investment in the water rights contract is not being amortized.

3. F. LONG-TERM DEBT

The reporting entity's long-term debt is segregated by the amounts involving governmental activities and business-type activities.

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

Governmental Activities Long-Term Debt

At June 30, 2013, the governmental activities long-term debt consisted of the following:

General Obligation Bonds:

\$1,925,000 General Obligation Bonds of 2005, due in annual installments of \$100,000, final installment of \$125,000 due June 1, 2025, with interest rates at 2.80% to 3.90%	1,225,000
\$415,000 General Obligation Bonds of 2006, due in annual installments of \$50,000, final installment due June 1, 2016, with interest rates at 4.00% to 4.20%	150,000
\$6,800,000 General Obligation Bonds of 2010, due in annual installments of \$350,000, final installment of \$500,000 due June 1, 2030, with interest rates at 3.75% to 4.25%	6,100,000
\$2,450,000 Refunding General Obligation Bonds of 2012A, due in annual installments varying from \$300,000 to \$190,000 with final maturity of June 1, 2023, with interest rates at 1.6% - 4%	2,215,000
\$3,720,000 Refunding General Obligation Bonds of 2012B, due in annual installments varying from \$425,000 to \$260,000 with final maturity of June 1, 2024, with interest rates at 1.6% - 4%	<u>3,440,000</u>
Total General Obligation Bonds	<u>\$13,130,000</u>
Current portion	\$ 1,225,000
Non-current portion	<u>11,905,000</u>
Total General Obligation Bonds	<u>\$13,130,000</u>

Revenue Bonds Payable:

2004 Series Capital Improvement Revenue Bonds original issue amount \$4,970,000, dated October 14, 2004, issued by Sapulpa Municipal Authority, secured by utility revenues and pledged sales tax, interest rates from 3.75% to 4.35%, final maturity on October 1, 2014	1,535,000
2006 Series Capital Improvement Revenue Bonds original issue amount \$925,000, dated May 1, 2006, issued by Sapulpa Municipal Authority, secured by year-to-year, appropriation of debt service payments made by city, interest rates from 4.50% to 5.00%, final maturity on May 1, 2016	<u>385,000</u>
Total Revenue Bonds Payable	<u>\$1,920,000</u>
Current portion	\$ 605,000
Non-current portion, net	<u>1,315,000</u>
Total Revenue Bonds Payable	<u>\$1,920,000</u>

Capital Lease Obligations:

\$135,000 capital lease with First United Bank & Trust for Freightliner truck payable in quarterly installments of \$7,481, final payment due June 2015 with interest rate at 4%; lease must be renewed annually	57,243
--	--------

CITY OF SAPULPA, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2013

\$66,923 capital lease with De Lage Landen Public Finance for desktop printers payable in monthly installments of \$1,281, final payment due June 2015 with interest rate at 5.79%; lease must be renewed annually	28,967
\$87,995 capital lease with De Lage Landen Public Finance for copiers payable in monthly installments of \$1,680, final payment due September 2015 with interest rate at 5.48%; lease must be renewed annually	42,583
\$269,473 capital lease with First United Bank & Trust for Vactor Combination Sewer Cleaning truck payable in quarterly installments of \$9,196, final payment due March 2015 with interest rate at 3.45%; lease must be renewed annually	62,176
\$169,058 capital lease with First United Bank & Trust for asphalt paver and distributor payable in quarterly installments of \$6,736, final payment due August 2019 with interest rate at 3.05%; lease must be renewed annually	<u>152,564</u>
Total Capital Lease Obligations	<u>\$343,533</u>
Current portion	\$117,944
Non-current portion	<u>225,589</u>
Total Capital Lease Obligations	<u>\$343,533</u>

Accrued Compensated Absences:

Accrued compensated absences reported in the governmental activities are comprised of accrued vacation leave, sick leave and compensatory time.

Current portion	\$174,940
Non-current portion	<u>1,574,455</u>
Total Accrued Compensated Absences	<u>\$1,749,395</u>

Estimated Claims Liability:

Estimated claims liability reported in the governmental activities are comprised of accrued payables and liabilities incurred but not reported.

Current portion	<u>\$15,221</u>
Total Estimated Claims Liability	<u>\$15,221</u>

Judgment Payable:

\$55,000 judgment payable (Nix), payable in annual installments of \$18,333, beginning December 2012, with interest at the statutory rate which was 5.25% for 2013, final payment due December 2014	36,667
\$325,000 judgment payable (Eurocraft), payable in annual installments of \$108,333, beginning December 2012, with interest at the statutory rate which was 5.25% for 2013, final payment due December 2014	216,666
\$36,000 judgment payable (Woodberry), payable in annual installments of \$12,000, Beginning December 2012, with interest at the statutory rate which was 5.25% for 2012, final payment due December 2014	24,000
\$8,000 judgment payable (Enlow), payable in annual installments of \$2,667, final	

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

Payment due December 2013, with interest at the statutory rate of 5.25%	2,667
\$21,645 judgment payable (Springs, Rogers, Mason) payable in annual installments of \$7,215 beginning December 2013, with interest at the statutory rate which was 5.25% for 2013, final payment due December 2015	<u>21,645</u>
Total Judgments Payable	<u>\$301,645</u>
Current portion	\$148,548
Non-current portion	<u>153,097</u>
Total Judgments Payable	<u>\$301,645</u>

Business-Type Activities Long-Term Debt

At June 30, 2013, the long-term debt payable from enterprise fund resources consisted of the following:

Revenue Bonds Payable:

2012 Refunding Series Revenue Bonds original issue amount of \$27,675,000, dated July 1, 2012, issued by Sapulpa Municipal Authority, secured by utility revenue and pledged sales tax, variable interest rate from 5.00% to 2.00%, final maturity on July 1, 2042	27,675,000
2013 Refunding Series Revenue Bonds original issue amount of \$42,320,000, dated July 1, 2012, issued by Sapulpa Municipal Authority, secured by utility revenue and pledged sales tax, interest rate from 5.00% to 1.60%, final maturity on July 1, 2043	<u>42,320,000</u>
Total Revenues Bonds Payable	<u>69,995,000</u>
Less: Unamortized Bond Discount – 2012 Series	(260,431)
Unamortized Bond Loss on Refunding – 2012 Series	(2,555,572)
Unamortized Bond Loss on Refunding – 2013 Series	(5,467,333)
Add: Unamortized Bond Premium – 2013 Series	<u>1,178,961</u>
Total Revenue Bonds Payable, Net	<u>\$62,890,625</u>
Current portion	\$ 660,000
Non-current portion, net	<u>62,230,625</u>
Total Revenue Bonds Payable, net	<u>\$62,890,625</u>

Notes Payable:

\$280,163 note payable with American Heritage Bank for sewer cleaner, payable in monthly installments of \$15,501, final payment due July 2014 with interest at 3.9%	74,718
\$200,000 capital lease with American Heritage Bank for the softball complex, payable in monthly installments of \$9,399, final payment due January 2015 with interest at 4.05%	<u>62,361</u>
Total Notes Payable	<u>\$137,079</u>
Current portion	\$95,566
Non-current portion	<u>41,513</u>
Total Notes Payable	<u>\$137,079</u>

CITY OF SAPULPA, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2013

Accrued Compensated Absences:

Accrued compensated absences reported in the business-type activities are comprised of accrued vacation leave, sick leave and compensatory time.

Current portion	\$17,632
Non-current portion	<u>162,842</u>
Total Accrued Compensated Absences	<u>\$180,474</u>

Water Contract Obligations:

The City has a number of contractual obligations with the U.S. Army Corps of Engineer for water use rights, with outstanding amounts due as follows:

Obligation payable to the U.S. Army Corps of Engineer, original amount of \$632,924, for use of water facility, payable in 41 annual installments of \$30,491, final maturity in March 2033.	\$424,524
--	-----------

Obligation payable to the U.S. Army Corps of Engineer, original amount of \$632,924, for use of water facility, payable in 35 annual installments of \$33,966, final maturity in November, 2033.	476,002
--	---------

Obligation payable to the U.S. Army Corps of Engineer, original amount of \$1,738,077, for use of water facility, payable in 16 annual installments of \$143,535, final maturity in November, 2017.	639,917
---	---------

Obligation payable to the U.S. Army Corps of Engineer, original amount of \$1,727,377, for use of water facility, payable in 12 annual installments of \$184,184, final maturity in June, 2017.	<u>821,297</u>
---	----------------

Total Water Contract Obligations	<u>\$2,361,740</u>
----------------------------------	--------------------

Current portion	\$ 297,958
Non-current portion	<u>2,063,782</u>

Total Water Contract Obligations	<u>\$2,361,740</u>
----------------------------------	--------------------

Due to Depositors:

Outstanding deposits for utility services, refundable only upon termination of service, amounted to the following:

Current portion	\$52,116
Non-current portion	<u>208,465</u>

Total Due to Depositors	<u>\$260,581</u>
-------------------------	------------------

Defeased Bonds Outstanding

The City, through its various public trusts, has in substance defeased a number of outstanding bond issues by placing deposits in irrevocable trusts, escrow accounts, for the purchase of U.S. Government Securities to pay principal and interest on the refunded bonds as they are due and payable. For financial reporting purposes, both the defeased bonds outstanding and the escrowed securities have been excluded from the financial statements. At year end, the remaining outstanding defeased debt issues were as follows:

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

1998 Series Capital Improvement Revenue Bonds – Defeased	\$9,620,000
2002B Series Taxable Refunding Utility System Revenue Bonds – Defeased	3,110,000
2003B Series Refunding Capital Improvement Revenue Bonds – Defeased	7,730,000
2003A Series Revenue Bonds	20,860,000
2003B Series Revenue Bonds	5,235,000
2006 Series Refunding Revenue Bonds	545,000
2009A Series Refunding Revenue Bonds	12,000,000
2009B Series Refunding Revenue Bonds	<u>6,000,000</u>
Total Defeased Bonds Outstanding	<u>\$65,100,000</u>

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2013:

<u>Type of Debt</u>	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 13,895,000	\$ 250,000	\$ 1,015,000	\$ 13,130,000	\$ 1,225,000
Revenue bonds payable*	2,500,000	-	580,000	1,920,000	605,000
Capital lease obligation	349,477	169,058	175,002	343,533	117,944
Judgments payable	416,000	24,312	138,667	301,645	148,548
Estimated claims liability	50,000	-	34,779	15,221	15,221
Other post-employment benefit liability	836,606	122,986	29,524	930,068	-
Accrued compensated absences	1,665,645	1,224,279	1,140,529	1,749,395	174,940
Total Governmental Activities	<u>19,712,728</u>	<u>1,790,635</u>	<u>3,113,501</u>	<u>18,389,862</u>	<u>2,286,653</u>
Unamortized bond premiums/discounts				129,288	
Unamortized loss on bond refunding				(137,545)	
Net Long-term Debt				<u>\$ 18,381,605</u>	
Reconciliation to Government-Wide Statement of Net Position:					
Due in One Year				2,286,653	
Due in More than One Year				<u>16,094,952</u>	
				<u>18,381,605</u>	
Business-Type Activities:					
Due to depositors	259,120	88,430	86,969	260,581	52,116
Water contract obligations	2,647,691	-	285,951	2,361,740	297,958
Notes payable	266,883	-	129,804	137,079	95,566
Revenue bonds payable	65,506,852	4,488,148	-	69,995,000	660,000
Accrued compensated absences	127,963	126,301	73,790	180,474	17,632
Total Business-Type Activities	<u>68,808,509</u>	<u>4,702,879</u>	<u>576,514</u>	<u>72,934,874</u>	<u>1,123,272</u>
Unamortized bond premiums/discounts				918,530	
Unamortized loss on bond refunding				(8,022,905)	
Net Long-term Debt				<u>65,830,499</u>	
Reconciliation to Government-Wide Statement of Net Position:					
Due in One Year				1,123,272	
Due in More than One Year				<u>64,707,227</u>	
				<u>65,830,499</u>	

Refunding of Debt

In November 2012, the City issued \$6,170,000 of G.O. Bonds to refund the outstanding debt obligation of the G.O. Bond series 2003 and 2004 and to pay certain expenses related to the issuance of the Bonds.

The refunding resulted in an accounting loss of \$143,527. The present value economic gain was \$174,825.

In July 2012, the City issued 24,670,000 of Utility System Revenue Bonds to refund the outstanding debt obligation of the Utility System Revenue Bonds 2002 and 2006 and to pay certain expenses related to the issuance of the Bonds.

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

The refunding resulted in an accounting loss of \$2,690,076. The present value economic gain was \$99,039.

In April 2013, the City issued 40,879,025 of Utility System Revenue Bonds to refund the outstanding debt obligation of the Utility System Revenue Bonds 2003A, 2003B, 2009A and 2009B and to pay certain expenses related to the issuance of the Bonds.

The refunding resulted in an accounting loss of \$5,569,569. The present value economic gain was \$1,065,548.

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt, excluding accrued compensated absences, due to depositors, estimated claims liability and OPEB liability as of June 30, 2013 are as follows:

Year Ending June 30,	GOVERNMENTAL ACTIVITY DEBT							
	Capital Lease Obligations		General Obligation Bonds		Revenue Bonds		Judgments Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 117,944	\$ 11,239	\$ 1,225,000	\$ 425,691	\$ 605,000	\$ 74,547	\$ 148,548	\$ 15,696
2015	113,697	6,291	1,205,000	378,215	1,120,000	36,794	145,882	8,038
2016	28,897	3,086	950,000	338,541	195,000	9,750	7,215	379
2017	24,658	2,285	915,000	310,915	-	-	-	-
2018	25,429	1,514	925,000	285,040	-	-	-	-
2019-2023	32,908	770	4,775,000	1,034,829	-	-	-	-
2024-2028	-	-	2,285,000	411,643	-	-	-	-
2029-2030	-	-	850,000	57,375	-	-	-	-
Totals	\$ 343,533	\$ 25,185	\$ 13,130,000	\$ 3,242,249	\$ 1,920,000	\$ 121,091	\$ 301,645	\$ 28,113

Year Ending June 30,	BUSINESS-TYPE ACTIVITY DEBT					
	Revenue Bonds Payable		Notes Payable		Water Contract Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 660,000	\$ 2,628,114	\$ 95,566	\$ 4,095	\$ 297,958	\$ 94,218
2015	1,395,000	2,712,040	41,513	714	309,913	82,264
2016	1,455,000	2,659,090	-	-	322,346	69,830
2017	1,510,000	2,603,740	-	-	335,279	56,897
2018	1,550,000	2,558,440	-	-	351,489	41,550
2019-2023	8,295,000	12,261,788	-	-	189,629	132,656
2024-2028	9,735,000	10,811,437	-	-	230,846	91,439
2029-2033	12,195,000	8,357,488	-	-	281,059	41,225
2034-2038	15,080,000	5,477,887	-	-	43,221	1,310
2039-2043	18,120,000	2,246,294	-	-	-	-
Totals	\$ 69,995,000	\$ 52,316,318	\$ 137,079	\$ 4,809	\$ 2,361,740	\$ 611,389

Pledge of Future Revenues

Sales Tax and Utility Net Revenues Pledge - The City has pledged 40% of two cents (or 20%) of future sales tax revenues and net utility revenues to repay the following revenue bonds: \$27,675,000 2012 Refunding Revenue Bonds, and \$42,320,000 2013 Refunding Revenue Bonds. Proceeds from the bonds provided for the purchase or construction of capital assets. The bonds are payable from pledged sales tax revenues and net utility revenues. These bonds are payable through 2043. The total principal and interest payable for the remainder of the life of these bonds is \$122,311,318. Pledged sales taxes received in the current year were \$3,812,581 and net utility revenues were \$5,420,450 for total pledged revenues of \$9,233,031. Debt service payments of \$538,877 for the current fiscal year were 5.8% of total pledged revenues for these bonds.

Sales Tax Revenues Pledge - In addition, the City has pledged another ½ of one cent (or 12.5%) of future sales tax revenues for the payment on the \$4,970,000 2004 Capital Improvement Revenue Bonds. Proceeds from the bonds provided for the purchase or construction of capital assets. The bonds are payable from pledged sales tax revenues. These bonds are payable through 2014. The total principal and interest payable for the remainder of

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

the life of these bonds is \$1,612,591. Pledged sales taxes received in the current year were \$1,428,434. Debt service payments of \$565,930 for the current fiscal year were 39.6% of the pledged sales taxes received.

3.G. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables at June 30, 2013, were as follows:

Receivable Fund	Payable Fund	Amount	Nature of Interfund Balance
General Fund	Grants & Aid Fund	\$ 1,759	Grant expenses paid by other fund
SMA Utility Fund	Sewer Plant Sales Tax Fund	157,781	Temporary loan of cash
SMA Utility Fund	Street Improvement Sales Tax Fund	10,257	Debt expenses paid by other fund
SMA Utility Fund	Police Cash Fund	2,544	Temporary loan of cash
SMA Utility Fund	Grants & Aid Fund	105,259	Temporary loan of cash
SMA Utility Fund	Water & Sewer Sales tax Fund	17,639	Temporary loan of cash
		<u>\$ 295,239</u>	

Reconciliation to Fund Financial Statements:

	Due From	Due to	Net Interfund Balances
Governmental Funds	\$ 1,759	\$ (295,239)	\$ (293,480)
Proprietary Funds	293,480	-	293,480
	<u>\$ 295,239</u>	<u>\$ (295,239)</u>	<u>\$ -</u>

Reconciliation to Statement of Net Position:

Net Interfund Balances	\$ 293,480
BTA- Special Revenue Funds	(175,420)
Internal Balances	<u>\$ 118,060</u>

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

Interfund transfers for the year ended June 30, 2013 were as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
SMA	Cemetery Maintenance Fund	74,000	Supplemental operating transfer
Cemetery Maintenance Fund	Cemetery Care Fund	10,900	12.5% transfer per state law
SMA	Street and Alley	383,000	Supplemental operating transfer
Grants & Aid Fund	Major Thoroughfare Fund	24,217	Grant expense transfer
SMA	Water & Sewer Sales Tax Fund	160,000	Supplemental operating transfer
E-911 Fund	General Fund	135,000	Operating transfer for dispatcher
Juvenile Justice Fund	General Fund	10,000	Operating transfer for juvenile co
SMA	Hotel/Motel Tax Fund	9,000	Supplemental operating transfer
Hotel/Motel Tax Fund	Park Development Fund	40,179	Required revenue transfer
Restricted Construction Park/Rec Fund	SMA	5,600	Supplemental for debt service
Park Development Fund	SMA	35,500	Supplemental for debt service
Capital Improvement Fund	SMA	65,500	Supplemental for debt service
Street Improvement Sales Tax Fund	SMA	560,969	Supplemental for debt service
Sewer Plant Sales Tax Fund	SMA	1,525,000	Supplemental for debt service
GO Sinking Fund	General Fund	8,831	Interest earnings
SMA	General Fund	2,465,000	Supplemental operating transfer
SMA	General Fund	2,287,581	Return of pledged sales tax
Sewer System Development Fund	SMA	162,000	Supplemental for debt service
SMA	Golf Course Fund	351,500	Supplemental operating transfer
General Fund	SMA	2,287,581	Pledged sales tax - bond indenture
General Fund	Restricted Construction Park/Rec Fund	8,675	Required revenue transfer
SMA	Parks & Recreation Fund	258,500	Supplemental operating transfer
Water Resource Fund	SMA	1,160,000	Supplemental for debt service
Water Resource Fund	GO Construction Fund	27,160	Supplemental for capital purchas
Stormwater Management Fund	SMA	65,381	Supplemental for debt service
SMA	Library Fund	212,750	Supplemental operating transfer
SMA	Street Improvement Sales Tax Fund	680,750	Supplemental for debt service
Total		13,014,574	

	Transfers In	Transfers Out	Reconciliation - BT A - Special Revenue Funds	Reconciliation - Sales tax reclass	Capital Asset Activity	Net Transfers/ Internal Activity
Reconciliation to Fund Financial Statements:						
Governmental Funds	\$ 6,795,543	\$ (5,905,112)	\$ 2,552,160	\$ (3,142,861)	\$ (1,179,273)	\$ (879,543)
Proprietary Funds	6,219,031	(7,119,187)	(2,552,160)	3,142,861	1,188,998	879,543
Total Transfers	\$ 13,014,574	\$ (13,024,299)	\$ -	\$ -	\$ 9,725	\$ -

3.H. ALLOCATION OF INDIRECT EXPENSES

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

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

Indirect expenses of the proprietary funds, classified in the proprietary funds statement of revenues, expenses and changes in net position as General Government, Administration and Utility Collections have been allocated on a percentage of total revenues to the business-type activity functions in the Statement of Activities.

3.I. FUND BALANCES AND NET POSITION

Fund Balance

The City has implemented GASB Statement 54: *Fund Balance Reporting and Governmental Fund Type Definitions*. The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet in accordance with GASB Statement 54:

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

	General Fund	Other Governmental Funds	TOTAL
Fund Balances:			
Nonspendable:			
Inventory	10,187	71,860	82,047
Sub-total Nonspendable	<u>10,187</u>	<u>71,860</u>	<u>82,047</u>
Restricted for:			
Capital outlay	-	3,118,485	3,118,485
Hunting & Fishing	-	99,465	99,465
Animal control	-	23,493	23,493
E911	-	61,766	61,766
Juvenile Justice programs	-	14,616	14,616
Capital Improvements	-	526,356	526,356
Debt Service	-	889,056	889,056
Sub-total Restricted	<u>-</u>	<u>4,733,237</u>	<u>4,733,237</u>
Committed to:			
Hunting & Fishing	7,753	-	7,753
Sub-total Committed	<u>7,753</u>	<u>-</u>	<u>7,753</u>
Assigned to:			
Subsequent Year Budget	423,364	-	423,364
Hunting & Fishing	25,053	-	25,053
Library	16,802	-	16,802
Swimming Pool	10,849	-	10,849
Streets	-	138,471	138,471
Cemetery	-	74,466	74,466
Parks	-	129,168	129,168
Law enforcement	-	780	780
Major Thoroughfares	-	43,116	43,116
Water & Sewer maintenance	-	46,310	46,310
Animal control	-	188	188
E911	-	953	953
Juvenile Justice programs	-	312	312
Economic Development	-	35,469	35,469
Grant projects	-	-	-
Capital Improvements	-	70,164	70,164
Sub-total Assigned	<u>476,068</u>	<u>539,397</u>	<u>1,015,465</u>
Unassigned:	632,889	(80,945)	551,944
TOTAL FUND BALANCES	<u>1,126,897</u>	<u>5,263,549</u>	<u>6,390,446</u>

Restricted Net position

The restricted for debt service net position of the business-type activities are made up of restricted assets relating to revenue bond trustee accounts. The balance at June 30, 2013, is comprised of the following:

Enterprise Funds:	
2012 Revenue Bond Trust Accounts	\$542,563
2013 Revenue Bond Trust Accounts	<u>401,736</u>
Restricted per bond indenture	944,299
Less: Accrued interest payable	<u>(833,022)</u>
Total Restricted for Debt Service	<u>\$111,277</u>

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

Prior Period Adjustment

Beginning net position was restated as of July 1, 2012, as follows:

	Street Improvement Sales Tax Fund	SMA Utility Fund	Government-Wide	
			Governmental Activities	Business-type Activities
Beginning fund balance/net position, as previously reported	\$ 340,604	\$ (67,173)	\$ 29,213,201	\$ 1,389,920
Moved street debt-related balances from Enterprise Fund/BTA to Governmental Fund/ Governmental Activity				
Restricted cash	997,797	(997,797)	997,797	(997,797)
Bond issue costs	-	(209,941)	209,941	(209,941)
Unamortized bond premium	-	1,233	(1,233)	1,233
Accrued interest payable	-	26,490	(26,490)	26,490
Bonds payable	-	2,500,000	(2,500,000)	2,500,000
Beginning fund balance/net position, restated	<u>\$ 1,338,401</u>	<u>\$ 1,252,812</u>	<u>\$ 27,893,216</u>	<u>\$ 2,709,905</u>

NOTE 4. OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

The City participates in three employee pension systems as follows:

<u>Name of Plan/System</u>	<u>Type of Plan</u>
Oklahoma Police Pension and Retirement Fund	Cost Sharing Multiple Employer - Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund	Cost Sharing Multiple Employer - Defined Benefit Plan
Oklahoma Municipal Retirement Fund (OMRF)	Agent Multiple Employer - Defined Contribution Plan

Oklahoma Police and Firefighter's Pension and Retirement Systems

The City of Sapulpa, as the employer, participates in two statewide cost-sharing multiple employer defined benefit plans on behalf of the police officers and firefighters. The systems are funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

CITY OF SAPULPA, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2013

<u>A. Eligibility Factors, Contribution Methods, and Benefit Provisions</u>	<u>Oklahoma Police Pension and Retirement System</u>	<u>Oklahoma Firefighter's Pension and Retirement System</u>
Obtaining separately issued financial statements	Police Pension and Retirement 1001 N.W. 63 rd St., Suite 605 Oklahoma City, OK 73116-7335	Firefighters Pension & Retirement 4545 N. Lincoln Blvd., Suite 265 Oklahoma City, OK 73105-3414
Eligibility to participate	All full-time officers, employed by a participating municipality, not less than 21 years of age or more than 45 years of age when hired.	All full-time or voluntary firefighters of a participating municipality hired before age 45.
Authority establishing contribution obligations and benefits	State Statute	State Statute
Employee's contribution rate (percent of covered payroll)	8%	8%
City's contribution rate (percent of covered payroll)	13%	13%
State obligation	10.1%	26.6%
Period required to vest	10 years	10 years
Eligibility and benefits for distribution (full-time)	20 years credited service, 2 ½ % of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits.	20 years credited service 2 ½ % of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits.
Eligibility and benefits for distribution (volunteer)		20 years credited service equal to \$5.46 per month per year of service, with a maximum of 30 years considered.
Deferred retirement option	Yes, 20 years credited service with continued service for a maximum of 5 years.	Yes, 20 years credited service with continued service for a maximum of 5 or more years.
Provisions for:		
Cost of living adjustments (normal retirement)	Yes, if vested by 5/83	Yes
Death (duty, non-duty, post retirement)	Yes	Yes
Disability (duty, non-duty)	Yes	Yes
Cost of living all	Yes	Yes

B. Required Contributions and Trend Information

City contributions required by State statute:

Fiscal Year	Oklahoma Police <u>Pension and Retirement System</u>		Oklahoma Firefighter's <u>Pension and Retirement System</u>	
	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2011	\$288,840	100%	\$337,255	100%
2012	\$297,904	100%	\$348,285	100%
2013	\$308,032	100%	\$352,658	100%

The state made on-behalf payments to the Oklahoma Police Pension and Retirement System and the Oklahoma Firefighter's Pension and Retirement System of \$255,338 (or 11.8% of covered payroll) and \$878,978 (30.0% of covered payroll), respectively, for the fiscal year. These are reported as both intergovernmental revenues and public safety expenses in the current year.

Trend information showing the progress of the Systems in accumulating sufficient assets to pay benefits when due is presented in their respective separate annual financial reports.

C. Related Party Investments

As of June 30, 2013, the Systems held no related-party investments of the City or of its related entities.

Defined Contribution Plan - Oklahoma Municipal Retirement Fund (OMRF)

The City has also provided a defined contribution plan and trust known as the City of Sapulpa Plan and Trust (the "Plan") in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The plan is administered by Bank One of Oklahoma City. The defined contribution plan is available to all full-time employees except those participating in state fire or police program. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate on the employee's employment commencement date, and may make contributions to the plan up to 15% at their option. By City ordinance, the City, as employer, is required to make contributions to the plan, based upon employee contributions under the thrift option, at rates presently varying from 0% - 8% of covered payroll. The City's contributions for each employee (and interest allocated to the employee's account) are vested at a rate of 20% per year of completed service, thus fully vested after five years. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting shall be added to employer contribution. The authority to establish and amend the provisions of the plan rest with the City Council.

For the year ended June 30, 2013, the following amounts related to the defined contribution plan:

Employee contributions made	\$ 159,570
Employer (City) contributions made	\$ 161,378

Other Post-Employment Benefits

Plan Description: City provides post-retirement benefit options for medical and prescription drug benefits for retired employees and their dependents that elect to make required contributions. The benefits are provided in accordance with State law, police and firefighter's union contracts 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

CITY OF SAPULPA, OKLAHOMA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2013

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. Police and Fire employees may become eligible for those post-retirement benefits if they reach normal retirement age while working for the City. As of June 30, 2013, approximately 12 retired employees are receiving benefits under this plan.

Funding Policy. The contribution requirement of the City is an implicit subsidy. The implicit subsidy is not a direct payment from the employer on behalf of the member but rather stems from retiree contribution levels that are less than the claims cost as retiree ages. Since claims experience for employees and non-Medicare eligible retirees are pooled when determining premiums, these retired members pay a premium based on a pool of members that, on average, are younger and healthier. There is an implicit subsidy from the employee group since the premiums paid by the retirees are lower than they would have been if the retirees were insured separately. The subsidies are valued using the difference between the age-based claims costs and the premium paid by the retiree. The amount required to fund the implicit rate is based on projected pay-as-you-go financing requirements. For fiscal year 2013, the City contributed \$29,524 to the plan. Plan members receiving benefits contributed \$138,255, or approximately 100 percent of the total premiums, through their required contribution of \$460.22 per month for retiree-only coverage, \$1,005.18 per month for retiree and spouse, \$769.90 per month for retiree and children, and \$1,293.36 per month for retiree and family.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year ended June 30, 2013:

Annual required contribution	\$ 142,541
Interest on net OPEB obligation	31,373
Adjustment to annual required contribution	(50,928)
Annual OPEB cost (expense)	122,986
Contributions made	(29,524)
Increase in net OPEB obligation	93,462
Net OPEB obligation—beginning of year	836,606
Net OPEB obligation—end of year	\$ 930,068

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net unfunded OPEB obligation for 2013 was as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Unfunded OPEB Obligation</u>
6/30/11	\$189,713	12.99%	\$671,529
6/30/12	\$189,713	12.99%	\$836,606
6/30/13	\$122,986	24.01%	\$930,068

Funded Status and Funding Progress. As of June 30, 2013, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability (AAL) for benefits was \$1,826,829, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,826,829. The covered payroll (annual payroll of active employees covered by the plan) was \$9.3 million, and the ratio of the UAAL to the covered payroll was 19.84 percent. Because the plan is a substantive plan there are no plan assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2013, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.25 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 5 percent. There were no assets to determine the actuarial value of assets. The UAAL is being amortized over 30 years as level payments. The remaining amortization period at June 30, 2013, was twenty-six years.

4.B. RISK MANAGEMENT

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

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
a. Torts, errors and omissions; asset loss and natural disasters	Participation in Oklahoma Municipal Assurance Group risk entity pool	(1)
b. Injuries to employees (workers compensation)	Participation in Oklahoma Municipal Assurance Group risk entity pool	(2)
c. Employee health and life	Purchased commercial insurance through Community Care	No risk of loss

The City participates in the Oklahoma Municipal Assurance Group Liability Protection Plan and Worker's Compensation Plan (risk entity pool) as follows.

(1) Liability Protection Plan

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

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

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

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

(2) Worker's Compensation Plan

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

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

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

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

Claims Liability Analysis

The claims liabilities related to the above noted health and life risks of loss that are retained are reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

For the risk management internal service self-insurance fund, changes in the claims liability for the City from July 1, 2010, to June 30, 2013, are as follows:

	Health & Life
Claims liability, June 30, 2010	713,050
Claims incurred	3,008,239
Claims paid	(3,337,211)
Claims liability, June 30, 2011	384,078
Claims incurred	2,748,299
Claims paid	(3,082,377)
Claims liability, June 30, 2012	\$50,000
Claims incurred	\$0
Claims paid	(\$34,779)
Claims liability, June 30, 2013	\$15,221
Assets available to pay claims at June 30, 2013	\$705,780

4.C. COMMITMENTS AND CONTINGENCIES

Commitments:

Construction Commitments

The City had the following construction commitments outstanding at June 30, 2013 with balances left on the contract:

1. Street & Stormwater Improvements, Cleveland, Adams to Boyd – Pavement Conservation Specialists, Inc.; original contract - \$344,851; remaining contract - \$299,923
2. Street & Stormwater Improvements, Thompson & Apple; Contractors – Cherokee Pride Construction, Inc.; original contract - \$564,876; remaining contract - \$564,876
3. Sanitary Sewer Rehabilitation, Basins No. 2 & No. 4; Contractors – Tri-Star Utilities, Inc.; original contract - \$624,494; remaining contract - \$624,494
4. Security Camera System for West Pump Station & Water Towers; Contractors – AirLink Internet Services; original contract - \$45,000; remaining contract - \$26,142

U.S. Army Corps of Engineer – Water Storage Space in Skiatook Lake

The City is under contract with the U.S. Army Corps of Engineer for the right to utilize an undivided 1.52 percent of the usable storage space in the Skiatook Lake Project. This storage space is to be used to impound water for anticipated future demand or need for municipal and industrial water supply. The City is also required to pay annual operations and maintenance (O&M) costs related to this contract. The total O&M costs paid during fiscal year 2012-2013 totaled \$22,431. See Note 3.F. for further debt disclosures.

Contingencies:

Grant Program Involvement

In the normal course of operations, the City participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time.

Litigation

The City is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City "Sinking Fund" for the payment of any court assessed judgment rendered against the City.

While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City. This statutory taxing ability is not available to the City's public trusts (Authorities).

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$1,556,831	\$1,677,494	\$1,525,567	(\$151,927)
Resources (Inflows):				
TAXES:				
Sales tax	11,351,760	11,451,760	11,433,363	(18,397)
Use tax	435,000	435,000	391,866	(43,134)
Franchise tax	531,000	531,000	543,696	12,696
Payment in lieu of tax	430,000	430,000	457,178	27,178
Total Taxes	<u>12,747,760</u>	<u>12,847,760</u>	<u>12,826,103</u>	<u>(21,657)</u>
LICENSES AND PERMITS:				
Building permits	17,000	17,000	25,008	8,008
Trade permits	18,000	18,000	28,917	10,917
Resident construction park/rec fees	5,000	10,225	8,675	(1,550)
Occupation/business	40,000	40,000	53,892	13,892
Other permits	9,850	9,850	13,060	3,210
Total License and Permits	<u>89,850</u>	<u>95,075</u>	<u>129,552</u>	<u>34,477</u>
INTERGOVERNMENTAL:				
Alcoholic beverage tax	99,000	99,000	110,237	11,237
Cigarette/tobacco tax	164,000	164,000	145,955	(18,045)
Total Intergovernmental	<u>263,000</u>	<u>263,000</u>	<u>256,192</u>	<u>(6,808)</u>
CHARGES FOR SERVICES:				
Fire run fees	396,000	396,000	384,477	(11,523)
Fire run charges	48,000	48,000	55,663	7,663
Inspection fees	40,000	40,000	56,022	16,022
Special assessments	1,400	1,400	2,025	625
Other fees - zoning	8,700	8,700	7,480	(1,220)
Court collection fees	30,000	30,000	39,267	9,267
Shelter fees	2,200	2,200	7,085	4,885
Engineering fees	650	650	2,800	2,150
Weed abatement	7,500	7,500	16,641	9,141
Pet adoption	500	500	100	(400)
Total Charges for Services	<u>534,950</u>	<u>534,950</u>	<u>571,560</u>	<u>36,610</u>
FINES AND FORFEITURES	<u>850,150</u>	<u>850,150</u>	<u>787,038</u>	<u>(63,112)</u>
INVESTMENT INCOME	<u>6,090</u>	<u>6,090</u>	<u>3,103</u>	<u>(2,987)</u>
MISCELLANEOUS:				
Antenna tower rental	64,824	64,824	65,350	526
Reimbursements	24,000	35,516	97,909	62,393
Sale of capital assets	-	0	7,352	7,352
Donations	14,000	44,000	41,448	(2,552)
Miscellaneous	7,500	7,500	9,395	1,895
Total Miscellaneous	<u>110,324</u>	<u>151,840</u>	<u>221,454</u>	<u>69,614</u>
OTHER FINANCING SOURCES:				
Transfers from other funds	4,888,387	4,909,183	4,906,412	(2,771)
Total Other Financing Sources	<u>4,888,387</u>	<u>4,909,183</u>	<u>4,906,412</u>	<u>(2,771)</u>
Total Resources (Inflows)	<u>19,490,511</u>	<u>19,658,048</u>	<u>19,701,414</u>	<u>43,366</u>
Amounts available for appropriation	<u>\$21,047,342</u>	<u>\$21,335,542</u>	<u>\$21,226,981</u>	<u>(\$108,561)</u>

(Continued)

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2013

(Continued)

Charges to Appropriations (Outflows):	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
ADMINISTRATION:				
City Council:				
Materials and supplies	200	200	49	151
Other services and charges	66,000	66,000	64,801	1,199
Total City Council	66,200	66,200	64,850	1,350
City Manager:				
Personal services	215,700	215,603	215,491	112
Materials and supplies	650	750	721	29
Other services and charges	2,496	2,493	2,009	484
Total City Manager	218,846	218,846	218,221	625
City Clerk:				
Personal services	180,060	180,060	173,005	7,055
Materials and supplies	2,175	2,175	2,146	29
Other services and charges	7,270	7,270	6,044	1,226
Capital outlay	3,500	3,500	0	3,500
Total City Clerk	193,005	193,005	181,195	11,810
Finance:				
Personal services	272,140	272,140	269,490	2,650
Materials and supplies	5,200	4,200	1,614	2,586
Other services and charges	112,691	113,691	82,562	31,129
Total Finance	390,031	390,031	353,666	36,365
Treasurer:				
Personal services	28,320	28,367	28,338	29
Other services and charges	465	418	302	116
Total Treasurer	28,785	28,785	28,640	145
Personnel:				
Personal services	96,443	96,443	89,688	6,755
Materials and supplies	2,470	2,470	846	1,624
Other services and charges	18,431	20,431	7,230	13,201
Total Personnel	117,344	119,344	97,764	21,580
Central Purchasing:				
Personal services	64,184	64,184	63,551	633
Materials and supplies	200	334	288	46
Other services and charges	3,342	3,338	2,967	371
Total Central Purchasing	67,726	67,856	66,806	1,050
Building Inspector:				
Personal services	111,467	126,467	125,045	1,422
Materials and supplies	4,240	2,990	2,000	990
Other services and charges	6,540	5,790	4,361	1,429
Total Building Inspector	122,247	135,247	131,406	3,841
TOTAL ADMINISTRATION	1,204,184	1,219,314	1,142,548	76,766

(Continued)

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2013

(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT:				
Warehouse:				
Personal services	80,207	80,207	79,282	925
Materials and supplies	5,159	4,879	3,854	1,025
Other services and charges	7,956	8,236	7,920	316
Capital outlay	2,500	2,500	0	2,500
Total Warehouse	95,822	95,822	91,056	4,766
Central Garage:				
Personal services	117,196	118,196	118,143	53
Materials and supplies	4,785	3,735	2,372	1,363
Other services and charges	12,550	12,600	11,587	1,013
Capital outlay	22,032	22,032	17,558	4,474
Total Central Garage	156,563	156,563	149,660	6,903
General Government:				
Personal services	26,100	29,114	28,272	842
Materials and supplies	22,925	20,261	14,876	5,385
Other services and charges	524,867	524,517	487,156	37,361
Capital Outlay	31,244	68,744	63,083	5,661
Debt Service	40,572	40,572	35,533	5,039
Total General Government	645,708	683,208	628,920	54,288
Reserve:				
Other services and charges	115,363	66,363	63,196	3,167
Total Reserve	115,363	66,363	63,196	3,167
TOTAL GENERAL GOVERNMENT	1,013,456	1,001,956	932,832	69,124
LEGAL AND JUDICIAL:				
City Attorney:				
Personal services	179,210	179,210	178,000	1,210
Materials and supplies	1,205	1,205	819	386
Other services and charges	35,458	43,951	26,023	17,928
Capital outlay	25,000	26,577	26,576	1
Total City Attorney	240,873	250,943	231,418	19,525
Municipal Court:				
Personal services	41,187	41,187	40,634	553
Materials and supplies	700	700	571	129
Other services and charges	51,890	51,890	49,176	2,714
Total Municipal Court	93,777	93,777	90,381	3,396
TOTAL LEGAL AND JUDICIAL	334,650	344,720	321,799	22,921

(Continued)

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2013

(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC SAFETY:				
Police:				
Personal services	4,184,023	4,226,723	4,151,172	75,551
Materials and supplies	147,200	146,776	146,737	39
Other services and charges	179,000	190,468	159,083	31,385
Capital outlay	1,500	2,956	1,512	1,444
Total Police	<u>4,511,723</u>	<u>4,566,923</u>	<u>4,458,504</u>	<u>108,419</u>
Fire:				
Personal services	4,420,226	4,421,442	4,267,754	153,688
Materials and supplies	114,920	131,323	118,977	12,346
Other services and charges	167,060	185,489	159,136	26,353
Total Fire	<u>4,702,206</u>	<u>4,738,254</u>	<u>4,545,867</u>	<u>192,387</u>
Animal Control:				
Personal services	92,850	92,850	92,366	484
Materials and supplies	12,050	13,148	6,804	6,344
Other services and charges	16,490	17,490	10,391	7,099
Capital outlay	2,200	2,200	0	2,200
Total Animal Control	<u>123,590</u>	<u>125,688</u>	<u>109,561</u>	<u>16,127</u>
Civil Defense:				
Personal services	13,290	13,290	13,230	60
Other services and charges	48,093	48,093	45,798	2,295
Total Civil Defense	<u>61,383</u>	<u>61,383</u>	<u>59,028</u>	<u>2,355</u>
TOTAL PUBLIC SAFETY	<u>9,398,902</u>	<u>9,492,248</u>	<u>9,172,960</u>	<u>319,288</u>
URBAN DEVELOPMENT:				
Personal services	222,090	222,090	212,591	9,499
Materials and supplies	7,700	5,325	2,332	2,993
Other services and charges	54,095	132,103	84,689	47,414
TOTAL URBAN DEVELOPMENT	<u>283,885</u>	<u>359,518</u>	<u>299,612</u>	<u>59,906</u>
OTHER FINANCING USES:				
Transfers to other funds	8,518,820	8,599,045	8,587,258	11,787
Total Other Financing Uses	<u>8,518,820</u>	<u>8,599,045</u>	<u>8,587,258</u>	<u>11,787</u>
Total Charges to Appropriations	<u>20,753,897</u>	<u>21,016,801</u>	<u>20,457,009</u>	<u>559,792</u>
Ending Budgetary Fund Balance	<u>\$293,445</u>	<u>\$318,741</u>	<u>\$769,972</u>	<u>\$451,231</u>

**CITY OF SAPULPA, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the fiscal year ended June 30, 2013**

Budget Law

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

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

Per State law, the legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund. All transfers of appropriation between departments and supplemental appropriations require City Council approval. The City Manager may transfer appropriations between object categories within a department without City Council approval. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector. No departments exceeded appropriations.

Budgetary Accounting

The annual operating budgets are prepared and presented on the modified accrual basis of accounting.

However, for budgetary purposes, sales tax revenues, both dedicated and undedicated, are recognized first in the General Fund, with appropriated transfers out of the dedicated portions of sales tax to the respective dedicated sales tax funds. This differs from the City's treatment of dedicated sales taxes in the basic financial statements which recognizes sales tax as revenue in the respective dedicated sales tax funds. Also, the State on-behalf payments for the police and firefighter's pension are excluded in the budgetary schedule as are capital lease proceeds and related capital outlay.

The City utilizes encumbrance accounting under which all purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation. Encumbrances outstanding at year-end are not considered expenditures for budgetary purposes since the City intends to honor the commitments and provide for supplemental appropriations in the following budget year. All appropriations lapse at year end.

CITY OF SAPULPA, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the fiscal year ended June 30, 2013

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

	<u>General Fund</u>
Sources/Inflows of resources	
Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$19,701,414
Differences – budget to GAAP:	
Sales tax recognized as inflows of budgetary resources but are not revenues for financial reporting purposes.	(6,291,002)
State payments made on-behalf of police and fire pension not considered a budgetary resource	1,134,316
Revenues from combined funds pursuant to GASB 54 reclassification:	
Hunting & Fishing Fund	60,177
Library Fund	163,202
Library Fund – Transfer In	212,750
Swimming Pool Fund	<u>162,929</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$15,143,786</u>
Total Revenues – General Fund	\$10,024,624
Transfers In – General Fund	<u>5,119,162</u>
	<u>\$15,143,786</u>
 Uses/Outflows of appropriations	
Actual amounts (budgetary basis) "total appropriations" from the budgetary comparison schedule	\$20,457,009
Differences – budget to GAAP:	
Transfer of sales tax to various funds recognized as outflows of budgetary resources but are not uses for financial reporting purposes.	(6,291,002)
State payments made on-behalf of police and fire pension not considered a budgetary expenditure	1,134,316
Expenditures from combined funds pursuant to GASB 54 reclassification:	
Hunting & Fishing Fund	52,284
Library Fund	386,340
Swimming Pool Fund	<u>164,461</u>
Total expenditures and transfers out as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$15,903,408</u>
Total expenditures – General Fund	\$13,607,152
Transfers out – General Fund	<u>2,296,256</u>
Total expenditures and transfers out – General Fund	<u>\$15,903,408</u>

CITY OF SAPULPA, OKLAHOMA
SCHEDULE OF FUNDING PROGRESS – OTHER POST-EMPLOYMENT BENEFITS
June 30, 2013

OPEB Actuarial Information

The funded status and funding progress of the City's defined benefit OPEB plan for the first three actuarial valuations is as follows:

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Projected Unit Credit (b)	Unfunded Actuarial Accrued Liability (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll [(b) - (a)] / (c)
July 1, 2008	\$ -	\$ 3,163,205	\$ 3,163,205	0.00%	\$ 9,113,077	34.71%
July 1, 2010	-	1,769,991	1,769,991	0.00%	9,399,326	18.83%
July 1, 2012	-	1,838,955	1,838,955	0.00%	9,270,725	19.84%

Three year trend information is not available.

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sapulpa
 Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2013

	Special Revenue Funds										
	Cemetery Maintenance Fund	Street and Alley Fund	Park & Recreation Fund	Federal SAF Fund	Major Thoroughfare Fund	Water & Sewer Sales Tax Fund	Spay & Nutter Fund	EBF1 Fund	Juvenile Justice Fund	Hotel/Motel Tax Fund	Grants & Aid Fund
ASSETS											
Cash and cash equivalents	\$ 52,018	\$ 81,528	\$ 18,803	\$ 88,881	\$ 42,188	\$ 13,000	\$ 26,349	\$ 17,384	\$ 14,103	\$ 28,082	\$ 70
Investments	17,047	45,089	60,365	31,504				30,087			
Deposits with fiscal agent											
Due from other governments	18,288	31,512	38,577		38,577	73,164					224,500
Interest receivable	31										
Court fines receivable, net of allowance									56,832		
Other receivable											
Inventory			4,500					20,825		23,268	
Total assets	\$ 87,434	\$ 168,127	\$ 138,128	\$ 100,245	\$ 105,914	\$ 119,204	\$ 26,349	\$ 69,295	\$ 73,125	\$ 49,350	\$ 224,570
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 7,605	\$ 10,272	\$ 22,410	\$ -	\$ 35,847	\$ 11,384	\$ 2,608	\$ 6,252	\$ 1,785	\$ 11,084	\$ 24,487
Accrued payroll payable	5,344	9,384	6,188			10,821		285	172	2,787	
Due to other funds						17,839					107,018
Due to other governments									589		
Deferred revenue	19								52,404		174,030
Refundable court bonds									3,237		
Total liabilities	12,968	19,656	30,608	-	35,647	39,644	2,608	6,537	85,187	13,881	305,516
Fund balances:											
Non-spendable											
Restricted											
Assigned	74,480	138,471	107,522	99,486	27,181	33,080	23,483	61,760	14,819		
Unassigned				780	49,116	46,310	188	953	312	35,468	
Total fund balances	74,480	138,471	107,522	100,245	70,297	79,390	23,681	62,719	14,828	35,468	(80,945)
Total liabilities and fund balances	\$ 87,434	\$ 168,127	\$ 138,128	\$ 100,245	\$ 105,914	\$ 119,204	\$ 26,349	\$ 69,295	\$ 73,125	\$ 49,350	\$ 224,570

City of Sapulpa
 Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2013

	Capital Projects Funds										Total Governmental Funds
	Restricted Construction Park/Rec Fund	Park Development Fund	Fire Cash Fund	Police Cash Fund	Cometary Care Fund	Capital Improvement Fund	Water Resources Fund	Street Improvement Sales Tax Fund	Sewer Plant Sales Tax Fund	G.O. Bond Construction Fund	
\$ 22,705	\$ 6,247	\$ 75,233	\$ 32,978	\$ 9,772	\$ 109,462	\$ 8,349	\$ 1,230,918	\$ 14,888	\$ 191,817	\$ 158,820	\$ 2,128,303
-	-	178,039	-	18,038	-	-	415,839	-	1,279,833	700,490	2,856,948
-	-	18,288	18,798	-	73,154	148,814	422,138	182,885	-	349,770	188
-	-	-	120	11	-	-	754	-	7,215	1,084	1,030,195
-	-	-	-	-	-	-	-	-	-	-	8,215
-	-	-	-	-	-	-	-	-	-	-	56,932
-	-	-	-	-	-	-	-	-	-	-	63,589
\$ 27,705	\$ 6,247	\$ 271,550	\$ 51,390	\$ 27,822	\$ 182,616	\$ 11,859	\$ 2,068,747	\$ 197,553	\$ 1,448,485	\$ 1,221,798	\$ 6,817,210
\$ 7,308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,341	\$ 150,280	\$ -	\$ 113,930	\$ -	\$ 417,431
-	-	-	2,844	-	-	-	10,257	157,781	-	-	36,686
-	-	-	76	-	-	-	239,784	-	1,118	332,742	296,239
7,308	-	-	2,819	7	-	13,341	400,301	157,781	115,048	332,742	800,179
-	-	-	-	-	-	-	-	-	-	-	3,237
-	-	288,071	48,581	-	-	11,859	-	-	-	-	1,553,691
15,399	6,247	8,489	7,166	27,815	178,228	138,388	1,648,702	36,478	1,333,417	880,056	71,890
15,399	6,247	271,550	48,787	27,815	182,808	153,281	25,744	4,286	-	-	4,733,237
\$ 27,705	\$ 6,247	\$ 271,550	\$ 51,390	\$ 27,822	\$ 182,808	\$ 153,281	\$ 2,068,747	\$ 197,553	\$ 1,448,485	\$ 1,221,798	\$ 6,293,549
											\$ 6,817,210

ASSETS

Cash and cash equivalents
 Investments
 Deposits with fiscal agent
 Due from other governments
 Interest receivable
 Court fines receivable, net of allowance
 Other receivable
 Inventory

Total assets

LIABILITIES AND FUND BALANCES

Liabilities:
 Accounts payable
 Accrued payroll payable
 Due to other funds
 Due to other governments
 Deferred revenue
 Refundable court bonds
 Total liabilities

Fund balances:

Non-spendable
 Restricted
 Assigned
 Unassigned

Total fund balances
 Total liabilities and fund balances

City of St. Louis
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue Funds										
	Cemetery Maintenance Fund	Street and Alley Fund	Parks & Recreation Fund	Federal SAP Fund	Thoroughfare Fund	Water & Sewer Sales Tax Fund	Spay & Nester Fund	EB11 Fund	Juvenile Justice Fund	Hotel/Motel Tax Fund	Grant & Aid Fund
REVENUES											
Taxes	\$ 142,843	\$ 186,292	\$ 285,687	\$ -	\$ 285,687	\$ 571,374	\$ -	\$ -	\$ -	\$ 215,883	\$ 274,712
Intergovernmental	-	-	6,948	-	-	-	-	-	-	-	-
Charges for services	87,800	-	-	-	-	-	14,945	212,641	-	-	-
Fees and forfeitures	-	-	-	-	-	-	-	-	-	-	-
Investment income	488	668	854	267	288	430	89	30,453	-	-	
Miscellaneous	20	8,381	15,968	47,300	12,014	3,143	247	85	117	64	
Total revenues	231,150	194,369	309,247	47,567	297,969	574,953	15,137	212,888	30,538	218,000	274,798
EXPENDITURES											
Current:											
General government	347,148	-	-	-	-	-	6,893	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Streets	-	598,372	-	-	205,768	-	-	85,486	28,124	-	44,787
Culture and recreation	-	-	574,525	-	-	-	-	-	-	-	-
Urban development	-	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	779,811	-	-	-	181,833	3,852
Wastewater	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	2,447	23,063	13,837	-	199,894	62,059	-	-	-	358	394,904
Debt service:	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	349,595	621,435	698,362	-	405,662	842,300	6,893	85,486	28,124	182,289	443,713
Excess (deficiency) of revenues over expenditures	(118,435)	(427,066)	(279,115)	47,567	(107,693)	(267,347)	8,144	127,402	2,414	33,711	(168,915)
OTHER FINANCING SOURCES (USES)											
Transfers in	74,000	383,000	258,500	-	24,217	168,000	-	-	-	9,000	-
Transfers out	(10,900)	-	-	-	-	-	-	-	-	(40,178)	(24,217)
Proceeds from long-term debt	-	-	-	-	-	-	-	(135,000)	(10,000)	-	-
Payment to borrow	-	-	-	-	-	-	-	-	-	-	-
Judgment proceeds	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	63,100	383,000	258,500	-	24,217	168,000	-	(135,000)	(10,000)	(31,178)	(24,217)
SPECIAL ITEM											
Proceeds from sale of land	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	(65,335)	(44,066)	(20,615)	47,567	(83,484)	(107,347)	6,144	(7,593)	(7,589)	2,532	(103,134)
Fund balances - beginning	129,802	182,827	128,137	68,978	153,731	166,707	16,537	70,317	22,514	32,887	112,189
Fund balances (deficit) - ending	\$ 74,467	\$ 138,761	\$ 107,522	\$ 100,248	\$ 70,247	\$ 78,360	\$ 23,681	\$ 62,719	\$ 14,925	\$ 35,409	\$ (90,945)

City of Seopulpa
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended June 30, 2013

	Capital Projects Funds										Debt Service Fund	Total Governmental Funds
	Restricted Construction Park/Res Fund	Park Development Fund	Fine Cash Fund	Police Cash Fund	Cemetery Care Fund	Capital Improvement Fund	Water Resources Fund	Street Improvement Sales Tax Fund	Sewer Plant Sales Tax Fund	G.O. Bond Construction Fund		
REVENUES												
Taxes				\$ 142,843			\$ 1,143,053		\$ 1,428,434		\$ 1,630,259	\$ 7,988,714
Intergovernmental												470,004
Charges for services												322,334
Fines and forfeitures												30,463
Investment income	107	8	1,065	578	170	531	531	3,570	188		7,467	32,874
Miscellaneous				28,231		2,000	8,910					123,100
Total revenues	107	8	143,808	171,600	170	573,910	1,149,894	1,432,004	1,428,622	15,047	1,637,726	8,967,539
EXPENDITURES												
Current:												
General government												770,733
Public safety												158,377
Streets												989,421
Culture and recreation												574,626
Urban development												181,933
Water												607,365
Wastewater												2,898,869
Capital outlay	12,991		18,473	185,846	20,867	379	52,358	384,737		875,709		1,878,084
Debt service:												855,113
Principal												1,153,897
Interest												543,039
Total expenditures	12,991		67,706	185,846	20,867	379	52,358	384,737		875,709	1,153,897	5,972,946
Excess (deficiency) of revenues over expenditures	(12,884)		76,092	(14,246)	(20,697)	(82,924)	1,097,236	2,111,284	1,428,622	(1,024,533)	(535,813)	54,490
OTHER FINANCING SOURCES (USES)												
Transfers in												1,676,381
Transfers out	8,675	40,178			10,800					27,160		(3,600,356)
Proceeds from long-term debt	(5,800)	(35,500)									(8,831)	6,450,534
Payment to escrow											8,201,476	(6,002,824)
Judgment proceeds												24,312
Total other financing sources (uses)	3,075	4,678			10,800					27,160	789,733	(1,480,493)
SPECIAL ITEM												
Proceeds from sale of land				8,881								8,881
Net change in fund balances	(9,809)	4,687	56,371	(15,365)	(18,597)	(59,266)	(60,024)	331,045	(98,378)	(987,373)	(41,460)	(1,397,082)
Fund balances (deficit) - beginning	25,208	1,580	215,189	84,132	48,412	244,072	243,205	1,338,471	85,120	2,330,790	930,536	6,630,631
Fund balances (deficit) - ending	15,399	6,267	271,560	68,767	27,815	182,566	133,281	1,669,446	38,742	1,333,417	889,076	5,233,549

City of Sapulpa
Combining Balance Sheet - General Fund Accounts
June 30, 2013

ASSETS	<u>General Fund</u>	<u>Hunting & Fishing Fund</u>	<u>Library Fund</u>	<u>Swimming Pool Fund</u>	<u>Total General Fund Accounts</u>
Cash and cash equivalents	\$ 87,272	\$ 20,568	\$ 30,418	\$ 40,126	\$ 178,384
Investments	-	15,034	-	-	15,034
Deposits with insurance pool	120,528	-	-	-	120,528
Due from other funds	1,759	-	-	-	1,759
Due from other governments	754,985	-	18,288	-	773,273
Franchise tax receivable	22,814	-	-	-	22,814
Court fine receivable, net	629,702	-	-	-	629,702
Other receivables	201,636	1,017	-	5,660	208,313
Inventory	10,187	-	-	-	10,187
Total assets	<u>\$ 1,828,883</u>	<u>\$ 36,619</u>	<u>\$ 48,706</u>	<u>\$ 45,786</u>	<u>\$ 1,959,994</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 107,718	\$ 3,813	\$ 17,213	\$ 25,232	\$ 153,976
Accrued payroll liabilities	63,554	-	4,800	9,705	78,059
Due to other governments	8,405	-	-	-	8,405
Escrow deposits	13,008	-	-	-	13,008
Deferred revenue	537,588	-	9,891	-	547,479
Refundable court bonds	32,170	-	-	-	32,170
Total liabilities	<u>762,443</u>	<u>3,813</u>	<u>31,904</u>	<u>34,937</u>	<u>833,097</u>
 Fund balances:					
Non-spendable	10,187	-	-	-	10,187
Committed	-	7,753	-	-	7,753
Assigned	423,364	25,053	16,802	10,849	476,068
Unassigned	632,889	-	-	-	632,889
Total fund balances	<u>1,066,440</u>	<u>32,806</u>	<u>16,802</u>	<u>10,849</u>	<u>1,126,897</u>
Total liabilities and fund balances	<u>\$ 1,828,883</u>	<u>\$ 36,619</u>	<u>\$ 48,706</u>	<u>\$ 45,786</u>	<u>\$ 1,959,994</u>

City of Sapulpa
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts
For the Year Ended June 30, 2013

	General Fund	Hunting & Fishing Fund	Library Fund	Swimming Pool Fund	Total General Fund Accounts
REVENUES					
Taxes	\$ 6,535,101	\$ -	\$ 142,843	\$ -	\$ 6,677,944
Intergovernmental	1,391,336	-	13,851	-	1,405,187
Charges for services	571,560	18,795	120	162,654	753,129
Fines and forfeitures	787,038	-	2,141	-	789,179
Licenses and permits	129,552	41,242	-	-	170,794
Investment income	3,103	126	167	91	3,487
Miscellaneous	220,626	14	4,080	184	224,904
Total revenues	<u>9,638,316</u>	<u>60,177</u>	<u>163,202</u>	<u>162,929</u>	<u>10,024,624</u>
EXPENDITURES					
Current:					
Administration	1,142,548	-	-	-	1,142,548
General government	816,658	-	-	-	816,658
Legal and judicial	295,223	-	-	-	295,223
Public safety	10,305,764	-	-	-	10,305,764
Urban development	299,612	-	-	-	299,612
Culture and recreation	-	34,684	350,148	164,461	549,293
Capital Outlay	108,729	17,600	36,192	-	162,521
Debt Service:					
Principal	30,584	-	-	-	30,584
Interest	4,949	-	-	-	4,949
Total expenditures	<u>13,004,067</u>	<u>52,284</u>	<u>386,340</u>	<u>164,461</u>	<u>13,607,152</u>
Excess (deficiency) of revenues over expenditures	<u>(3,365,751)</u>	<u>7,893</u>	<u>(223,138)</u>	<u>(1,532)</u>	<u>(3,582,528)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	4,906,412	-	212,750	-	5,119,162
Transfers out	(2,296,256)	-	-	-	(2,296,256)
Total other financing sources and uses	<u>2,610,156</u>	<u>-</u>	<u>212,750</u>	<u>-</u>	<u>2,822,906</u>
Net change in fund balances	(755,595)	7,893	(10,388)	(1,532)	(759,622)
Fund balances - beginning	1,822,035	24,913	27,190	12,381	1,886,519
Fund balances - ending	<u>\$ 1,066,440</u>	<u>\$ 32,806</u>	<u>\$ 16,802</u>	<u>\$ 10,849</u>	<u>\$ 1,126,897</u>

City of Sapulpa
Combining Schedule of Net Position
SMA Utility Fund Accounts
June 30, 2013

	Enterprise Fund Accounts				Total
	SMA Utility Fund	Stormwater Management Fund	Sewer System Development Fund	Series 2012 Revenue Bond Construction Fund	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 376,748	\$ 530,133	\$ 143,408	\$ -	\$ 1,050,287
Restricted cash and cash equivalents	996,353	-	-	1,007,649	2,004,002
Investments	656,007	75,069	-	-	731,076
Accounts Receivable, net	984,886	96,227	-	-	1,081,113
Other receivables	104,244	-	500	-	104,744
Due from other funds	293,480	-	-	-	293,480
Total current assets	<u>3,411,716</u>	<u>701,429</u>	<u>143,908</u>	<u>1,007,649</u>	<u>5,264,702</u>
Non-current assets:					
Restricted investments	208,527	-	-	-	208,527
Prepaid bond insurance	663,351	-	-	-	663,351
Capital Assets:					
Land and other non-depreciable assets	7,932,421	-	-	-	7,932,421
Other capital assets, net of depreciation	50,708,528	-	-	-	50,708,528
Unamortized debt issuance costs	2,561,643	-	-	-	2,561,643
Total non-current assets	<u>62,074,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,074,470</u>
Total assets	<u>65,486,186</u>	<u>701,429</u>	<u>143,908</u>	<u>1,007,649</u>	<u>67,339,172</u>
LIABILITIES					
Current liabilities:					
Accounts payable	409,944	4,294	-	-	414,238
Accrued payroll liabilities	28,771	2,568	-	-	31,339
Accrued interest payable	833,022	-	-	-	833,022
Current portion of:					
Due to depositors	52,116	-	-	-	52,116
Notes payable	95,566	-	-	-	95,566
Water contract obligations	297,958	-	-	-	297,958
Revenue bonds payable	660,000	-	-	-	660,000
Accrued compensated absences	15,148	-	-	-	15,148
Total current liabilities	<u>2,392,525</u>	<u>6,862</u>	<u>-</u>	<u>-</u>	<u>2,399,387</u>
Non-current liabilities:					
Due to depositors	208,465	-	-	-	208,465
Notes payable	41,513	-	-	-	41,513
Water contract obligations	2,063,781	-	-	-	2,063,781
Revenue bonds payable, net	62,230,626	-	-	-	62,230,626
Accrued compensated absences	136,334	4,155	-	-	140,489
Total non-current liabilities	<u>64,680,719</u>	<u>4,155</u>	<u>-</u>	<u>-</u>	<u>64,684,874</u>
Total liabilities	<u>67,073,244</u>	<u>11,017</u>	<u>-</u>	<u>-</u>	<u>67,084,261</u>
NET POSITION					
Net investment in capital assets	(6,748,495)	-	-	-	(6,748,495)
Restricted for debt service	111,277	-	-	-	111,277
Unrestricted	5,050,160	690,412	143,908	1,007,649	6,892,129
Total net position	<u>\$ (1,587,058)</u>	<u>\$ 690,412</u>	<u>\$ 143,908</u>	<u>\$ 1,007,649</u>	<u>\$ 254,911</u>

City of Sapulpa
Combining Schedule of Revenues, Expenses and Changes in Net Position
SMA Utility Fund Accounts
For the Year Ended June 30, 2013

	<u>Enterprise Fund Accounts</u>				<u>Total</u>
	<u>SMA Utility Fund</u>	<u>Stormwater Management Fund</u>	<u>Sewer System Development Fund</u>	<u>Series 2012 Revenue Bond Construction Fund</u>	
REVENUES					
Water charges	\$ 4,204,618	\$ -	\$ -	\$ -	\$ 4,204,618
Sewer charges	3,191,639	-	-	-	3,191,639
Sanitation	1,407,257	-	-	-	1,407,257
Water taps	15,750	-	-	-	15,750
Sewer taps	34,000	-	293,436	-	327,436
Late charges	193,601	-	-	-	193,601
Trucked water	26,534	-	-	-	26,534
Stormwater	-	904,277	-	-	904,277
Miscellaneous	153,913	-	-	-	153,913
Total operating revenues	9,227,312	904,277	293,436	-	10,425,025
OPERATING EXPENSES					
General government	236,094	-	-	-	236,094
Administration	170,758	-	-	-	170,758
Utility collections	328,394	-	-	-	328,394
Water treatment plant	1,727,436	-	-	-	1,727,436
Industrial pretreatment	70,801	-	-	-	70,801
Wastewater treatment plant	1,076,661	-	-	-	1,076,661
Stormwater management	-	245,167	-	-	245,167
Sanitation	1,177,757	-	-	-	1,177,757
Amortization expense	213,380	-	-	-	213,380
Depreciation expense	1,796,014	-	-	-	1,796,014
Total Operating Expenses	6,797,295	245,167	-	-	7,042,462
Operating income	2,430,017	659,110	293,436	-	3,382,563
NON-OPERATING REVENUES (EXPENSES)					
Investment income	26,770	1,244	379	100	28,493
Miscellaneous	126,272	17,741	-	-	144,013
Gain/loss on disposal of capital assets	(6,723)	-	-	-	(6,723)
Interest expense and fiscal charges	(4,342,718)	(4,404)	-	-	(4,347,122)
Total non-operating revenue (expenses)	(4,196,399)	14,581	379	100	(4,181,339)
Income (loss) before contributions and transfers	(1,766,382)	673,691	293,815	100	(798,776)
Capital contributions	958,336	-	-	-	958,336
Interaccount transfers (net)	(1,007,549)	-	-	1,007,549	-
Transfers in	5,867,531	-	-	-	5,867,531
Transfers out	(6,891,806)	(65,381)	(162,000)	-	(7,119,187)
Change in net position	(2,839,870)	608,310	131,815	1,007,649	(1,092,096)
Total net position - beginning	1,252,812	82,102	12,093	-	1,347,007
Total net position - ending	\$ (1,587,058)	\$ 690,412	\$ 143,908	\$ 1,007,649	\$ 254,911

**CITY OF SAPULPA, OKLAHOMA
(SAPULPA MUNICIPAL AUTHORITY)
SCHEDULE OF DEBT SERVICE COVERAGE REQUIREMENTS
For the fiscal year ended June 30, 2013**

	2012 and 2013 Refunding Revenue Bonds Coverage Requirement
Gross Revenue Available for Debt Service:	
Operating revenues and investment income	10,453,518
Sales tax appropriated and transferred	3,812,581
Total Gross Revenues Available	14,266,099
Operating Expenses	5,033,068
Net Revenues Available for Debt Service	\$9,233,031
Debt Service Requirements:	
Average annual debt service	4,095,687.00
Coverage	2.25
Coverage Requirement	1.25

NOTE: Operating revenues consist of all water, wastewater, and sanitation revenues and investment income operating expenses include all trust operating expenses, exclusive of depreciation, amortization and bad debt expense.

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

CITY OF SAPIULPA, OKLAHOMA
NET ASSETS/NET POSITION BY COMPONENT
 Last Ten Fiscal Years
TABLE 1

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Governmental activities										
Invested in capital assets, net of related debt	\$ 16,523,526	\$ 22,432,421	\$ 23,264,086	\$ 25,731,686	\$ 26,453,019	\$ 27,327,634	\$ 28,413,287 *	\$ 25,253,588	\$ 25,864,472	
Restricted	2,162,564	2,689,357	3,162,803	3,378,280	3,651,202	3,445,938	3,851,607 *	3,492,437	2,440,222	
Unrestricted	3,373,913	344,821	2,039,881	989,136	811,160	207,770	(157,338)	1,710,363	908,507	
Total governmental activities net assets	\$ 22,060,003	\$ 25,646,399	\$ 28,486,770	\$ 30,099,092	\$ 28,915,381	\$ 30,981,342	\$ 32,107,566	\$ 30,456,398	\$ 29,213,201	
Business-type activities										
Invested in capital assets, net of related debt	\$ 4,105,890	\$ 1,615,464	\$ 1,985,686	\$ 1,434,206	\$ 1,995,103	\$ (5,282,635)	\$ (6,587,407)	\$ (5,289,877)	\$ (5,593,983)	
Restricted	994,752	1,428,243	1,823,836	1,883,075	1,219,432	2,186,122	3,076,143 **	3,188,295	2,852,635	
Unrestricted	1,661,202	2,506,311	2,351,403	1,138,151	2,527,446	6,089,620	5,296,191 **	4,203,008	4,131,268	
Total business-type activities net assets	\$ 6,761,814	\$ 5,550,018	\$ 6,240,925	\$ 4,455,432	\$ 5,741,981	\$ 2,963,307	\$ 1,784,927	\$ 2,111,326	\$ 1,389,920	
Primary government										
Invested in capital assets, net of related debt	\$ 20,629,366	\$ 24,047,885	\$ 26,229,772	\$ 27,165,892	\$ 27,448,122	\$ 22,044,669	\$ 21,825,890	\$ 19,983,821	\$ 20,270,489	
Restricted	3,157,316	4,297,800	5,108,639	5,261,336	4,870,634	5,632,060	6,927,750	6,690,732	5,292,857	
Unrestricted	5,035,115	2,850,932	4,391,284	2,127,287	3,338,808	6,287,590	5,136,653	6,913,371	6,039,775	
Total primary government net assets	\$ 28,821,817	\$ 31,196,417	\$ 34,727,685	\$ 34,554,524	\$ 35,657,362	\$ 33,944,649	\$ 33,892,463	\$ 32,567,724	\$ 30,603,121	
Governmental activities										
Net investment in capital assets	\$ 24,658,364	\$ 24,047,885	\$ 26,229,772	\$ 27,165,892	\$ 27,448,122	\$ 22,044,669	\$ 21,825,890	\$ 19,983,821	\$ 20,270,489	
Restricted	3,962,888	4,297,800	5,108,639	5,261,336	4,870,634	5,632,060	6,927,750	6,690,732	5,292,857	
Unrestricted	14,733	2,850,932	4,391,284	2,127,287	3,338,808	6,287,590	5,136,653	6,913,371	6,039,775	
Total governmental activities net position	\$ 28,655,985	\$ 31,186,417	\$ 34,727,685	\$ 34,554,524	\$ 35,657,362	\$ 33,944,649	\$ 33,892,463	\$ 32,567,724	\$ 30,603,121	
Business-type activities										
Net investment in capital assets	\$ (6,020,714)	\$ 1,615,464	\$ 1,985,686	\$ 1,434,206	\$ 1,995,103	\$ (5,282,635)	\$ (6,587,407)	\$ (5,289,877)	\$ (5,593,983)	
Restricted	383,690	1,428,243	1,823,836	1,883,075	1,219,432	2,186,122	3,076,143 **	3,188,295	2,852,635	
Unrestricted	6,956,283	2,506,311	2,351,403	1,138,151	2,527,446	6,089,620	5,296,191 **	4,203,008	4,131,268	
Total business-type activities net position	\$ 1,319,259	\$ 5,550,018	\$ 6,240,925	\$ 4,455,432	\$ 5,741,981	\$ 2,963,307	\$ 1,784,927	\$ 2,111,326	\$ 1,389,920	
Primary government										
Net investment in capital assets	\$ 18,637,650	\$ 24,047,885	\$ 26,229,772	\$ 27,165,892	\$ 27,448,122	\$ 22,044,669	\$ 21,825,890	\$ 19,983,821	\$ 20,270,489	
Restricted	4,386,578	4,297,800	5,108,639	5,261,336	4,870,634	5,632,060	6,927,750	6,690,732	5,292,857	
Unrestricted	6,971,016	2,850,932	4,391,284	2,127,287	3,338,808	6,287,590	5,136,653	6,913,371	6,039,775	
Total primary government net position	\$ 29,975,244	\$ 31,196,417	\$ 34,727,685	\$ 34,554,524	\$ 35,657,362	\$ 33,944,649	\$ 33,892,463	\$ 32,567,724	\$ 30,603,121	

* 2010 restricted net assets related to unspent bond proceeds of \$6,227,208 were reclassified to Invested in Capital Assets, Net of Related Debt

** 2010 unrestricted net assets related to \$778,361 of restricted governmental funds, classified as business-type at the government-wide level, were reclassified as restricted.

CITY OF SAPULPA, OKLAHOMA
 CHANGES IN NET ASSETS/POSITION
 Last Ten Fiscal Years
 TABLE 2

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
Administration	\$ 940,636	\$ 857,024	\$ 922,218	\$ 639,948	\$ 696,186	\$ 1,073,542	\$ 1,098,277	\$ 1,070,144	\$ 1,111,318	\$ 1,178,909
General government	1,464,350	1,814,825	1,521,420	1,297,315	1,356,744	1,347,723	1,187,575	1,251,192	1,408,140	1,369,851
Legal and judicial	208,910	220,913	240,642	236,239	236,838	301,454	284,752	289,703	311,292	328,787
Public safety	6,713,837	6,851,852	8,022,350	10,179,831	10,742,549	10,587,857	10,312,829	10,975,498	10,594,023	10,948,677
Urban development	342,323	294,801	316,422	414,066	435,239	419,161	453,837	426,914	435,616	485,346
Streets	1,222,276	1,300,190	1,345,482	1,763,423	2,784,449	2,365,822	2,429,735	2,174,486	2,703,737	1,745,231
Culture and recreation	806,605	852,758	854,183	951,804	1,168,790	1,195,838	1,281,755	1,363,428	1,395,653	1,463,769
Interest on long-term debt	229,479	402,809	452,368	468,798	499,907	513,340	446,233	991,342	627,378	629,875
Total governmental activities expenses	11,919,215	12,595,272	13,705,083	16,723,353	18,177,479	17,759,943	17,444,973	17,328,616	18,487,125	18,085,575
Business-type activities:										
Water operations	3,300,634	3,150,738	3,251,849	3,686,257	3,625,783	4,463,707	3,781,387	4,200,477	4,304,480	4,920,543
Wastewater operations	5,303,576	5,353,600	5,348,397	5,487,432	5,246,459	6,363,922	6,437,587	6,520,715	6,783,684	6,013,722
Sanitation operations	1,095,914	1,102,846	1,160,526	1,121,731	1,245,713	1,476,846	1,290,758	1,254,592	1,318,230	1,326,338
Stormwater maintenance	31,107	34,082	25,551	60,901	333,179	75,226	581,408	390,019	383,881	307,344
Golf course operations	910,724	555,808	608,718	635,283	657,173	668,775	709,785	728,609	777,581	783,120
Interest charges - governmental activities	-	-	188,682	219,828	250,982	279,547	279,547	159,201	135,680	3,320
Total business-type activities expenses	10,241,955	10,199,964	10,564,701	11,311,430	11,408,317	13,319,138	13,069,429	13,252,613	13,683,685	13,334,381
Total primary government expenses	\$ 22,161,170	\$ 22,795,236	\$ 24,269,784	\$ 27,834,783	\$ 29,585,796	\$ 31,079,081	\$ 30,514,402	\$ 30,581,229	\$ 32,170,810	\$ 31,419,956
Program Revenues										
Governmental activities:										
Charges for services:	\$ 298,911	\$ 276,738	\$ 206,179	\$ 309,296	\$ 369,605	\$ 347,269	\$ 309,656	\$ 243,474	\$ 305,011	\$ 351,910
Administration	683,095	1,205,843	1,138,414	1,404,493	1,432,925	1,398,380	1,448,728	1,280,684	1,296,598	1,336,141
General government	-	-	-	-	-	-	-	-	-	-
Legal and judicial	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Urban development	-	-	-	-	-	-	-	-	-	-
Streets	-	-	-	3,580	2,835	2,465	1,880	1,410	2,200	2,025
Culture and recreation	85,042	72,819	48,471	53,858	61,016	63,598	121,714	185,067	231,450	251,888
Operating grants and contributions	414,163	347,848	362,781	1,760,870	2,180,388	1,515,502	1,542,268	1,361,450	1,460,068	1,755,551
Capital grants and contributions	248,598	2,210,257	2,633,630	280,910	390,705	391,276	705,061	279,978	247,842	653,744
Total governmental activities program revenues	1,741,189	4,113,605	4,507,685	3,842,967	4,437,546	3,846,790	4,133,305	3,382,063	3,563,169	4,350,759

(Continued)

TABLE 2
(Continued)

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services:										
Water operations	3,100,050	3,860,800	3,722,888	3,883,474	3,817,170	3,826,477	4,219,049	4,385,877	4,489,876	4,587,882
Wastewater operations	2,794,888	2,920,802	3,074,182	3,089,987	3,263,802	3,025,824	3,286,234	3,230,851	3,227,898	3,519,075
Sanitation operations	1,000,023	1,046,382	1,096,176	1,180,271	1,284,700	1,208,593	1,340,825	1,340,120	1,376,304	1,433,791
Stormwater operations					178,898	565,318	788,841	824,476	860,247	904,277
Golf course operations	433,915	388,248	487,728	474,354	608,802	518,383	410,658	424,077	338,711	374,750
Operating grants and contributions						654				
Capital grants and contributions				320,385	1,698,307					
Total business-type activities program revenues	7,458,854	8,037,252	8,383,871	8,908,481	10,711,740	9,210,158	10,030,007	10,171,200	10,482,778	10,882,043
Total primary government program revenues	\$ 9,200,023	\$ 12,150,857	\$ 12,081,668	\$ 12,751,458	\$ 15,149,286	\$ 12,850,040	\$ 14,183,312	\$ 13,552,293	\$ 13,845,975	\$ 15,233,402
Net (Expense)/Revenue	\$ (10,176,048)	\$ (6,481,887)	\$ (9,187,388)	\$ (12,880,858)	\$ (13,738,933)	\$ (14,113,083)	\$ (13,311,888)	\$ (13,064,623)	\$ (14,933,028)	\$ (13,734,816)
Governmental activities:										
Business-type activities:										
Total primary government net expense	(2,783,011)	(2,169,722)	(2,240,730)	(2,302,899)	(998,677)	(4,108,882)	(3,050,421)	(3,081,813)	(3,400,888)	(2,481,746)
General Revenues and Other Changes in Net Assets/Position	\$ (12,858,447)	\$ (10,841,389)	\$ (11,438,128)	\$ (15,183,325)	\$ (14,438,510)	\$ (18,222,035)	\$ (16,362,080)	\$ (17,026,136)	\$ (18,334,785)	\$ (16,188,569)
Governmental activities:										
Taxes:										
Sales and use taxes	6,485,081	7,284,841	11,383,692	11,798,328	12,381,044	12,088,005	11,285,885	11,726,417	12,520,594	11,819,842
Ad valorem property taxes	898,302	1,438,711	1,222,022	1,203,946	1,396,811	1,406,780	1,443,883	1,754,809	1,708,703	1,650,256
Franchise and public service taxes	401,248	385,148	475,507	427,556	443,180	508,648	605,381	518,028	588,684	538,362
Payment in lieu of taxes	334,819	389,507	411,163	420,670	443,528	533,019	438,787	489,422	428,810	489,500
Hotel/motel taxes				136,288	260,112	228,820	188,685	186,002	191,443	215,883
E-911 taxes	174,911	177,281	162,787	170,803	228,004	237,282	217,442	201,761	212,641	212,641
Intergovernmental revenue not restricted to specific programs	76,338	148,864	248,484	251,838	282,824	267,081	292,839	289,200	275,705	298,182
Investment income	90,828	264,090	302,850	178,086	170,723	90,872	78,078	88,060	57,482	34,713
Miscellaneous	340,129	117,740	125,183	163,599	464,382	324,859	1,705,317	325,439	250,868	181,836
Special item - Gain on forgiveness of debt / gain on sale of capital assets	38,508									
Transfers-internal activity	1,474,343	1,881,341	(2,510,859)	(255,100)	(1,828,329)	(1,090,884)	(1,874,075)	(3,232,145)	(2,517,292)	(878,543)
Total governmental activities	10,085,285	12,088,063	11,954,813	14,482,678	14,380,877	14,594,838	14,437,882	12,293,385	13,680,729	14,487,893
Business-type activities:										
Sales and use taxes	2,358,038	2,659,913		387,880	221,538	61,112	54,785	34,204	13,183	20,846
Investment earnings	358,820	118,765		63,987	183,240	208,102	143,181	141,873	148,938	161,710
Miscellaneous	87,325	60,550	121,414	283,100	1,828,329	1,090,084	1,674,075	3,232,145	2,517,292	878,843
Transfers - Internal activity	(1,474,343)	(1,881,341)	2,510,859	283,100	1,828,329	1,330,308	1,872,041	3,488,012	2,878,453	1,091,088
Total business-type activities	1,323,840	947,828	1,931,687	1,883,127	1,884,387	1,330,308	1,872,041	3,488,012	2,878,453	1,091,088
Total primary government	\$ 11,414,126	\$ 13,016,980	\$ 14,009,220	\$ 16,177,066	\$ 16,374,104	\$ 15,924,847	\$ 16,359,833	\$ 16,701,387	\$ 16,370,182	\$ 15,856,883
Change in Net Assets/Position										
Governmental activities	\$ (80,761)	\$ 3,586,398	\$ 2,787,215	\$ 1,612,322	\$ 681,044	\$ 461,488	\$ 1,126,224	\$ (1,064,188)	\$ (1,243,197)	\$ 762,768
Business-type activities	(1,454,261)	(1,211,788)	683,607	(1,618,682)	1,288,550	(2,178,874)	(1,178,380)	328,389	(721,009)	(1,390,048)
Total primary government	\$ (1,534,022)	\$ 2,374,610	\$ 3,470,822	\$ (6,290)	\$ 1,962,584	\$ (2,237,188)	\$ (62,156)	\$ (1,334,799)	\$ (1,964,603)	\$ (627,877)

CITY OF SAPULPA, OKLAHOMA
FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
TABLE 3

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 289,406	\$ 1,917,191	\$ 1,982,763	\$ 2,110,218	\$ 303,557	\$ 205,933	\$ 199,888	\$ -	\$ -	\$ -
Unreserved	1,109,727	(456,024)	(299,812)	(517,555)	2,129,650	2,015,310	1,432,329	-	-	-
Nonspendable	-	-	-	-	-	-	-	28,044	28,251	10,187
Committed	-	-	-	-	-	-	-	9,151	-	7,753
Assigned	-	-	-	-	-	-	-	1,396,679	1,327,870	476,068
Unassigned	-	-	-	-	-	-	-	766,562	550,398	632,892
Total general fund	\$ 1,379,133	\$ 1,461,167	\$ 1,683,151	\$ 1,592,663	\$ 2,433,207	\$ 2,221,243	\$ 1,632,217	\$ 2,200,436	\$ 1,886,519	\$ 1,126,897
All Other Governmental Funds										
Reserved	\$ 327,472	\$ 7,303,814	\$ 1,436,477	\$ 485,980	\$ 30,000	\$ 114,805	\$ 25,437	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,172,764	2,327,593	2,094,841	2,908,690	3,379,674	2,938,050	3,612,778	-	-	-
Debt service funds	508,403	483,037	579,549	638,793	675,822	603,551	599,612	-	-	-
Capital project funds	8,833,164	2,621,072	987,418	226,465	9,809	9,976	6,227,208	-	-	-
Nonspendable	-	-	-	-	-	-	-	104,823	102,348	71,860
Restricted	-	-	-	-	-	-	-	7,318,538	4,605,853	4,733,237
Assigned	-	-	-	-	-	-	-	890,861	964,639	539,387
Unassigned	-	-	-	-	-	-	-	-	-	(80,945)
Total all other governmental funds	\$ 11,841,793	\$ 12,735,516	\$ 5,098,285	\$ 4,260,928	\$ 4,095,305	\$ 3,666,362	\$ 10,465,035	\$ 8,315,222	\$ 5,682,834	\$ 5,263,549
GRAND TOTAL:	\$ 13,220,926	\$ 14,196,683	\$ 6,781,436	\$ 5,853,591	\$ 6,528,512	\$ 5,887,625	\$ 12,097,252	\$ 10,515,658	\$ 7,549,353	\$ 6,390,446

Note: For years 2005, 2006, and 2007 reserved fund balance for the General Fund includes accrued compensated absences.

CITY OF SAPULPA, OKLAHOMA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
TABLE 4

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Sales and use taxes	\$ 8,844,099	\$ 9,944,554	\$ 11,393,892	\$ 11,796,326	\$ 12,361,944	\$ 12,068,005	\$ 11,285,695	\$ 11,726,417	\$ 12,526,584	\$ 11,819,642
Franchise and public service taxes	401,248	383,148	476,493	437,765	435,211	506,646	506,484	519,306	568,534	543,696
Ad valorem taxes	665,053	1,312,215	1,150,898	1,187,400	1,393,472	1,351,081	1,443,683	1,754,809	1,708,703	1,630,259
Payment in lieu of tax	334,819	369,507	411,153	420,570	443,526	533,019	444,814	433,956	432,744	457,178
Hotel/motel taxes	-	-	-	136,286	2,847,067	2,508,141	185,685	189,002	191,443	215,883
Intergovernmental	594,219	2,424,695	1,256,678	2,847,067	2,658,141	2,018,637	1,839,296	1,605,417	1,856,450	1,875,191
Charges for services	794,350	639,135	837,007	682,600	1,007,160	681,175	812,468	957,381	1,051,133	1,075,463
Fines and forfeitures	650,181	768,675	764,493	504,235	1,081,859	986,075	854,646	854,646	792,458	819,652
Licenses and permits	214,876	168,638	146,929	150,388	185,115	135,120	152,398	103,452	144,708	170,794
Investment income	99,559	266,501	326,819	201,273	165,102	81,871	94,987	57,562	36,161	348,064
Miscellaneous	446,884	398,362	345,217	333,743	691,398	414,806	1,825,979	458,196	442,424	348,064
Total Revenues	13,045,288	16,674,430	17,109,579	18,697,853	20,951,801	19,186,998	19,564,448	18,697,569	19,752,745	18,991,963
Expenditures:										
Administration	930,161	854,642	914,403	927,515	1,047,491	1,064,987	1,026,696	1,053,102	1,101,748	1,142,548
General government	1,343,886	1,417,638	1,433,430	1,680,138	1,459,139	1,155,045	1,098,311	1,082,186	1,196,497	1,587,391
Legal and judicial	183,958	214,579	220,108	219,300	217,088	265,581	252,601	259,345	283,797	295,223
Public safety	6,149,767	6,682,250	7,697,333	9,506,028	9,900,490	9,410,268	9,316,475	9,536,063	10,262,800	10,464,141
Urban development	335,067	286,164	302,813	399,383	426,359	408,053	441,909	564,694	430,531	481,545
Streets	712,209	720,410	912,145	995,751	1,227,894	1,095,206	1,213,348	1,076,534	837,637	989,421
Culture and recreation	691,296	664,195	750,076	847,538	869,269	917,770	1,017,099	1,108,269	1,115,128	1,123,818
Water	371,375	656,493	720,710	643,703	907,507	818,481	670,992	657,752	762,727	807,385
Wastewater	279,526	262,065	240,733	364,420	240,733	137,510	257,700	294,054	379	379
Stormwater	-	-	-	-	75,001	-	-	-	-	-
Capital outlay	2,711,491	4,595,321	11,080,478	3,289,117	2,770,416	3,046,582	3,150,245	4,027,730	4,806,244	3,059,420
Debt service:										
Principal	1,189,903	1,045,723	953,356	1,189,559	1,179,906	1,206,180	1,160,665	1,049,457	1,424,883	1,908,468
Interest and fiscal charges	206,182	399,256	472,754	474,240	1,179,906	509,827	543,216	661,522	623,224	660,062
Total Expenditures	15,104,821	17,798,736	25,698,539	20,536,692	20,082,570	20,036,090	20,149,257	21,370,708	22,845,216	22,520,001
Excess of revenues over (under) expenditures	(2,059,533)	(1,124,306)	(8,588,760)	(1,838,839)	869,231	(949,092)	(584,809)	(2,673,139)	(3,092,473)	(3,528,038)
Other financing sources (uses) and special items:										
Transfers in	5,687,626	5,077,999	5,669,317	6,454,626	6,720,781	6,354,987	6,119,686	6,780,870	6,425,466	6,795,543
Transfers out	(5,305,459)	(4,964,758)	(5,787,969)	(6,242,907)	(7,407,382)	(6,465,333)	(6,038,343)	(6,218,191)	(6,715,298)	(9,905,112)
Payment to escrow	-	(56,037)	(14,464)	-	-	(246,740)	-	-	-	(6,002,824)
Debt proceeds	5,680,000	2,042,879	977,688	699,275	492,291	495,800	6,935,000	528,866	-	6,450,534
Bond premiums	-	-	-	-	-	-	25,035	-	-	-
Judgments	-	-	-	-	-	-	-	-	-	-
Special item - proceeds from sale of capital assets	-	-	147,164	-	-	-	-	-	416,000	24,312
Total other financing sources (uses) and special items	6,062,167	2,100,063	991,726	910,994	(194,310)	385,454	6,794,436	1,091,545	126,168	8,881
Net change in fund balances	\$ 4,002,634	\$ 975,757	\$ (7,597,024)	\$ (927,845)	\$ 674,921	\$ (463,638)	\$ 6,209,627	\$ (1,581,594)	\$ (2,966,305)	\$ (2,156,704)
Debt service as a percentage of noncapital expenditures	11.3%	10.5%	9.8%	9.6%	6.8%	10.1%	10.0%	9.9%	11.4%	13.2%

CITY OF SAPULPA, OKLAHOMA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
TABLE 5

Fiscal Year	Ad Valorem Tax	Sales Tax	Use Tax	Franchise Tax	Payment in lieu of Tax	Hotel/Motel Tax	E-911 Tax	Totals
2004	\$ 669,302	\$ 8,578,321	\$ 265,779	\$ 401,248	\$ 334,819	\$ -	\$ 174,611	\$ 10,424,080
2005	1,439,711	9,672,408	272,145	385,148	369,507	-	177,281	12,316,200
2006	1,222,022	11,062,496	331,396	475,507	411,153	-	162,757	13,665,331
2007	1,203,946	11,285,918	510,408	427,556	420,570	136,286	170,803	14,155,487
2008	1,393,472	11,840,175	521,769	435,211	443,526	250,112	226,004	15,110,269
2009	1,409,760	11,592,621	475,384	506,646	533,019	226,929	237,292	14,981,651
2010	1,443,683	10,865,027	420,668	505,361	439,767	185,685	217,442	14,077,633
2011	1,754,809	11,279,672	446,745	518,026	439,422	189,002	215,068	14,842,744
2012	1,708,703	11,812,789	713,795	566,894	428,810	191,443	201,751	15,624,185
2013	1,630,259	11,427,776	391,866	543,696	457,178	215,883	212,641	14,879,299

CITY OF SAPULPA, OKLAHOMA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
TABLE 6

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Assessed Value	Homestead Exemption	Net Assessed Value	Estimated Actual Value
2004	55,763,809	7,240,852	6,617,547	69,622,008	4,396,166	65,225,842	543,548,683
2005	67,045,944	7,725,210	6,863,336	81,634,490	4,368,156	77,266,334	643,886,117
2006	73,838,504	15,133,875	11,163,226	100,135,605	4,511,613	95,623,992	800,575,660
2007	78,268,289	15,398,212	7,343,203	101,009,704	4,409,554	96,600,150	805,001,250
2008	80,947,358	14,138,460	7,934,105	103,019,923	4,844,233	98,175,690	818,130,750
2009	87,485,841	14,803,042	7,368,288	109,657,171	5,005,711	104,651,460	872,095,500
2010	92,742,957	16,797,588	7,962,450	117,502,995	5,007,064	112,495,931	937,466,092
2011	96,762,154	21,583,589	7,820,264	126,166,007	5,119,339	121,046,668	1,008,722,233
2012	99,214,387	18,249,449	7,887,602	125,351,438	5,137,937	120,213,501	1,001,779,175
2013	103,002,397	17,782,728	8,378,146	129,163,271	5,250,466	123,912,805	1,032,606,708

Source: County Excise Board

Note: Property in the county is reassessed annually. The ratio of assessed value to true value cannot be less than 11 percent nor more than 13 1/2 percent.
 Tax rates are per \$1,000 of assessed value.

CITY OF SAPULPA, OKLAHOMA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
Last Ten Fiscal Years
TABLE 7

Fiscal Year	City Direct Rate		(1) Overlapping Rates			Total Levy
	Sinking Fund		Sapulpa School District	County	Vo Tech School District	
2004	10.19		66.71	16.09	13.26	106.25
2005	18.43		60.70	20.08	13.26	112.47
2006	12.76		62.76	20.08	13.26	108.86
2007	12.45		63.34	20.63	13.26	109.68
2008	14.23		61.52	20.79	13.26	109.80
2009	14.01		63.13	20.70	13.26	111.10
2010	12.80		67.99	22.26	13.26	116.31
2011	14.54		66.53	22.02	13.26	116.35
2012	14.19		65.66	21.84	13.26	114.95
2013	13.44		66.08	20.16	13.26	112.94

Source: County Excise Board

Note: City property tax may only be levied to repay principal and interest on general obligation bonded debt approved by the voters and any court-assessed judgments.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Sapulpa

**CITY OF SAPULPA, OKLAHOMA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR
TABLE 8**

2013

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Net Total Assessed Value</u>
Saint-Gobain Containers, Inc.	Glass Manufacturing	1	6,435,150	5.193%
Invemess Village	Retirement Community	2	5,834,429	4.708%
Oklahoma Gas & Electric	Utility	3	4,181,040	3.374%
Enogex, LLC	Gas/Pipeline Company	4	2,271,889	1.833%
AEP Industries, Inc.	Packaging	5	1,822,175	1.471%
Oklahoma Natural Gas	Utility	6	1,386,957	1.119%
Rolled Alloys LP	Metal Supplier	7	1,363,839	1.101%
Public Service Company of Ok	Utility	8	1,328,667	1.072%
Sulzar Chemtech, Inc.	Chemical Engineering/ Manufacturing	9	1,179,251	0.952%
Madison, Inc.	Steel/Metal Building Fabrication	10	974,067	0.786%
Totals			\$ 26,777,464	21.61%

Source:

County Assessors Office - Debbie McCaslin - 918-224-4508

CITY OF SAPULPA, OKLAHOMA
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years
TABLE 9

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Collected to Total Levy	Net Assessed Value	Mill Levy
2003	\$ 553,650	\$ 525,818	95%	\$ 18,623	\$ 544,441	98%	\$ 62,877,138	\$ 8.81
2004	664,930	631,026	95%	27,343	658,369	99%	65,225,842	10.19
2005	1,423,797	1,266,303	89%	30,538	1,296,841	91%	77,266,334	18.43
2006	1,220,638	1,087,105	89%	63,793	1,150,898	94%	95,623,992	12.76
2007	1,203,023	1,129,858	94%	57,541	1,187,399	99%	96,600,150	12.45
2008	1,396,811	1,336,780	96%	56,692	1,393,472	99.8%	98,175,690	14.23
2009	1,465,695	1,350,187	92%	59,573	1,409,760	96.2%	104,651,460	14.01
2010	1,440,594	1,377,667	96%	66,016	1,443,683	100.2%	112,495,931	12.81
2011	1,765,619	1,693,609	96%	61,200	1,754,809	99.4%	121,046,668	14.54
2012	1,705,446	1,580,190	93%	61,300	1,641,490	96.2%	120,213,501	14.19
2013	1,665,883	1,579,411	95%	58,253	1,637,664	98.3%	123,912,805	13.44

Estimate of Needs, County Report

CITY OF SAPULPA, OKLAHOMA
SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
TABLE 10

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Creek County	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
State of Oklahoma	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Total	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%
Tulsa County	N/A	1.017%	1.017%	1.017%	1.017%	1.017%	1.017%	1.017%	0.850%	0.850%
State of Oklahoma	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%
Total	8.50%	9.517%	9.517%	9.517%	9.517%	9.517%	9.517%	9.517%	9.350%	9.350%

Oklahoma Tax Commission

CITY OF SAPULPA, OKLAHOMA
 TAXABLE SALES BY CATEGORY
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Agriculture, forestry, and fishing										
Mining	2,280	2,231	1,479	1,196	1,159	1,862	1,737	1,489	944	287
Construction	164	170	475	1,116	(3,182)	1,704	167	215,917	362,179	87,504
Manufacturing	1,100	1,349	3,666	5,255	6,596	29,931	7,368	4,765	18,846	24,992
Transportation	57,465	104,732	119,121	185,349	216,424	239,727	176,934	124,884	176,357	198,716
Communications and utilities:	4,463	3,542	3,906	6,976	5,047	4,979	6,169	5,572	5,074	130,867
Communications	397,643	431,115	421,233	449,101	464,174	481,970	474,240	448,798	478,749	364,050
Electric, gas, and sanitary services	688,058	701,309	889,120	735,494	827,085	879,008	915,850	899,809	934,241	904,052
Wholesale trade	393,224	614,630	813,920	849,551	933,849	833,248	737,948	798,444	1,041,494	1,008,727
Retail trade:										
Building materials, hardware, garden supply and mobile home dealer	333,144	531,419	500,806	526,830	535,494	591,220	456,872	432,603	415,583	455,622
General merchandise stores	2,945,708	3,166,592	3,417,233	3,317,272	3,349,104	2,927,881	2,770,815	2,730,322	2,779,177	2,734,166
Food stores	1,368,194	1,452,391	1,471,724	1,440,435	1,572,560	1,532,842	1,427,977	1,436,346	1,441,341	1,148,175
Automotive dealers and gasoline service stations	277,521	422,212	586,521	656,200	592,159	589,097	520,171	606,846	643,713	703,980
Apparel and accessory stores	147,675	150,139	159,596	188,175	176,195	156,087	149,291	153,207	161,950	159,788
Furniture, home furnishings and equipment stores	284,711	296,722	345,110	339,593	342,606	360,088	375,155	328,787	335,028	450,380
Eating and drinking places	863,803	1,065,007	1,224,975	1,286,043	1,453,726	1,519,279	1,451,177	1,551,048	1,597,674	1,580,635
Miscellaneous retail	445,615	468,757	415,906	560,374	597,043	579,268	542,471	570,924	588,785	642,640
Finance, insurance, and real estate	2,221	3,669	4,206	2,940	12,635	1,969	9,946	15,396	19,559	26,121
Services:										
Hotels and motels	24,513	101,862	136,875	212,488	203,159	191,262	158,052	141,417	128,824	173,262
Personal services	29,484	59,989	44,136	49,263	39,351	34,165	39,573	35,748	29,263	54,574
Business services	168,858	179,514	218,310	237,570	239,650	211,350	180,842	202,161	207,055	175,085
Automotive repair services and garages	92,285	81,547	80,793	81,293	86,530	86,808	97,997	187,408	81,241	61,634
Miscellaneous repair services	7,397	8,142	18,927	20,907	13,641	6,718	6,281	10,291	10,905	13,919
Motion pictures	56,553	74,618	71,565	75,000	80,621	83,787	77,814	67,459	58,141	18,203
Other services	65,822	93,805	103,851	115,695	128,627	281,686	324,263	337,146	372,786	217,979
Nonclassifiable establishments	12,747	26,393	58,018	49,606	82,754	47,219	47,289	44,696	55,412	122,392
	<u>\$ 8,670,639</u>	<u>\$ 10,041,876</u>	<u>\$ 11,111,472</u>	<u>\$ 11,391,722</u>	<u>\$ 11,959,006</u>	<u>\$ 11,673,146</u>	<u>\$ 10,956,421</u>	<u>\$ 11,351,471</u>	<u>\$ 11,944,321</u>	<u>\$ 11,443,743</u>

CITY OF SAPULPA, OKLAHOMA
RATIO FOR OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
TABLE 12

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Per Capita	
	General Obligation Bonds	Notes Payable	Revenue Bonds	Capital Leases Payable	Revenue Bonds Payable	Judgments Payable	Capital Leases Payable	Notes Payable			Water Contract Obligations
2004	10,400,000	112,645	-	75,798	60,005,153	25,197	103,532	-	2,618,947	73,341,272	3,567
2005	11,585,000	42,493	-	167,838	64,905,153	215,465	77,326	415,000	4,427,213	81,835,488	3,982
2006	11,320,000	-	-	576,062	66,080,153	139,066	49,727	-	4,135,965	82,300,973	4,003
2007	10,710,000	-	-	229,107	65,530,153	605,737	20,984	-	3,920,264	81,016,245	3,882
2008	10,085,000	-	-	607,712	65,039,884	399,360	-	-	3,685,369	79,817,325	3,617
2009	9,425,000	-	-	414,823	69,442,821	541,890	-	616,859	3,441,050	83,882,443	3,962
2010	15,565,000	-	-	406,686	68,984,806	210,266	-	511,863	3,186,929	88,865,550	4,186
2011	14,905,000	-	-	746,025	68,506,065	18,333	-	392,617	2,922,612	87,490,652	4,259
2012	13,895,000	-	-	349,476	68,006,852	416,000	-	286,863	2,647,690	85,581,901	4,166
2013	13,130,000	-	1,920,000	343,534	69,995,000	301,645	-	137,079	2,361,740	88,188,998	4,293

CITY OF SAPULPA, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Calendar Years
TABLE 17

Calendar Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Median Age of Population (3)	School Enrollment (4)	Unemployment Rate (5)
2004	20,560	661,004	32,150	37.3	5,768	6.8%
2005	20,550	697,056	33,920	37.3	5,775	5.8%
2006	20,560	792,156	38,529	37.3	5,781	5.5%
2007	20,871	824,905	39,524	37.3	5,550	4.3%
2008	20,908	856,831	40,981	40.7	5,850	4.9%
2009	21,173	835,105	39,442	41.7	5,769	7.5%
2010	20,544	838,051	40,793	38.9	5,765	7.4%
2011	20,544	838,051	40,793	38.9	5,753	6.0%
2012	20,648	872,089	42,236	34.8	5,596	5.6%
2013	20,793	942,962	45,350	34.7	5,654	5.2%

Note: Updated information was unavailable for the cells with N/A .

Sources:

- (1) Oklahoma Department of Commerce Projection
- (2) Per Capital Personal Income - US Bureau of Economic Analysis for the Tulsa metropolitan area
- (3) U.S. Census Bureau
- (4) Sapulpa School District, Independent School Districts
- (5) www.bls.gov

**CITY OF SAPULPA, OKLAHOMA
PRINCIPAL EMPLOYERS
CURRENT YEAR
TABLE 18**

2013

<u>Employer</u>	<u>Product/Business</u>	<u>Rank</u>	<u>Employees</u>
BIOS Corporation	Health Care and Social Assistance	1	939
Sapulpa Public Schools	Education Services	2	528
John Christner Trucking	Transportation	3	500
T. D. Williamson	Manufacturing/Engineering Equipment	4	450
Veralia	Manufacturing/Engineering Equipment	5	370
Paragon Industries	Pipe Manufacturing	6	350
Walmart Supercenter	Retail	7	332
American Heritage Bank	Financial Institution	8	256
City of Sapulpa	City Services	9	214
Creek County	Government Services	10	196
Electrical Power Systems	Voltage Switch Gear	11	151
Totals			4,286

Sapulpa Chamber of Commerce (Facts at your Fingertips)

CITY OF SAPULPA, OKLAHOMA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Eight Fiscal Years
TABLE 19

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Fiscal Year</u>		<u>2011</u>	<u>2012</u>	<u>2013</u>
				<u>2009</u>	<u>2010</u>			
General Government:								
Management Services	5	5	5	5	5	5	5	5
Finance	5	5	5	5	5	5	5	5
Planning	5	3	3	3	3	3	3	3
Building	-	2	2	2	2	2	2	2
Community Image	-	1	1	1	1	1	1	1
Court	3	3	3	3	3	3	3	3
Treasurer								
Human Resources	1	1	1	1	1	1	1	1
MIS								
Legal	2	1	2	2	2	2	2	2
Cemetery	6	6	6	6	6	6	6	6
Other (FM, VM, Tort, FM, DCC)	6	5	5	5	5	5	5	5
Utility Accounting	7	7	7	7	7	6	6	6
Total General Government	40	39	40	40	40	39	39	39
Public Safety and Judiciary:								
Police								
Officers	50	47	48	48	47	47	47	47
Civilians	11	12	12.5	12.5	12	12	12	12
Animal Welfare	3	3	3	3	3	3	2	2
Fire:								
Firefighters & Officers	44	54	52	52	48	48	49	49
Civilians	1	1	1	1	1	1	1	1
Central Communications/EM								
Total Public Safety and Judiciary	109	117	117	117	111	111	111	111
Transportation:								
Streets	11	11	12	12	12	12	12	12
Total Transportation	11	11	12	12	12	12	12	12
Cultural, Parks and Recreation:								
Parks and Recreations	8	8	8	7	7	7	7	7
Library	6	5	6	5	5	5	5	5
Golf Course	5	6	5	5	5	5	5	5
Total Cultural, Parks and Recreation	19	19	19	17	17	17	17	17
Public Works:								
Solid Waste Collection	1	1	1	1	0	0	0	0
Utility Maintenance	17	15	15	15	15	11	11	11
Water Treatment	8	8	8	8	8	8	8	8
Wastewater Treatment	12	12	11	12	12	12	12	12
Industrial Pretreatment/Stormwater Management	1	1	1	1	5	5	4	3
Total Public Works	39	37	36	37	40	36	35	34
Total Full-Time Employees by Function/Program	218	223	224	223	220	215	214	213

CITY OF SAPULPA, OKLAHOMA
 Capital Asset Statistics by Function/Program
 Last Eight Fiscal Year
 TABLE 20

<u>Function/Program</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
General Government								
Buildings								
Police	17	17	17	17	17	17	17	17
Stations								
Zone Offices	1	1	1	1	1	1	1	1
Patrol units	1	1	1	1	1	1	1	1
Fire	48	48	42	39	39	35	35	35
Stations								
Trucks	4	4	4	4	4	4	4	4
Vehicles	12	12	12	12	12	14	14	13
Refuse Collection	9	9	9	9	9	9	8	8
Collection trucks								
Streets	0	0	0	0	0	0	0	0
Street miles								
Streetlights	209	209	209	209	209	209	209	209
Traffic signals	1407	1407	1407	1407	1407	1410	1410	1410
Parks and recreation	20	20	22	22	23	23	23	23
Acreeage								
Playgrounds	480	487	487	487	487	487	487	487
Baseball/softball diamonds	11	12	12	12	12	12	12	12
Soccer/football fields	10	14	14	14	14	14	14	14
Community Center	8	15	12	12	12	12	12	12
Pool	2	1	1	1	1	1	1	1
Golf course	0	0	0	0	1	1	1	1
Library	1	1	1	1	1	1	1	1
Buildings								
Public Transportation	2	2	2	2	2	2	2	2
Buses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trolley	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cemetery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plots								
Vehicles & Machinery	27,764	27,764	28,475	40,850	52,595	31,550	46,725	52,850
Water	17	17	17	17	17	17	17	17
Water mains (miles)								
Fire hydrants	94	94	94	94	94	94	94	94
Storage capacity (thousands of gallons)	715	802	810	820	820	822	822	888
Wastewater	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
Sanitary sewers (miles)								
Storm sewers (feet)	66	99	106	106	106	106	106	106
Daily Treatment Capacity	51,105	51,105	105,600	159,679	159,679	159,679	159,679	159,679
	7000	7,000	7,000	7,000	7,000	7,000	7,000	7,000

CITY OF SAPULPA, OKLAHOMA
Operating Indicators by Function/Program
Last Eight Fiscal Years
TABLE 21

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013
Police								
Physical Arrests	1068	1146	1146	1338	1262	1002	917	1106
*Parking Violations	500	1402	658	779	413	9	48	42
Traffic Violations	9746	8200	8504	10141	8978	8392	8137	8159
Fire								
Emergency Responses	1687	1051	1220	1269	1845	2789	2741	2901
Fires Extinguished	247	280	344	290	188	280	287	295
Inspections	200	510	148	164	174	209	130	210
Solid Waste Collection								
Solid Waste Collected (Tons Per Day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recyclables Collected (Tons Per Day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NA
Other Public Works								
Potholes Repaired:								
Asphalt Patching (Tons)	600	600	700	438	472	400	597	640
Concrete Patching (Cubic Yards)	85	30	54	48	38	26	4	10
Parks & Recreation								
Athletic Field-Agreements								
Sapulpa Little League (# of Fields Used)	6	14	14	14	14	14	14	14
Sapulpa Youth Soccer (# of Fields Used)	8	15	12	12	12	12	12	12
Sapulpa Girls Softball (# of Fields Used)	4	10	10	10	10	10	10	10
Community Center/Park Rentals	56	56	70	64	237		81	83
Senior Center-Program Participants/Meals Served					7140	7417	7500	4780
-Sr. Center Lunch Program	530	0	0	0				
Water								
Connections	6670	6900	6516	6499	6516	6478	6486	6498
Water Main Breaks	50-100	50	20	25	25-50	100-150	50-100	100-150
Average Daily Consumption (Thousands of Gallons)	1608	1608	2949	3500	3142	3169	3062	2991
Peak Daily Consumption (Thousands of Gallons)	5100	5100	4723	5000	4896	5234	5932	5063
Wastewater								
Average Daily Sewage Treatment (Thousands of Gallons)	3000	3000	3000	3000	3000	3000	3000	3000
Transit								
Total Route Miles-Trolleys & Broncho	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Route Miles-Rt-37	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Passengers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Various City Departments

*No longer have Overtime Parking Attendant

Danny Whitehouse-Fire

Rick Rumsey-Police

Johnny Walker-Street

Kenneth Martin-Wastewater

Bobby Pettit-Water

John Waytula-Parks

David Neeley-Utility

Ricky Bruner - Park Rentals