



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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

CITY OF SAPULPA, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ACCOMPANYING
INDEPENDENT AUDITOR'S REPORTS

FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

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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	9-17
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds	21-22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	23-24
Statement of Net Position – Proprietary Funds	25
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	27-28
Notes to the Basic Financial Statements	29-69
 REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule (Budgetary Basis) – General Fund	71-74
Notes to Required Supplementary Information	
Budgetary Comparison Schedule	75-76
Schedule of Funding Progress - OPEB	77
Schedule of Share of Net Pension Liability (Asset) – Police Pension	78
Schedule of City Contributions – Police Pension & Retirement System	79
Schedule of Share of Net Pension Liability – Firefighter’s System	80
Schedule of City Contributions – Firefighter’s Pension & Retirement	81
 OTHER SUPPLEMENTARY INFORMATION:	
Combining Balance Sheet – General Fund Accounts	83
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Accounts	84
Combining Balance Sheet – Non-Major Governmental Funds	85-86
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds	87-88
Budgetary Comparison Schedules – Nonmajor/Major Governmental Funds	89-100
Combining Schedule of Net Position – SMA Utility Fund Accounts	101
Combining Schedule of Revenues, Expenses and Changes in Net Position – SMA Utility Fund Accounts	102
Schedule of Debt Service Coverage Requirements	103

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 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS

<u>STATISTICAL SECTION:</u>	<u>Table</u>	<u>Page</u>
FINANCIAL TRENDS		
Net Assets/Position by Component	1	105
Changes in Net Assets/Position	2	106-107
Fund Balances - Governmental Funds	3	108
Changes in Fund Balances – Governmental Funds	4	109
Governmental Activities Tax Revenues by Source	5	110
Assessed Value and Estimated Actual Value of Taxable Property	6	111
Property Tax Rates – Direct and Overlapping Governments	7	112
Principal Property Taxpayers	8	113
Property Tax Levies and Collections	9	114
Sales Tax Rates of Direct and Overlapping Governments	10	115
Taxable Sales by Category	11	116
Ratio for Outstanding Debt by Type	12	117
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	13	118
Computation of Direct and Overlapping Debt	14	119
Legal Debt Margin Information	15	120
The Sapulpa Municipal Authority Utility Systems Division Pledged Revenue Coverage	16	121
Demographic and Economic Statistics	17	122
Principal Employers Current Year	18	123
Full-Time Equivalent City Government Employees by Function/Program	19	124
Capital Asset Statistics by Function/Program	20	125
Operating Indicators by Function/Program	21	126

INTRODUCTION SECTION



Oklahoma's Most Connected City

425 EAST DEWEY AVENUE
P.O. BOX 1130 • SAPULPA, OK 74067

March 15, 2016

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, 2015. 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. The City relies on sales tax revenue to fund its governmental operations. Sales tax revenue increased approximately 3.4% from the prior fiscal year which was 5.1% over the amount originally budgeted for the fiscal year.

In preparing the FY 2015/2016 budget City officials believe that the overall outlook for the City remains strong. Sales tax is projected at a 1% increase over the prior 5 year's average.

The other major revenue is the Sapulpa Municipal Authority (SMA) charges for service, which include water, sewer, and refuse revenue. The FY 2014/15 budget included an approximate 3% overall rate increase for these services; however due to a temporary reduction of production at the City's largest utility customer the SMA charges for service decreased by 1% from prior year. At the time of the FY 2015/2016 budget preparation the above utility customer had resumed normal production.

The FY 2015/2016 budget includes a 7% utility rate increase for the water and sewer services and a 2.3% rate increase in refuse. This increase was implemented to offset increases in cost of operations.

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,



Rick Rumsey
City Manager Pro Tem



Pamela Vann
Finance Director

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CITY OF SAPULPA
LIST OF CITY OFFICIALS
FOR THE FISCAL YEAR
JULY 1, 2014 – JUNE 30, 2015

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

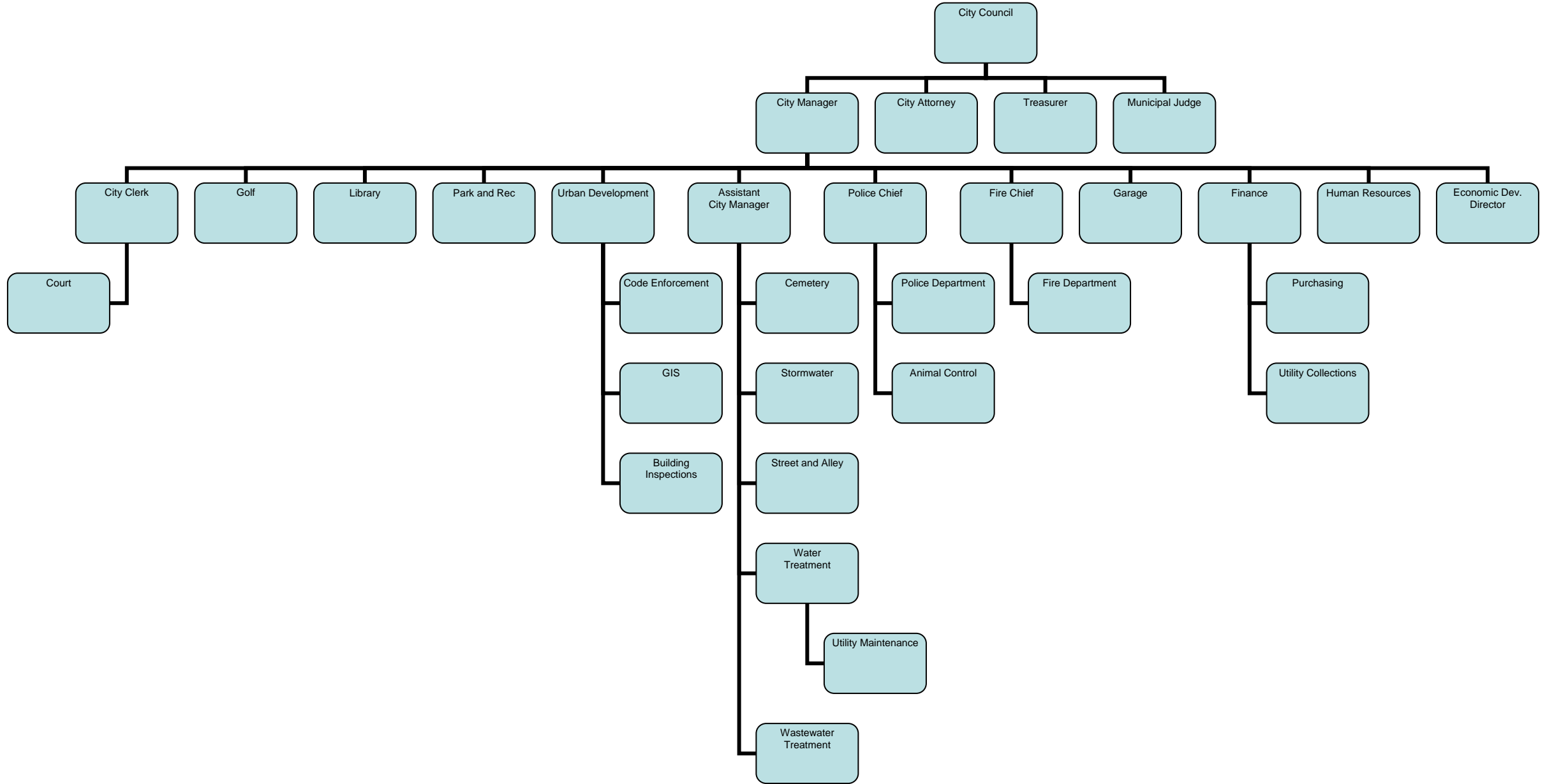
COUNCIL:

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
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 the City of Sapulpa, Oklahoma (the "City"), as of and for the year ended June 30, 2015, 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, 2015, 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.

Change in Accounting Principle

As discussed in Note 3.I. to the financial statements, in fiscal year 2015 the City adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial*

Reporting for Pensions and GASB Statement No.71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension exhibits, and other post-employment benefits funding schedule, 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 March 15, 2016, 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.



March 15, 2016

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, 2015. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2015, the City's total net position increased by \$6.1 million from the prior year.
- During the year, the City's expenses for governmental activities were \$18.6 million and were funded by program revenues of \$9.5 million and further funded with taxes, other general revenues and transfers that totaled \$16.2 million.
- In the City's business-type activities, such as utilities and golf course, total expenses exceeded program revenues by \$1.5 million and were funded in part with general revenues and transfers of \$0.5 million.
- At June 30, 2015, the General Fund reported an unassigned fund balance of \$0.7 million.
- For budgetary reporting purposes, the General Fund reported revenues exceeding estimates by \$0.2 million or 1.1%, while expenditures were less than final appropriations by \$0.8 million or 3.9%.
- The City implemented GASB 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* and GASB Statement No. 71. This resulted in a decrease in unrestricted net position of approximately \$10 million.

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), along with any inflows and outflows that are deferred.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady over the past year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred inflows, liabilities, and deferred outflows 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, deferred inflows, liabilities, and deferred outflows – 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 \$30.0 million to \$23.6 million between fiscal years 2014 and 2015 due in large part to the implementation of GASB 68 pension accounting standard. A comparative, condensed presentation of net position follows (reported in thousands).

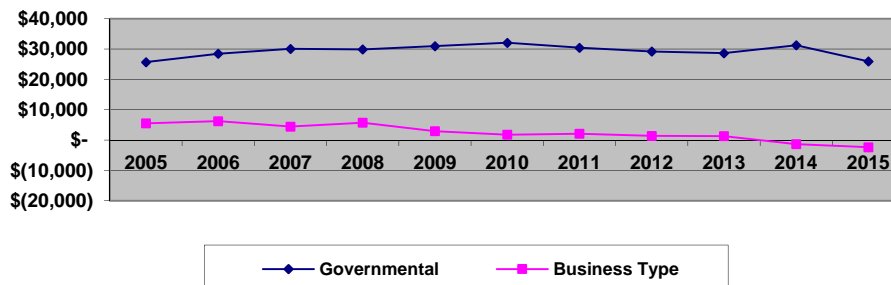
TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2015	2014		2015	2014		2015	2014**	
Current assets	\$ 16,817	\$ 7,345	129%	\$ 4,384	\$ 5,978	-27%	\$ 21,201	\$ 13,323	59%
Capital assets, net	47,500	41,210	15%	59,131	59,812	-1%	106,631	101,022	6%
Total assets	64,317	48,555	32%	63,515	65,790	-3%	127,832	114,345	12%
Deferred amount on refunding	114	126	-10%	6,640	7,331	-9%	6,754	7,457	-9%
Deferred amount of pension	920	-	**	-	-	0%	920	-	100%
Total deferred outflows	1,034	126	721%	6,640	7,331	-9%	7,674	7,457	3%
Current liabilities	2,641	3,489	-24%	3,260	3,338	-2%	5,901	6,827	-14%
Non-current liabilities	34,093	13,910	**	69,231	71,095	-3%	103,324	85,005	22%
Total liabilities	36,734	17,399	111%	72,491	74,433	-3%	109,225	91,832	19%
Deferred inflows - pension	2,677	-	100%	-	-	0%	2,677	-	100%
Net position									
Net investment in capital assets	34,912	28,300	23%	(4,661)	(4,880)	* 4%	30,251	23,420	29%
Restricted	2,177	3,508	-38%	1,251	1,037	21%	3,428	4,545	-25%
Unrestricted (deficit)	(11,149)	(526)	**	1,074	2,531	* -58%	(10,075)	2,005	-602%
Total net position	\$ 25,940	\$ 31,282	-17%	\$ (2,336)	\$ (1,312)	78%	\$ 23,604	\$ 29,970	-21%

* These items have been changed to reflect a reclassification of deferred amount on refunding as a component of "Net investment in capital assets".

** Fiscal Year 2014 has not been restated for implementation of GASB 68 and 71 which explains the significant changes in these items.

Net Position (In Thousands)



Explanations for the more significant changes include:

In the governmental activities, unrestricted net position decreased about \$10.6 million mainly due to the recognition of net pension liabilities of approximately \$10 million. This was the first year to implement GASB 68 which requires the recognition of net pension liabilities, and prior year's balances have not been restated. This also explains the approximately \$10 million of the overall increase in governmental

activities' non-current liabilities. In the business-type activities, unrestricted net position decreased \$1.5 million from the prior year due to a transfer of approximately \$900,000 made from the Street Improvement Sales Tax Fund in the prior year that was not made this year.

Changes in Net Position

Looking at the net position of governmental and business-type activities separately for current year operations, governmental activities increased \$7.2 million and business-type activities decreased approximately \$1 million.

For the year ended June 30, 2015, the change in net position of the primary government was the result of the following (amounts are reported in thousands):

**TABLE 2
CHANGES IN NET POSITION (In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2015	2014**		2015	2014		2015	2014**	
Revenues									
Charges for service	\$ 2,203	\$ 2,142	3%	\$ 10,651	\$ 10,756	-1%	\$ 12,854	\$ 12,898	0%
Operating grants and contributions	1,368	1,454	-6%	-	-	0%	1,368	1,454	-6%
Capital grants and contributions	5,940	3,014	97%	66	-	100%	6,006	3,014	99%
Taxes	16,120	14,994	8%	-	-	0%	16,120	14,994	8%
Intergovernmental revenue	260	244	7%	-	-	0%	260	244	7%
Investment income	20	22	-9%	16	26	-38%	36	48	-25%
Miscellaneous	151	336	-55%	140	155	-10%	291	491	-41%
Total revenues	26,062	22,206	17%	10,873	10,937	-1%	36,935	33,143	11%
Expenses									
Administration	1,147	1,161	-1%	-	-		1,147	1,161	-1%
General government	1,499	1,356	11%	-	-		1,499	1,356	11%
Legal and judicial	361	356	1%	-	-		361	356	1%
Public safety	10,313	10,949	-6%	-	-		10,313	10,949	-6%
Urban development	487	503	-3%	-	-		487	503	-3%
Streets	2,555	1,271	101%	-	-		2,555	1,271	101%
Culture, parks and recreation	1,542	1,480	4%	-	-		1,542	1,480	4%
Interest on long-term debt	646	501	29%	-	-		646	501	29%
Water	-	-		4,066	4,354	-7%	4,066	4,354	-7%
Wastewater	-	-		5,458	5,497	-1%	5,458	5,497	-1%
Sanitation	-	-		1,403	1,321	6%	1,403	1,321	6%
Stormwater	-	-		471	383	23%	471	383	23%
Golf operations	-	-		846	767	10%	846	767	10%
Interest on long-term debt	-	-		-	2	-100%	-	2	-100%
Total expenses	18,550	17,577	6%	12,244	12,324	-1%	30,794	29,901	3%
Excess (deficiency) before transfers	7,512	4,629	62%	(1,371)	(1,387)	-1%	6,141	3,242	89%
Transfers	(347)	(1,317)	-74%	347	1,317	74%	-	-	
Increase (decrease) in net position	\$ 7,165	\$ 3,312	116%	\$ (1,024)	\$ (70)	1363%	\$ 6,141	\$ 3,242	89%

** - Fiscal Year 2014 has not been restated for implementation of GASB 68 and 71.

Explanations for the more significant changes include:

Capital grants and contributions - \$2,926,000 (97%) increase due mainly to the net effect of ODOT donated street project for \$1,237,000 in the prior fiscal year and streets annexed in the current fiscal year for \$5,060,000.

Streets Expense - \$1,284,000 increase (101%) due mainly to current year bond issue costs of \$330,000; current year uncapitalized street repairs of \$646,000; and prior year labor and equipment hours capitalized for an ODOT street project for \$294,000.

Transfers - \$970,000 (74%) change due primarily to a prior year transfer from the Street Improvement Sales Tax fund to the SMA of \$877,000 for debt service payments.

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.

Governmental Activities

The following table compares fiscal year 2015 and 2014 total Governmental Activities expenses and net revenue (expense) of services:

TABLE 3
Net Revenue (Expense) of Governmental Activities
(In Thousands)

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2015	2014**		2015	2014**	
Administration	\$1,147	\$1,161	-1%	(\$1,147)	(\$1,161)	-1%
General government	1,499	1,356	11%	(1,115)	(1,010)	10%
Legal and judicial	361	356	1%	(361)	(356)	1%
Public safety	10,313	10,949	-6%	(7,628)	(8,144)	-6%
Urban development	487	503	-3%	(12)	208	-106%
Streets	2,555	1,271	101%	3,064	427	618%
Culture and recreation	1,542	1,480	4%	(1,194)	(430)	178%
Interest on long-term debt	646	501	29%	(646)	(501)	29%
Total	\$18,550	\$17,577	6%	(\$9,039)	(\$10,967)	-18%

**-Fiscal Year 2014 has not been restated for implementation of GASB 68 and 71.

Explanations for significant changes not explained above:

Urban development - \$220,000 (106%) decrease in net revenue due mainly to more EDA grant revenue received in the prior year.

Culture and recreation - \$764,000 decrease in net revenue (expense) due mainly to the donation of the National Guard Armory in the previous year for \$791,000.

Business-type Activities

The following table compares fiscal year 2015 and 2014 total Business-type Activities expenses and net revenue (expense) of services:

TABLE 4
Net Revenue (Expense) of Business-Type Activities
(In Thousands)

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	2015	2014		2015	2014	
Water	\$ 4,066	\$ 4,354	-7%	\$ 270	\$ 197	37%
Wastewater	5,458	5,497	-1%	(1,900)	(2,129)	-11%
Sanitation	1,403	1,321	6%	203	126	61%
Stormwater	471	383	23%	390	542	-28%
Golf operations	846	767	10%	(490)	(301)	63%
Interest charges	-	2	-100%	-	(2)	-100%
Total	\$ 12,244	\$ 12,324	-1%	\$ (1,527)	\$ (1,567)	-3%

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2015 fiscal year, the governmental funds reported a combined fund balance of \$14.6 million or a 175% increase from the prior year due mainly to the current year issuance of revenue bond and G.O. bond debt of \$7.4 million and \$3.75 million respectively. These debt proceeds were reported in the Series 2014 Street Capital Improvement Fund and the G.O. Bond Construction Fund. The enterprise funds reported a combined net position (deficit) of (\$2.8) million or a 70% decrease in the net position deficit from 2014. This was mainly occurring due to no transfer from the Street Capital Improvement Fund to the Sapulpa Municipal Authority in the current year for \$877,000, as was done in the prior year.

FUND BALANCE/NET POSITION
(In thousands of dollars)

Governmental Funds		Enterprise Funds	
Nonspendable	\$ 84	Net Investment in Capital Assets	\$ (4,661)
Restricted	11,624	Restricted for debt service	802
Committed	9	Unrestricted	<u>1,074</u>
Assigned	2,425		
Unassigned	<u>419</u>	Total Net Position	<u>\$ (2,785)</u>
Total Fund Balance	<u>\$ 14,561</u>		

Other fund highlights include:

- For the year ended June 30, 2015, the General Fund's total fund balance increased by \$0.7 million or 44% primarily from a decrease in capital outlay expenditures of about \$710,000.
- The Sapulpa Municipal Authority enterprise fund reported a decrease in net position, after transfers, of \$1.1 million due to the reason mentioned above.

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 4.1% or \$0.9 million, mainly related to increased sales tax collections over original estimates, and an increase in appropriations of 2.9% or \$0.6 million, with most of the increased appropriations related to the required sales tax transfers.

For budgetary reporting purposes, the General Fund reported revenues in excess of final estimates by \$0.2 million or 1.1%, while expenditures were less than the final appropriations by \$0.8 million or 3.9%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2015, the City had nearly \$107 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 represents a net increase of \$5.6 million over the prior year.

TABLE 5
Primary Government Capital Assets
(In Thousands)
(Net of accumulated depreciation)

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 4,652	\$ 4,652	\$ 71	\$ 71	\$ 4,723	\$ 4,723
Buildings	7,991	8,211	2,548	2,613	10,539	10,824
Imp. other than buildings	2,201	2,217	468	536	2,669	2,753
Machinery, furniture and equipment	3,946	3,972	1,707	1,775	5,653	5,747
Infrastructure	24,605	17,473	2,647	2,700	27,252	20,173
Intangible water rights	-	-	4,915	4,915	4,915	4,915
Utility property	-	-	44,009	45,013	44,009	45,013
Construction in progress	4,105	4,685	2,766	2,189	6,871	6,874
Totals	<u>\$ 47,500</u>	<u>\$ 41,210</u>	<u>\$ 59,131</u>	<u>\$ 59,812</u>	<u>\$ 106,631</u>	<u>\$ 101,022</u>

This year's more significant capital asset additions include:

- \$5,059,857 – 49th Street and Bridge annexed
- \$1,236,781 – 0.4 mile 49th Street project placed in service
- \$ 784,554 – Line and Mission Street Intersection improvements

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 \$106 million in long-term debt outstanding, which represents a \$3.8 million or 3.7% increase from the prior year, resulting mainly from the net effect of issuing \$3.8 million in G.O. bonds and \$7.4 million in revenue bonds, but decreasing the net pension liability by \$3.1 million and making normal debt service payments of about \$4.5 million. The City's changes in long-term debt by type of debt are as follows (excludes unamortized premiums/discounts and deferred amounts on refunding):

TABLE 6
Primary Government Long-Term Debt
(In Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accrued absences	\$ 1,656	\$ 1,578	\$ 169	\$ 195	\$ 1,825	\$ 1,773
Revenue bonds	7,605	1,315	67,940	69,335	75,545	70,650
Due to depositors	-	-	284	273	284	273
Water contract obligations	-	-	1,755	2,064	1,755	2,064
Notes payable	-	-	119	202	119	202
General obligation bonds	14,450	11,905	-	-	14,450	11,905
Judgments payable	228	484	-	-	228	484
Estimated claims payable	14	14	-	-	14	14
Net pension liability	10,327	13,166	-	-	10,327	13,166
OPEB liability	1,218	1,018	-	-	1,218	1,018
Capital leases	225	343	-	-	225	343
Totals	\$ 35,723	\$ 29,823	\$ 70,267	\$ 72,069	\$ 105,990	\$ 101,892

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 remaining stable. Total sales tax collections, which is the major revenue for the General fund, had an increase of \$397,847, or 3.4%, from fiscal year 2013-2014 (\$11,689,613) to fiscal year 2014-2015 (\$12,087,460). There is no reason to believe that the trend in sales tax will not continue into next fiscal year. Thus the City's fiscal year 2015-2016 sales tax budget is projected at \$11,729,529, 2% higher than original fiscal year 2014-2015 budget (\$11,501,050), and 2.9% lower than fiscal year 2014-2015 actual (\$12,087,460).

The Sapulpa Municipal Authority (SMA) charges for service, which include water, sewer, and refuse revenues, shows a slight decrease, .7%, for fiscal year 2014-2015 (\$9,095,023) from 2013-2014 actual (\$9,166,406). Revenues for these services for fiscal year 2015-2016 were projected 9.69% higher than fiscal year 2014-2015 actual. This included a 7.5% rate increase in Water & Sewer revenue and a 2.3% increase to refuse rates. The additional increase in charges for service is the anticipated opening of an industrial park.

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.

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City of Sapulpa
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 11,260,825	\$ 2,257,940	\$ 13,518,765
Investments	1,227,142	508,574	1,735,716
Deposits with insurance pool	126,221	-	126,221
Deposits with fiscal agent	188	-	188
Internal balances	635,000	(635,000)	-
Interest receivable	676	811	1,487
Accounts receivable, net of allowance	-	998,188	998,188
Franchise tax receivable	210,992	-	210,992
Court fine receivable, net of allowance	846,152	-	846,152
Due from other governments	2,150,887	418,457	2,569,344
Other receivables	45,588	134,277	179,865
Inventory	32,042	82,652	114,694
Prepaid expenses	-	618,203	618,203
Net pension asset	280,848	-	280,848
Capital assets:			
Land and construction in progress	8,756,560	7,751,875	16,508,435
Other capital assets, net of depreciation	38,743,421	51,379,445	90,122,866
Total assets	64,316,542	63,515,422	127,831,964
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	113,625	6,639,983	6,753,608
Deferred amounts related to pensions	920,108	-	920,108
Total deferred outflows	1,033,733	6,639,983	7,673,716
 LIABILITIES			
Accounts payable	537,730	370,573	908,303
Accrued payroll liabilities	128,876	59,773	188,649
Accrued interest payable	141,762	930,586	1,072,348
Due to other governments	5,012	-	5,012
Escrow deposits	23,183	-	23,183
Due to bondholders	33,358	-	33,358
Unearned revenue	42	5,828	5,870
Long-term liabilities:			
Due within one year	1,771,042	1,893,438	3,664,480
Due in more than one year	34,092,979	69,231,288	103,324,267
Total liabilities	36,733,984	72,491,486	109,225,470
 DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	2,676,598	-	2,676,598
Total deferred inflows	2,676,598	-	2,676,598
 NET POSITION			
Net investment in capital assets	34,911,581	(4,661,216)	30,250,365
Restricted for:			
Capital projects	255,508	-	255,508
Debt service	742,439	802,371	1,544,810
Public safety	1,179,200	-	1,179,200
Water or sewer maintenance	-	176,990	176,990
Water capital projects	-	102,462	102,462
Sewer capital projects	-	168,931	168,931
Unrestricted (deficit)	(11,149,035)	1,074,381	(10,074,654)
Total net position	\$ 25,939,693	\$ (2,336,081)	\$ 23,603,612

See accompanying notes to the basic financial statements

**City of Sapulpa
Statement of Activities
For the Year Ended June 30, 2015**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities:							
Administration	\$ 1,147,479	\$ -	\$ -	\$ -	\$ (1,147,479)	\$ -	\$ (1,147,479)
General government	1,498,532	383,677	-	-	(1,114,855)	-	(1,114,855)
Legal and judicial	360,529	-	-	-	(360,529)	-	(360,529)
Public safety	10,313,168	1,566,859	1,117,879	-	(7,628,430)	-	(7,628,430)
Urban development	487,448	-	17,652	457,851	(11,945)	-	(11,945)
Streets	2,555,471	2,985	199,252	5,417,158	3,063,924	-	3,063,924
Culture and recreation	1,541,965	249,950	33,059	65,343	(1,193,613)	-	(1,193,613)
Interest on long-term debt	645,615	-	-	-	(645,615)	-	(645,615)
Total governmental activities	<u>18,550,207</u>	<u>2,203,471</u>	<u>1,367,842</u>	<u>5,940,352</u>	<u>(9,038,542)</u>	<u>-</u>	<u>(9,038,542)</u>
Business-type activities							
Water	4,065,753	4,269,833	-	65,587	-	269,667	269,667
Wastewater	5,457,768	3,557,465	-	-	-	(1,900,303)	(1,900,303)
Sanitation	1,402,766	1,605,453	-	-	-	202,687	202,687
Stormwater	471,518	861,917	-	-	-	390,399	390,399
Golf operations	845,914	356,469	-	-	-	(489,445)	(489,445)
Total business-type activities	<u>12,243,719</u>	<u>10,651,137</u>	<u>-</u>	<u>65,587</u>	<u>-</u>	<u>(1,526,995)</u>	<u>(1,526,995)</u>
Total primary government	<u>\$ 30,793,926</u>	<u>\$ 12,854,608</u>	<u>\$ 1,367,842</u>	<u>\$ 6,005,939</u>	<u>(9,038,542)</u>	<u>(1,526,995)</u>	<u>(10,565,537)</u>
General revenues:							
Taxes:							
Sales and use taxes					12,700,633	-	12,700,633
Property taxes					1,880,483	-	1,880,483
Franchise and public service taxes					559,510	-	559,510
Payment in lieu of tax					550,090	-	550,090
Hotel/motel taxes					233,668	-	233,668
E-911 taxes					194,726	-	194,726
Intergovernmental revenue not restricted to specific programs					260,352	-	260,352
Investment income					19,857	15,902	35,759
Miscellaneous					150,704	140,405	291,109
Transfers - Internal activity					(346,991)	346,991	-
Total general revenues and transfers					<u>16,203,032</u>	<u>503,298</u>	<u>16,706,330</u>
Change in net position					7,164,490	(1,023,697)	6,140,793
Net position - beginning, restated					18,775,203	(1,312,384)	17,462,819
Net position - ending					<u>\$ 25,939,693</u>	<u>\$ (2,336,081)</u>	<u>\$ 23,603,612</u>

See accompanying notes to the basic financial statements

**City of Sapulpa
Balance Sheet
Governmental Funds
June 30, 2015**

	<u>General Fund</u>	<u>Series 2014 Str Cap Imp</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 265,465	\$ 6,074,735	\$ 4,999,152	\$ 11,339,352
Investments	-	-	1,229,815	1,229,815
Deposits with insurance pool	126,221	-	-	126,221
Deposits with fiscal agent	-	-	188	188
Accrued interest receivable	-	-	618	618
Due from other funds	996,000	-	279,000	1,275,000
Due from other governments	840,410	-	1,728,934	2,569,344
Franchise tax receivable	210,992	-	-	210,992
Court fine receivable, net	787,317	-	58,835	846,152
Other receivables	4,232	-	41,302	45,534
Inventory	8,790	-	75,111	83,901
Total assets	<u>\$ 3,239,427</u>	<u>\$ 6,074,735</u>	<u>\$ 8,412,955</u>	<u>\$ 17,727,117</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 157,601	\$ 85,786	\$ 308,921	\$ 552,308
Accrued payroll liabilities	94,749	-	47,717	142,466
Accrued interest payable	-	-	96,464	96,464
Due to other funds	-	-	745,000	745,000
Due to other governments	4,075	-	937	5,012
Escrow deposit	23,183	-	-	23,183
Refundable court bonds	31,654	-	1,704	33,358
Total liabilities	<u>311,262</u>	<u>85,786</u>	<u>1,200,743</u>	<u>1,597,791</u>
DEFERRED INFLOW OF RESOURCES				
Deferred revenue	<u>702,603</u>	<u>-</u>	<u>865,906</u>	<u>1,568,509</u>
Fund balances:				
Non-spendable	8,790	-	75,111	83,901
Restricted	-	5,988,949	5,634,676	11,623,625
Committed	8,912	-	-	8,912
Assigned	1,527,532	-	897,512	2,425,044
Unassigned (deficit)	680,328	-	(260,993)	419,335
Total fund balances	<u>2,225,562</u>	<u>5,988,949</u>	<u>6,346,306</u>	<u>14,560,817</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,239,427</u>	<u>\$ 6,074,735</u>	<u>\$ 8,412,955</u>	<u>\$ 17,727,117</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, 2015

Fund Balance - Net Position Reconciliation: \$ 14,560,817

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 \$25,381,686 47,499,981

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 15,964

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	(176,990)
Water resources fund	(102,462)
Sewer plant sales tax fund	(168,931)
	(448,383)

Other long-term assets and deferred outflows are not available to pay for current period expenditures and therefore are deferred or not reported in the funds:

Deferred revenue	1,568,509
Net pension asset	280,848
Pension related deferred outflows of resources	920,108

Certain long-term liabilities are not due and payable from current financial resources and they, along with certain deferred inflows, are not reported in the funds:

Accrued interest payable	(45,298)
Capital lease obligation	(225,130)
Judgments payable	(228,081)
Revenue bonds	(7,605,000)
General obligation bond	(14,450,000)
Unamortized premium on general obligation bonds	(140,248)
Deferred amount on general obligation bond refunding	113,625
Net pension liability	(10,327,388)
Pension related deferred inflows of resources	(2,676,598)
OPEB liability	(1,217,654)
Accrued compensated absences	(1,656,379)
	(38,458,151)

Net Position of Governmental Activities in the Statement of Net Position \$ 25,939,693

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, 2015

	<u>General Fund</u>	<u>Series 2014 Str Cap Imp</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 7,228,792	\$ -	\$ 8,611,168	\$ 15,839,960
Intergovernmental	1,426,869	-	1,353,006	2,779,875
Charges for services	793,868	-	288,450	1,082,318
Fines and forfeitures	791,478	-	33,713	825,191
Licenses and permits	201,452	-	-	201,452
Investment income	7,591	694	12,326	20,611
Miscellaneous	183,788	-	123,931	307,719
Total revenues	<u>10,633,838</u>	<u>694</u>	<u>10,422,594</u>	<u>21,057,126</u>
EXPENDITURES				
Current:				
Administration	1,146,026	-	-	1,146,026
General government	817,625	-	598,906	1,416,531
Legal and judicial	330,599	-	-	330,599
Public safety	10,063,589	-	149,017	10,212,606
Urban development	281,694	-	376,601	658,295
Streets	-	329,888	1,429,764	1,759,652
Culture and recreation	550,650	-	617,163	1,167,813
Water	-	-	840,011	840,011
Capital Outlay	81,908	1,080,930	2,547,391	3,710,229
Debt Service:				
Principal	28,478	-	2,631,612	2,660,090
Interest	5,686	-	639,179	644,865
Total expenditures	<u>13,306,255</u>	<u>1,410,818</u>	<u>9,829,644</u>	<u>24,546,717</u>
Excess (deficiency) of revenues over expenditures	<u>(2,672,417)</u>	<u>(1,410,124)</u>	<u>592,950</u>	<u>(3,489,591)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,805,636	-	1,543,176	7,348,812
Transfers out	(2,440,293)	(34,868)	(3,311,332)	(5,786,493)
Proceeds from long-term debt	-	7,410,000	3,750,000	11,160,000
Bond premium	-	23,941	10,875	34,816
Total other financing sources (uses)	<u>3,365,343</u>	<u>7,399,073</u>	<u>1,992,719</u>	<u>12,757,135</u>
Net change in fund balances	692,926	5,988,949	2,585,669	9,267,544
Fund balances - beginning	1,532,636	-	3,760,637	5,293,273
Fund balances - ending	<u>\$ 2,225,562</u>	<u>\$ 5,988,949</u>	<u>\$ 6,346,306</u>	<u>\$ 14,560,817</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, 2015

Changes in Fund Balance - Changes in Net Position Reconciliation: \$ 9,267,544

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	8,070,031
Construction in progress expensed	(28,565)
Book value of disposed capital assets	(69,339)
Capital assets transferred to business-type activities	53,917
Depreciation expense	(1,736,292)
	<u>6,289,752</u>

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

Change in deferred revenue	31,428
----------------------------	--------

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

703,730

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	(45,908)
Water Resources Fund	(15,042)
Sewer Plant Sales Tax Fund	(61,482)
	<u>(122,432)</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	117,979
Principal payment on judgments payable	256,316
Principal payment on G.O. bonds payable	1,205,000
Principal payment on Revenue bonds payable	1,120,000
Bond refunding amortization	(11,961)
Bond premium amortization	13,260
Bond premium received	(34,816)
Proceeds from revenue bonds payable	(7,410,000)
Proceeds from G.O. bonds payable	(3,750,000)
	<u>(8,494,222)</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	(2,049)
Change in OPEB liability	(200,124)
Change in accrued compensated absences	(78,458)
	<u>(280,631)</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	(230,679)
Change in net position of governmental activities	<u>\$ 7,164,490</u>

See accompanying notes to the basic financial statements.

City of Sapulpa
Statement of Net Position
Proprietary Funds
June 30, 2015

	<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	\$ 6,926	\$ 29,342	\$ 36,268	\$ 71,885
Restricted cash and cash equivalents	2,071,260	-	2,071,260	-
Investments	295,511	-	295,511	25,150
Interest receivable	811	-	811	58
Accounts receivable, net	994,171	4,017	998,188	-
Other receivables	134,277	-	134,277	54
Due from other funds	500,000	37,000	537,000	-
Inventory	-	30,793	30,793	-
Total current assets	<u>4,002,956</u>	<u>101,152</u>	<u>4,104,108</u>	<u>97,147</u>
Non-current assets:				
Restricted investments	185,240	-	185,240	-
Prepaid bond insurance	618,203	-	618,203	-
Capital assets:				
Land and other non-depreciable assets	7,703,415	48,460	7,751,875	-
Other capital assets, net of depreciation	50,605,252	774,193	51,379,445	-
Total non-current assets	<u>59,112,110</u>	<u>822,653</u>	<u>59,934,763</u>	<u>-</u>
Total assets	<u>63,115,066</u>	<u>923,805</u>	<u>64,038,871</u>	<u>97,147</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	6,639,983	-	6,639,983	-
Total deferred outflows	<u>6,639,983</u>	<u>-</u>	<u>6,639,983</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	330,141	24,420	354,561	-
Accrued payroll liabilities	34,609	13,008	47,617	-
Due to other funds	1,000,000	-	1,000,000	67,000
Accrued interest payable	930,586	-	930,586	-
Unearned revenue	-	5,828	5,828	-
Estimated liability for claims	-	-	-	14,183
Current portion of:				
Due to depositors	56,762	-	56,762	-
Notes payable	-	42,436	42,436	-
Water contract obligations	322,346	-	322,346	-
Revenue bonds payable	1,455,000	-	1,455,000	-
Accrued compensated absences	14,011	2,883	16,894	-
Total current liabilities	<u>4,143,455</u>	<u>88,575</u>	<u>4,232,030</u>	<u>81,183</u>
Non-current liabilities:				
Due to depositors	227,047	-	227,047	-
Notes payable	-	76,444	76,444	-
Water contract obligations	1,432,614	-	1,432,614	-
Revenue bonds payable, net	67,342,409	-	67,342,409	-
Accrued compensated absences	126,830	25,944	152,774	-
Total non-current liabilities	<u>69,128,900</u>	<u>102,388</u>	<u>69,231,288</u>	<u>-</u>
Total liabilities	<u>73,272,355</u>	<u>190,963</u>	<u>73,463,318</u>	<u>81,183</u>
NET POSITION				
Net investment in capital assets	(5,364,989)	703,773	(4,661,216)	-
Restricted for debt service	802,371	-	802,371	-
Unrestricted	1,045,312	29,069	1,074,381	15,964
Total net position	<u>\$ (3,517,306)</u>	<u>\$ 732,842</u>	<u>\$ (2,784,464)</u>	<u>\$ 15,964</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.

448,383

Net Position of business-type activities

\$ (2,336,081)

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, 2015

	Enterprise Funds			Internal Service Fund
	SMA Utility Fund	Golf Course Fund	Total	
REVENUES				
Water charges	\$ 3,917,168	\$ -	\$ 3,917,168	\$ -
Sewer charges	3,389,721	-	3,389,721	-
Sanitation	1,560,163	-	1,560,163	-
Water taps	14,669	-	14,669	-
Sewer taps	167,744	-	167,744	-
Late charges	193,581	-	193,581	-
Trucked water	45,300	-	45,300	-
Stormwater	861,917	-	861,917	-
Golf course	-	352,580	352,580	-
Self insurance charges	-	-	-	2,485,539
Miscellaneous	144,405	3,889	148,294	-
Total operating revenues	<u>10,294,668</u>	<u>356,469</u>	<u>10,651,137</u>	<u>2,485,539</u>
OPERATING EXPENSES				
General government	189,225	-	189,225	-
Administration	85,624	-	85,624	-
Utility collections	330,567	-	330,567	-
Water treatment plant	1,704,098	-	1,704,098	-
Industrial pretreatment	72,458	-	72,458	-
Wastewater treatment plant	1,210,579	-	1,210,579	-
Stormwater management	289,401	-	289,401	-
Sanitation	1,272,450	-	1,272,450	-
Golf course operations	-	702,025	702,025	-
Depreciation expense	1,808,752	140,523	1,949,275	-
Claims expense	-	-	-	2,476,992
Total operating expenses	<u>6,963,154</u>	<u>842,548</u>	<u>7,805,702</u>	<u>2,476,992</u>
Operating income (loss)	<u>3,331,514</u>	<u>(486,079)</u>	<u>2,845,435</u>	<u>8,547</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	14,689	60	14,749	774
Miscellaneous	134,556	-	134,556	-
Interest expense and fiscal charges	(3,459,471)	(3,366)	(3,462,837)	-
Total non-operating revenue (expenses)	<u>(3,310,226)</u>	<u>(3,306)</u>	<u>(3,313,532)</u>	<u>774</u>
Income (loss) before contributions and transfers	21,288	(489,385)	(468,097)	9,321
Capital contributions	636,265	61,939	698,204	-
Transfers in	6,402,020	328,255	6,730,275	-
Transfers out	(8,106,511)	-	(8,106,511)	(240,000)
Change in net position	<u>(1,046,938)</u>	<u>(99,191)</u>	<u>(1,146,129)</u>	<u>(230,679)</u>
Total net position - beginning	<u>(2,470,368)</u>	<u>832,033</u>	<u>(1,638,335)</u>	<u>246,643</u>
Total net position - ending	<u>\$ (3,517,306)</u>	<u>\$ 732,842</u>	<u>\$ (2,784,464)</u>	<u>\$ 15,964</u>
Change in net position			\$ (1,146,129)	

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	45,908
Water resources fund	15,042
Sewer plant sales tax fund	61,482
Change in net position of the business-type activities	<u>\$ (1,023,697)</u>

See accompanying notes to the basic financial statements.

City of Sapulpa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	SMA Utility Fund	Golf Course Fund	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 10,314,204	\$ 357,301	\$ 10,671,505	\$ -
Payments to suppliers	(2,615,004)	(225,835)	(2,840,839)	(2,513,992)
Payments to employees	(2,665,474)	(468,762)	(3,134,236)	-
Receipts of customer meter deposits	104,446	-	104,446	-
Refunds of customer meter deposits	(93,581)	-	(93,581)	-
Interfund receipts/payments	500,000	-	500,000	67,000
Receipts from others	-	-	-	2,485,375
Net cash provided by (used in) operating activities	<u>5,544,591</u>	<u>(337,296)</u>	<u>5,207,295</u>	<u>38,383</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	6,402,020	328,255	6,730,275	-
Transfers to other funds	(8,106,511)	-	(8,106,511)	(240,000)
Net cash provided by (used in) noncapital financing activities	<u>(1,704,491)</u>	<u>328,255</u>	<u>(1,376,236)</u>	<u>(240,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(567,746)	(3,065)	(570,811)	-
Principal paid on capital debt	(1,745,869)	(41,270)	(1,787,139)	-
Interest and fiscal agent fees paid on capital debt	(2,796,172)	(3,366)	(2,799,538)	-
Net cash (used in) capital and related financing activities	<u>(5,109,787)</u>	<u>(47,701)</u>	<u>(5,157,488)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	1,067,158	-	1,067,158	200,876
Interest and dividends	18,535	60	18,595	716
Net cash provided by investing activities	<u>1,085,693</u>	<u>60</u>	<u>1,085,753</u>	<u>201,592</u>
Net increase (decrease) in cash and cash equivalents	(183,994)	(56,682)	(240,676)	(25)
Balances - beginning of year	<u>2,262,180</u>	<u>86,024</u>	<u>2,348,204</u>	<u>71,910</u>
Balances - end of year	<u>\$ 2,078,186</u>	<u>\$ 29,342</u>	<u>\$ 2,107,528</u>	<u>\$ 71,885</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 6,926	\$ 29,342	\$ 36,268	\$ 71,885
Restricted cash and cash equivalents - current	2,071,260	-	2,071,260	-
Total cash and cash equivalents, end of year	<u>\$ 2,078,186</u>	<u>\$ 29,342</u>	<u>\$ 2,107,528</u>	<u>\$ 71,885</u>

(Continued)

See accompanying notes to the financial statements.

**City of Sapulpa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015**

	<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)	\$ 3,331,514	\$ (486,079)	\$ 2,845,435	\$ 8,547
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	1,808,752	140,523	1,949,275	-
Miscellaneous income	134,556	-	134,556	-
Change in assets and liabilities:				
Due from other funds	(500,000)	-	(500,000)	-
Accounts receivable	(95,250)	533	(94,717)	-
Other receivables	(19,770)	-	(19,770)	-
Inventory	-	(2,905)	(2,905)	-
Accounts payable	(99,770)	10,067	(89,703)	(37,000)
Accrued payroll payable	(1,728)	1,253	(475)	-
Due to other funds	1,000,000	-	1,000,000	67,000
Unearned revenue	-	299	299	-
Claims liability	-	-	-	(164)
Deposits subject to refund	10,865	-	10,865	-
Accrued compensated absences	(24,578)	(987)	(25,565)	-
Net cash provided by (used in) operating activities	<u>\$ 5,544,591</u>	<u>\$ (337,296)</u>	<u>\$ 5,207,295</u>	<u>\$ 38,383</u>
Noncash activities:				
Contributed capital assets	<u>\$ 636,265</u>	<u>\$ 61,939</u>	<u>\$ 698,204</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. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* – GASB No. 68 improves accounting and financial reporting for pensions.

Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – Statement No. 71 addressed an issue regarding application of transition provisions of Statement No. 68 with regards to contributions made to a pension plan subsequent to the measurement date.

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.

BLENDED 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 blended for the same reasons.

The component units that are blended into the primary government’s fund categories are presented below.

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

<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.	Sapulpa Development Authority Fund - Special Revenue Fund

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, deferred inflows of resources, liabilities, deferred outflows of resources, or 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 plus deferred outflows of resources, liabilities plus deferred inflows of resources, 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 plus deferred outflows of resources, liabilities plus deferred inflows of resources, 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 Account	Accounts for revenues from hunting and fishing fees and other sources and expenditures made there from.
Library Account	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	Accounts for revenues received from donations and charges for services for swimming pool expenditures.
<u>Series 2014 Street Capital Improvement</u> (Major Capital Project Fund)	Accounts for the use of bond proceeds from the Series 2014 Street Capital Improvement bonds.

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.
Street & Alley Fund	Accounts for revenues received from gasoline excise tax, motor vehicle tax and expenditures made for street maintenance and operations.

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

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.
Sapulpa Development Authority	Accounts for revenue received and expenditures made for economic development.

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.
Fire Cash Fund	Accounts for revenue received from sales tax (2.5% of the second and third penny) and for expenditures for capital improvements.

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

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 Account	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 Account	Accounts for revenues received from stormwater management fees and expenditures made for stormwater maintenance and operations.
Series 2012 Revenue Bond Construction Account	Accounts for bond proceeds used to construct utility capital assets
SMA Golf Course Fund	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 of resources, liabilities, and deferred inflows of resources (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, deferred outflows of resources, liabilities, and deferred inflows of resources 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 of resources, liabilities and deferred inflows of resources 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, bond premiums, and capital leases are reported as other financial sources.

1.D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, 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 Statement 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 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, 2015. 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, net pension liability, and accrued compensated absences. This long-term debt is reported net of unamortized discounts and premiums.

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.

Pensions

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

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 does not meet the definition of "restricted" or "net investment in capital assets".

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

Governmental Fund Financial Statements:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (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 2014 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
- 2015 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, 2015, the City's net assessed valuation of taxable property was \$129,021,626. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2015, was \$15.23.

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. As reflected in Note 3.A., the City's uninsured deposits were sufficiently collateralized in accordance with these provisions for the year ended June 30, 2015.

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, 2015, 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, 2015:

<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	Net revenues available amounted to

must equal 1.25 times annual debt service on the 2012 and 2013 Refunding Revenue Bonds.

\$9,016,723. The annual debt service was \$4,095,687. Actual coverage was 2.20 times.

c. Reserve Account Requirements:

2012 Refunding Revenue Bonds:
Insurance policy fair value to be \$1,642,550.

The Authority purchased a 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 a 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.

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, 2015, the City reported a fund balance deficit in the Grants and Aid Fund of \$260,993.

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

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

definition of a legal level of control; and, therefore, no budget and actual financial presentation for the SMA fund is included in this report.

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, 2015:

<u>Type</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Carrying Value</u>
Deposits:			
Demand deposits			\$ 4,945,677
Cash on hand			3,721
Time deposits	Due within one year		1,681,501
			<u>\$ 6,630,899</u>
Investments:			
Trustee money market accounts - Federated Treasury Obligations Fund		AAA	\$ 8,569,367
Judgments	Due in 1 - 5 years		19,215
U.S. Treasury HH Savings Bonds	7/1/2022		35,000
			<u>8,623,582</u>
Total deposits and investments			<u>\$ 15,254,481</u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents			\$ 13,518,765
Investments			1,735,716
			<u>\$ 15,254,481</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.

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

At June 30, 2015, the City was not exposed to custodial credit risk as defined above.

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.

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, 2015, 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, 2015, 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, 2015 were as follows:

	<u>Current</u> Cash and cash Equivalents	<u>Noncurrent</u> Investments
Utility Deposits	\$ 99,573	\$ 185,240
Trustee Accounts:		
2012 Bond Fund	1,113,742	-
2012 Construction Fund	238,730	-
2013 Bond Fund	619,215	-
Total	<u>\$ 2,071,260</u>	<u>\$ 185,240</u>

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

3. C. ACCOUNTS RECEIVABLE AND COURT FINES RECEIVABLE

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

	Utilities Receivable	Golf	Total	Court Fines Receivable
Accounts receivable	\$ 2,584,326	\$ 4,017	\$ 2,588,343	\$ 2,973,684
Less: allowance for uncollectible accounts	(1,590,155)	-	(1,590,155)	(2,127,532)
Accounts receivable, net of allowance	<u>\$ 994,171</u>	<u>\$ 4,017</u>	<u>\$ 998,188</u>	<u>\$ 846,152</u>

3. D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance at July 1, 2014	Additions	Transfers	Disposals	Balance at June 30, 2015
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,651,556	\$ -	\$ -	\$ -	\$ 4,651,556
Construction in progress	4,684,986	2,340,934	-	(2,920,916)	4,105,004
Total capital assets not being depreciated	<u>9,336,542</u>	<u>2,340,934</u>	<u>-</u>	<u>(2,920,916)</u>	<u>8,756,560</u>
Other capital assets:					
Buildings	11,694,321	9,785	-	-	11,704,106
Other improvements	3,449,526	150,106	-	-	3,599,632
Machinery and equipment	11,261,769	671,618	111,772	(124,755)	11,920,404
Infrastructure	29,214,144	7,789,939	-	(103,118)	36,900,965
Total other capital assets at historical cost	<u>55,619,760</u>	<u>8,621,448</u>	<u>111,772</u>	<u>(227,873)</u>	<u>64,125,107</u>
Less accumulated depreciation for:					
Buildings	(3,482,716)	(230,125)	-	-	(3,712,841)
Other improvements	(1,232,617)	(166,559)	-	-	(1,399,176)
Machinery and equipment	(7,289,593)	(716,331)	(57,855)	89,557	(7,974,222)
Infrastructure	(11,741,147)	(623,277)	-	68,977	(12,295,447)
Total accumulated depreciation	<u>(23,746,073)</u>	<u>(1,736,292)</u>	<u>(57,855)</u>	<u>158,534</u>	<u>(25,381,686)</u>
Other capital assets, net	31,873,687	6,885,156	53,917	(69,339)	38,743,421
Governmental activities capital assets, net	<u>\$ 41,210,229</u>	<u>\$ 9,226,090</u>	<u>\$ 53,917</u>	<u>\$ (2,990,255)</u>	<u>\$ 47,499,981</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 70,721	\$ -	\$ -	\$ -	\$ 70,721
Water rights contracts	4,915,486	-	-	-	4,915,486
Construction in progress	2,188,769	1,080,178	-	(503,279)	2,765,668
Total capital assets not being depreciated	<u>7,174,976</u>	<u>1,080,178</u>	<u>-</u>	<u>(503,279)</u>	<u>7,751,875</u>
Other capital assets:					
Buildings	3,831,040	13,047	-	-	3,844,087
Other improvements	1,594,609	-	-	-	1,594,609
Utility property	69,701,601	413,112	-	(57,404)	70,057,309
Machinery and equipment	4,125,513	283,089	(111,772)	-	4,296,830
Infrastructure	3,112,046	36,785	-	-	3,148,831
Total other capital assets at historical cost	<u>82,364,809</u>	<u>746,033</u>	<u>(111,772)</u>	<u>(57,404)</u>	<u>82,941,666</u>
Less accumulated depreciation for:					
Buildings	(1,218,259)	(77,340)	-	-	(1,295,599)
Other improvements	(1,058,573)	(67,986)	-	-	(1,126,559)
Utility property	(24,688,286)	(1,417,087)	-	57,404	(26,047,969)
Machinery and equipment	(2,350,557)	(297,105)	57,855	-	(2,589,807)
Infrastructure	(412,530)	(89,757)	-	-	(502,287)
Total accumulated depreciation	<u>(29,728,205)</u>	<u>(1,949,275)</u>	<u>57,855</u>	<u>57,404</u>	<u>(31,562,221)</u>
Other capital assets, net	52,636,604	(1,203,242)	(53,917)	-	51,379,445
Business-type activities capital assets, net	<u>\$ 59,811,580</u>	<u>\$ (123,064)</u>	<u>\$ (53,917)</u>	<u>\$ (503,279)</u>	<u>\$ 59,131,320</u>

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

Depreciation expense charged to governmental activities:

General government	\$	126,840
Legal and judicial		3,429
Public safety		585,863
Urban development		4,791
Streets		744,336
Culture and recreation		271,033
Total governmental activities depreciation expense		\$ 1,736,292

Depreciation expense charged to business-type activities:

Water	\$	569,195
Wastewater		1,077,099
Sanitation		33,711
Stormwater		128,747
Golf course		140,523
Total business-type activities depreciation expense		\$ 1,949,275

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, 2015), 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, \$138,615 and \$183,627, respectively. The total water right obligation balance at June 30, 2015 is \$1,754,960. 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, 2015

Governmental Activities Long-Term Debt

At June 30, 2015, 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%	\$1,025,000
\$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%	50,000
\$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%	5,400,000
\$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% to 4%	1,630,000
\$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% to 4%	2,595,000
\$3,750,000 General Obligation Bonds of 2015, due in annual installments varying from \$150,000 to \$200,000 with a final maturity of June 1, 2035, with interest rates at 2.0%-3.1%	<u>3,750,000</u>
Total General Obligation Bonds	<u>\$14,450,000</u>
Current portion	\$ 950,000
Non-current portion	<u>13,500,000</u>
Total General Obligation Bonds	<u>\$14,450,000</u>

Revenue Bonds Payable:

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	\$195,000
2014 Series Capital Improvement Revenue Bonds original issue amount \$7,410,000, dated July 1, 2014, issued by Sapulpa Municipal Authority, secured by year-to-year, appropriation of debt service payments made by city, interest rates from 2.0% to 3.3%, final maturity on July 1, 2029	<u>7,410,000</u>
Total Revenue Bonds Payable	<u>\$7,605,000</u>
Current portion	\$ 470,000
Non-current portion, net	<u>7,135,000</u>
Total Revenue Bonds Payable	<u>\$7,605,000</u>

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

Capital Lease Obligations:

\$153,643 capital lease with De Lage Landen Public Finance copiers payable in monthly installments of \$2,870, final payment due March 2019 with interest rate at 4.25%; lease must be renewed annually	\$118,232
\$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>106,898</u>
Total Capital Lease Obligations	<u>\$225,130</u>
Current portion	\$ 53,615
Non-current portion	<u>171,515</u>
Total Capital Lease Obligations	<u>\$225,130</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	\$ 165,638
Non-current portion	<u>1,490,741</u>
Total Accrued Compensated Absences	<u>\$1,656,379</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>\$14,141</u>
Total Estimated Claims Liability	<u>\$14,141</u>

Judgment Payable:

\$18,000 judgment payable (Tenant), payable in annual installments of \$6,000, final Payment due December 2016, with interest at the statutory rate of 5.25%	\$ 12,000
\$313,300 judgment payable (Smith), payable in annual installments of \$104,433, final Payment due December 2016, with interest at the statutory rate of 5.25%	208,867
\$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>7,215</u>
Total Judgments Payable	<u>\$228,082</u>
Current portion	\$117,648
Non-current portion	<u>110,434</u>
Total Judgments Payable	<u>\$228,082</u>

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

Business-Type Activities Long-Term Debt

At June 30, 2015, 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	\$27,120,000
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>40,820,000</u>
Total Revenues Bonds Payable	<u>67,940,000</u>
Less: Unamortized Bond Discount – 2012 Series	(242,471)
Add: Unamortized Bond Premium – 2013 Series	<u>1,099,880</u>
Total Revenue Bonds Payable, Net	<u>\$68,797,409</u>
Current portion	\$1,455,000
Non-current portion, net	<u>67,342,409</u>
Total Revenue Bonds Payable, net	<u>\$68,797,409</u>

Note Payable:

\$171,309 note payable with American Heritage Bank for golf carts, payable in monthly installments of \$11,159, final payment due March 2018 with interest at 2.1%	<u>\$118,880</u>
Total Note Payable	<u>\$118,880</u>
Current portion	\$ 42,436
Non-current portion	<u>76,444</u>
Total Notes Payable	<u>\$118,880</u>

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	\$ 16,894
Non-current portion	<u>152,774</u>
Total Accrued Compensated Absences	<u>\$169,668</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.	\$396,202
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CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

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.	445,666
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.	399,372
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>513,720</u>
Total Water Contract Obligations	<u>\$1,754,960</u>
Current portion	\$322,346
Non-current portion	<u>1,432,614</u>
Total Water Contract Obligations	<u>\$1,754,960</u>
<u>Due to Depositors:</u>	
Outstanding deposits for utility services, refundable only upon termination of service, amounted to the following:	
Current portion	\$56,762
Non-current portion	<u>227,047</u>
Total Due to Depositors	<u>\$283,809</u>
<u>Defeased Bonds Outstanding</u>	
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:	
1998 Series Capital Improvement Revenue Bonds – Defeased	\$8,330,000
2003A Series Revenue Bonds	<u>4,700,000</u>
Total Defeased Bonds Outstanding	<u>\$13,030,000</u>

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2015:

<u>Type of Debt</u>	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General obligation bonds	\$ 11,905,000	\$ 3,750,000	\$ 1,205,000	\$ 14,450,000	\$ 950,000
Revenue bonds payable	1,315,000	7,410,000	1,120,000	7,605,000	470,000
Capital lease obligation	343,109	-	117,979	225,130	53,615
Judgments payable	484,397	-	256,316	228,081	117,648
Estimated claims liability	14,141	-	-	14,141	14,141
Other post-employment benefit liability	1,017,530	240,034	39,910	1,217,654	-
Accrued compensated absences	1,577,921	1,079,292	1,000,834	1,656,379	165,638
Total Governmental Activities	<u>\$ 16,657,098</u>	<u>\$ 12,479,326</u>	<u>\$ 3,740,039</u>	<u>25,396,385</u>	<u>\$ 1,771,042</u>
Unamortized bond premiums/discounts				140,248	
Net Pension Liability				10,327,388	
Net Long-term Debt				<u>\$ 35,864,021</u>	
Reconciliation to Government-Wide Statement of Net Position:					
Due in One Year				\$ 1,771,042	
Due in More than One Year				34,092,979	
				<u>\$ 35,864,021</u>	
Business-Type Activities:					
Due to depositors	\$ 272,944	\$ 105,190	\$ 94,325	\$ 283,809	\$ 56,762
Water contract obligations	2,064,316	-	309,356	1,754,960	322,346
Notes payable	201,663	-	82,783	118,880	42,436
Revenue bonds payable	69,335,000	-	1,395,000	67,940,000	1,455,000
Accrued compensated absences	195,233	110,554	136,119	169,668	16,894
Total Business-Type Activities	<u>\$ 72,069,156</u>	<u>\$ 215,744</u>	<u>\$ 2,017,583</u>	<u>70,267,317</u>	<u>\$ 1,893,438</u>
Unamortized bond premiums/discounts				857,409	
Net Long-term Debt				<u>\$ 71,124,726</u>	
Reconciliation to Government-Wide Statement of Net Position:					
Due in One Year				1,893,438	
Due in More than One Year				69,231,288	
				<u>\$ 71,124,726</u>	

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, net pension liability and OPEB liability as of June 30, 2015 are as follows:

<u>Year Ending June 30,</u>	<u>GOVERNMENTAL ACTIVITY DEBT</u>							
	<u>Capital Lease Obligations</u>		<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Judgments Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 53,615	\$ 7,492	\$ 950,000	\$ 378,215	\$ 470,000	\$ 197,178	\$ 117,648	\$ 11,974
2017	55,658	5,449	1,065,000	338,541	435,000	178,728	110,433	5,798
2018	57,773	3,333	1,125,000	310,915	445,000	169,828	-	-
2019	51,400	1,166	1,130,000	285,040	460,000	160,628	-	-
2020	6,684	52	1,145,000	258,915	470,000	151,228	-	-
2021-2025	-	-	5,135,000	898,183	2,475,000	586,394	-	-
2026-2030	-	-	2,900,000	325,500	2,850,000	188,340	-	-
2031-2035	-	-	1,000,000	90,600	-	-	-	-
Totals	<u>\$ 225,130</u>	<u>\$ 17,492</u>	<u>\$ 14,450,000</u>	<u>\$ 2,885,909</u>	<u>\$ 7,605,000</u>	<u>\$ 1,632,324</u>	<u>\$ 228,081</u>	<u>\$ 17,772</u>

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

<u>Year Ending June 30,</u>	BUSINESS-TYPE ACTIVITY DEBT					
	Revenue		Notes Payable		Water Contract Obligation	
	Bonds Payable		Principal		Interest	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,455,000	\$ 2,659,090	\$ 42,436	\$ 2,200	\$ 322,346	\$ 69,830
2017	1,510,000	2,603,740	43,353	1,283	335,279	56,897
2018	1,550,000	2,558,440	33,091	353	352,580	41,550
2019	1,595,000	2,516,665	-	-	35,002	29,455
2020	1,625,000	2,488,565	-	-	36,407	28,050
2021-2025	8,710,000	11,841,283	-	-	205,150	117,135
2026-2030	10,650,000	9,896,138	-	-	249,741	72,544
2031-2035	13,330,000	7,226,800	-	-	218,455	19,447
2036-2040	16,215,000	4,263,413	-	-	-	-
2041-2043	11,300,000	922,031	-	-	-	-
Totals	\$ 67,940,000	\$ 46,976,165	\$ 118,880	\$ 3,836	\$ 1,754,960	\$ 434,908

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 \$114,916,165. Pledged sales taxes received in the current year were \$3,861,768 and net utility revenues were \$5,154,955 for total pledged revenues of \$9,016,723. Debt service payments of \$4,093,165 for the current fiscal year were 45.4% 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 and the \$7,410,000 2014 Series 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. The 2004 bonds were paid off in fiscal year 2015. Pledged sales taxes received in the current year were \$1,510,933. Debt service payments of \$1,143,758 for the current fiscal year were 75.7% of the pledged sales taxes received.

3.G. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables at June 30, 2015, were as follows:

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

Receivable Fund	Payable Fund	Amount	Nature of Interfund Balance
General Fund	Grants & Aid Fund	\$ 300,000	Temporary loan of cash
Street & Alley Fund	Street Improvement Sales Tax Fund	47,000	Temporary loan of cash
General Fund	Insurance Fund	30,000	Temporary loan of cash
General Fund	Sapulpa Municipal Authority	500,000	Temporary loan of cash
General Fund	Cemetery Fund	6,000	Temporary loan of cash
General Fund	Capital Improvement Fund	119,000	Temporary loan of cash
General Fund	E911 Fund	41,000	Temporary loan of cash
E911 Fund	Water Resources Fund	78,000	Temporary loan of cash
Golf Course Fund	Insurance Fund	37,000	Temporary loan of cash
Stormwater Fund	Sapulpa Municipal Authority	400,000	Temporary loan of cash
Sewer System Development Fund	Sapulpa Municipal Authority	100,000	Temporary loan of cash
Major Thoroughfare Fund	Street Improvement Sales Tax Fund	60,000	Temporary loan of cash
Capital Improvement Fund	Sewer Improvement Sales Tax Fund	94,000	Temporary loan of cash
		<u>\$ 1,812,000</u>	

Reconciliation to Fund Financial Statements:

	Due From	Due to	Net Interfund Balances
Governmental Funds	\$ 1,275,000	\$ (745,000)	\$ 530,000
Proprietary Funds	537,000	(1,000,000)	(463,000)
Internal Service Funds	-	(67,000)	(67,000)
	<u>\$ 1,812,000</u>	<u>\$ (1,812,000)</u>	<u>\$ -</u>

Reconciliation to Statement of Net Position:

Net Interfund Balances	\$ (463,000)
BTA- Special Revenue Funds	(172,000)
Internal Balances	<u>\$ (635,000)</u>

Interfund transfers for the year ended June 30, 2015 were as follows:

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	SMA	\$ 2,411,768	Pledged sales tax - bond indenture
General Fund	Restricted Construction Park/Rec Fund	28,525	Required revenue transfer
SMA	Governmental Capital Assets	53,917	One-sided transfer at fund level for capital
SMA	General Fund	2,920,700	Supplemental operating transfer
SMA	General Fund	2,411,768	Return of pledged sales tax
SMA	Golf Course Fund	328,255	Supplemental operating transfer
SMA	Street and Alley	489,215	Supplemental operating transfer
SMA	Water & Sewer Sales Tax Fund	281,545	Supplemental operating transfer
SMA	Parks & Recreation Fund	219,465	Supplemental operating transfer
SMA	Stormwater Management Fund	167	Supplemental operating transfer
SMA	Cemetery Maintenance Fund	105,505	Supplemental operating transfer
SMA	Library Fund	272,586	Supplemental operating transfer
SMA	Hotel/Motel Tax Fund	12,500	Supplemental operating transfer
SMA	Street Improvement Sales Tax Fund	225,000	Debt service transfer
Stormwater Management Fund	SMA	488,546	Capital asset transfer
Cemetery Maintenance Fund	Cemetery Care Fund	8,750	12.5% revenue transfer - state law
E-911 Fund	General Fund	185,000	Operating transfer for dispatcher
Juvenile Justice Fund	General Fund	10,000	Operating transfer for juvenile court costs
Park Development Fund	SMA	28,197	Supplemental for debt service
Park Development Fund	Grants & Aid Fund	19,000	Grant program contribution
Capital Improvement Fund	SMA	342,000	Supplemental for debt service
Police Cash	Grants & Aid Fund	7,000	Supplemental for capital purchases
Hotel/Motel Tax Fund	Park Development Fund	42,042	Required revenue transfer
Sewer Plant Sales Tax Fund	SMA	1,450,000	Supplemental for debt service
Insurance Internal Service Fund	SMA	240,000	Partial residual fund equity transfer
GO Sinking Fund	General Fund	5,582	Interest earnings
Sewer System Dev. Account	SMA	121,609	Supplemental for capital purchases
Street Improvement Sales Tax Fund	Grants & Aid Fund	19,761	Supplemental for capital purchases
Water Resource Fund	SMA	1,144,000	Supplemental for debt service
Water Resource Fund	Capital Improvement Fund	50,000	Supplemental for capital purchases
Series 2012 Revenue Bond Fund	SMA	175,733	Supplemental for debt service
Series 2014 Street Capital Improvement	Street Improvement Sales Tax Fund	34,868	Capital asset transfer
Total		<u>\$ 14,133,004</u>	

	Transfers In	Transfers Out	Reconciliation - BTA - Special Revenue Funds	Reclass BTA Sales Tax	Capital Asset Activity	Net Transfers/ Internal Activity
Reconciliation to Fund						
Financial Statements:						
Governmental Funds	\$ 7,348,812	\$ (5,786,493)	\$ 2,122,455	\$ (3,324,055)	\$ (707,710)	\$ (346,991)
Proprietary Funds	6,730,275	(8,106,511)	(2,362,455)	3,324,055	761,627	\$ 346,991
Internal Service Fund	-	(240,000)	240,000	-	-	-
Total Transfers	<u>\$ 14,079,087</u>	<u>\$ (14,133,004)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,917</u>	<u>\$ -</u>

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 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, 2015

	General Fund	2014 Street Cap Imp	Other Governmental Funds	TOTAL
Fund Balances:				
Nonspendable:				
Inventory	\$ 8,790		\$ 75,111	\$ 83,901
Sub-total Nonspendable	8,790		75,111	83,901
Restricted for:				
Law enforcement	-		118,385	118,385
Major Thoroughfares	-		32,146	32,146
Animal control	-		33,489	33,489
E911	-		195,381	195,381
Juvenile Justice programs	-		9,192	9,192
Capital Improvements	-	5,988,949	4,877,754	10,866,703
Debt Service	-		368,329	368,329
Sub-total Restricted	-	5,988,949	5,634,676	11,623,625
Committed to:				
Hunting & Fishing	8,912	-	-	8,912
Sub-total Committed	8,912		-	8,912
Assigned to:				
Subsequent Year Budget	1,419,962	-	-	1,419,962
Hunting & Fishing	25,280	-	-	25,280
Library	71,874	-	-	71,874
Swimming Pool	10,416	-	-	10,416
Streets	-		125,395	125,395
Cemetery	-		53,150	53,150
Parks	-		71,693	71,693
Law enforcement	-		1,472	1,472
Major Thoroughfares	-		65,278	65,278
Water & Sewer maintenance	-		143,771	143,771
Animal control	-		397	397
E911	-		2,606	2,606
Juvenile Justice programs	-		408	408
Economic Development	-		17,567	17,567
Capital Improvements	-		415,775	415,775
Sub-total Assigned	1,527,532		897,512	2,425,044
Unassigned (deficit):	680,328	-	(260,993)	419,335
TOTAL FUND BALANCES	\$ 2,225,562	5,988,949	\$ 6,346,306	\$ 14,560,817

Restricted Net Position

The restricted for debt service net position of the business-type activities consists of restricted assets relating to revenue bond trustee accounts. The balance at June 30, 2015, is comprised of the following:

Enterprise Funds:	
2012 Revenue Bond Trust Accounts	\$ 1,113,742
2013 Revenue Bond Trust Accounts	619,215
Restricted per bond indenture	1,732,957
Less: Accrued interest payable	(930,586)
Total Restricted for Debt Service	\$ 802,371

Prior Period Adjustment

Beginning net position was restated as of July 1, 2014, as follows:

	Government-Wide Governmental Activities
Beginning net position, as previously reported	\$ 31,281,963
Implementation of GASB Pension Statements 68 and 71:	
Fire pension net pension liability	(11,878,501)
Fire pension deferred outflow--contributions subsequent to the measurement date	362,580
Police pension net pension liability	(1,287,293)
Police pension deferred outflow--contributions subsequent to the measurement date	296,454
Beginning net position, restated	\$ 18,775,203

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 Pension and Retirement System

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

Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

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

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

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

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$296,349. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$284,110 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$261,315. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities or Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the City reported an asset of \$280,848 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2014. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2015. Based upon this information, the City's proportion was 0.8341 percent.

For the year ended June 30, 2015, the City recognized pension expense of \$102,942. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 126,177
Net difference between projected and actual earnings on pension plan investments	-	987,137
City contributions subsequent to the measurement date	296,349	-
Total	<u>\$ 296,349</u>	<u>\$ 1,113,314</u>

The \$296,349 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase/decrease of the net pension asset/liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

Year ended December 31:	
2015	\$ 272,892
2016	272,892
2017	272,892
2018	272,892
2019	21,746
	<u>\$1,113,314</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	4.5% to 17% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.
	Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.
	Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA.

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	2.83%
Domestic equity	6.47%
International equity	6.98%
Real estate	5.50%
Private equity	5.96%
Commodities	3.08%

The current allocation policy is that approximately 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

Discount Rate-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 1,670,906	\$ (280,848)	\$(1,925,712)

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

Oklahoma Firefighters Pension and Retirement System

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

Benefits provided - FPRS provides retirement, disability, and death benefits to members of the plan. Benefits for members hired prior to November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have complete 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more of service

Benefits for members hired after November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have complete 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month. Benefits vest with 11 years or more of service

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not-in-the-

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

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

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

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$377,694. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$862,791 (modified-accrual); these on-behalf payments did not meet the criteria of a special funding situation. For full-accrual reporting the amount of on-behalf payments made were \$798,850.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the City reported a liability of \$10,327,388 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2015. Based upon this information, the City's proportion was 1.0043% percent.

For the year ended June 30, 2015, the City recognized pension expense of \$927,536. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 246,065	\$ -
Net difference between projected and actual earnings on pension plan investments		1,563,284
City contributions subsequent to the measurement date	377,694	-
Total	\$ 623,759	\$ 1,563,284

The \$377,694 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

Year ended June 30:

2016	\$	(344,999)
2017		(344,999)
2018		(344,999)
2019		(344,999)
2020		45,822
Thereafter		16,955
Total	\$	<u><u>(1,317,219)</u></u>

Deferred Inflow of Resources	\$	(1,563,284)
Deferred Outflow of Resources		246,065
	\$	<u><u>(1,317,219)</u></u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

Mortality rates were based on the RP2000 combined healthy with blue collar adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	5.48%
Domestic equity	37%	9.61%
International equity	20%	9.24%
Real estate	10%	7.76%
Other assets	13%	6.88%

Discount Rate-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates,

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 6.5%
Employers' net pension liability	\$ 13,485,388	\$ 10,327,388	\$ 7,679,753

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

Related Party Investments

As of June 30, 2015, 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, 2015, the following amounts related to the defined contribution plan:

Employee contributions made	\$ 150,646
Employer (City) contributions made	\$ 161,341

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

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

document, only a few sentences in the administrative policy. These benefits are considered for accounting purposes to be provided in accordance with a single employer substantive plan. A substantive plan is one in which the plan terms are understood by the city and plan members. This understanding is based on communications between the employers and plan member and the historical pattern of practice with regard to the sharing of benefit costs. 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, 2015, 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 2015, the City contributed \$39,910 to the plan. Plan members receiving benefits contributed \$96,642, or approximately 100 percent of the total premiums, through their required contribution of \$521.21 per month for retiree-only coverage, \$1,128.37 per month for retiree and spouse, \$887.32 per month for retiree and children, and \$1,472.74 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, 2015:

Annual required contribution	\$ 233,273
Interest on net OPEB obligation	39,027
Adjustment to annual required contribution	(32,266)
Annual OPEB cost (expense)	240,034
Contributions made	(39,910)
Increase in net OPEB obligation	200,124
Net OPEB obligation—beginning of year	1,017,530
Net OPEB obligation—end of year	\$ 1,217,654

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net unfunded OPEB obligation for the last three years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Unfunded OPEB Obligation</u>
6/30/13	\$122,986	13.20%	\$930,068
6/30/14	\$122,986	12.00%	\$1,017,530
6/30/15	\$230,528	17.00%	\$1,217,654

Funded Status and Funding Progress. As of June 30, 2015, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability (AAL) for benefits was \$2,089,445, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,089,445. The covered payroll (annual payroll of active employees covered by the plan) was \$10.2 million, and the ratio of the UAAL to the covered payroll was 20.48 percent.

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, 2015, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 3.80 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 a closed 30 year period as level payments. The remaining amortization period at June 30, 2015, was twenty-four 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. The City is no longer self-insured and the remaining balance represents run-off claims. For the risk management internal service self-insurance fund, changes in the claims liability for the City from July 1, 2011, to June 30, 2015, are as follows:

CITY OF SAPULPA, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

	<u>Health & Life</u>
Claim liability, June 30, 2012	\$ 50,000
Claims and changes in estimates	-
Claims payments	<u>(34,779)</u>
Claim liability, June 30, 2013	15,221
Claims and changes in estimates	-
Claims payments	<u>(874)</u>
Claim liability, June 30, 2014	14,347
Claims and changes in estimates	-
Claims payments	<u>(164)</u>
Claim liability, June 30, 2015	<u>\$ 14,183</u>
Assets available to pay claims at June 30, 2015	<u>\$ 71,885</u>

4.C. COMMITMENTS AND CONTINGENCIES

Commitments:

Construction Commitments

The City had the following construction commitments outstanding at June 30, 2015 with balances left on the contract:

1. Installation of Sanitary Sewer Force Main & Lift Station at Polson Industrial Park; Contractors – Cherokee Pride Construction, Inc.; original contract - \$397,785; change orders – (\$5,000); remaining contract - \$147,349
2. 73rd West Ave & Freedom Elementary School Roadway and Storm water Improvements; Contractors – Cherokee Pride Construction, Inc.; original contract - \$253,757; remaining contract - \$185,842
3. Installation of Curb and Gutter, Drainage Inlets, Culverts, and Drives at Polson Industrial Park; Contractors – Ira M Green Construction.; original contract -\$207,791; remaining contract - \$18,586
4. Bryan Avenue Street Rehabilitation Project; Contractors – Ellsworth Construction, LLC; Original contract - \$2,077,875; remaining contract - \$1,948,939

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 2014-2015 totaled \$22,880.85. 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).

4.D. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued several new accounting pronouncements, which will be effective in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the City's consideration of the impact of these pronouncements are described below:

Statement No. 72, *Fair Value Measurement and Application* – GASB No. 72 was issued in February 2015, and addresses issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Statement is effective for financial statements for period beginning after June 15, 2015. At this time the impact to the city is unknown.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* – GASB No. 73 was issued in June 2015 and establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. At this time the impact to the city is unknown.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* - GASB No. 74 was issued in June 2015, and replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The City has not yet determined the impact that implementation of GASB 74 will have on its net position.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – GASB No. 75 was issued in June 2015, and addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For a defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for fiscal years beginning after June 15, 2017. The City has not yet determined the impact that implementation of GASB 75 will have on its net position, although it may be material.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* – GASB No. 76 was issued in June 2015, and was issued to identify the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. At this time the impact to the city is unknown.

Statement No. 77, *Tax Abatement Disclosures* - GASB 77 was issued in August 2015, and establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government’s tax revenues. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. At this time the impact to the city is unknown.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* – GASB 78 was issued in December 2015 and amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. At this time the impact to the city is unknown.

Statement No. 79, *Certain External Investment Pools and Pool Participants* – GASB 79 was issued December 2015 and addresses the accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. This statement also establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. At this time the impact to the city is unknown.

Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14* – GASB 80 was issued January 2016 and amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. At this time the impact to the city is unknown.

4.E. SUBSEQUENT EVENT

On October 1, 2015, the City issued the Series 2015 General Obligation Bonds of \$2,865,000 to be used for construction of new Animal Shelter and Construction of phase I of new youth sports complex.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$934,632	\$978,956	\$1,460,378	\$481,422
Resources (Inflows):				
TAXES:				
Sales tax	11,501,050	12,101,050	12,087,462	(13,588)
Use tax	432,000	432,000	613,166	181,166
Franchise tax	536,000	536,000	559,510	23,510
Payment in lieu of tax	450,000	450,000	465,666	15,666
Total Taxes	12,919,050	13,519,050	13,725,804	206,754
LICENSES AND PERMITS:				
Building permits	25,000	25,000	41,884	16,884
Trade permits	32,000	32,000	48,072	16,072
Resident construction park/rec fees	10,000	30,500	28,525	(1,975)
Occupation/business	48,000	48,000	47,053	(947)
Other permits	10,200	10,200	8,780	(1,420)
Total License and Permits	125,200	145,700	174,314	28,614
INTERGOVERNMENTAL:				
Alcoholic beverage tax	109,000	109,000	117,651	8,651
Cigarette/tobacco tax	132,000	132,000	142,701	10,701
Total Intergovernmental	241,000	241,000	260,352	19,352
CHARGES FOR SERVICES:				
Fire run fees	415,000	415,000	407,562	(7,438)
Fire run charges	25,000	25,000	12,359	(12,641)
Inspection fees	56,000	56,000	72,964	16,964
Special assessments	1,800	1,800	2,985	1,185
Other fees - zoning	5,500	5,500	14,378	8,878
Court collection fees	45,000	90,000	87,445	(2,555)
Shelter fees	4,500	4,500	6,280	1,780
Engineering fees	12,000	12,000	11,000	(1,000)
Weed abatement	10,000	10,000	5,684	(4,316)
Pet adoption	200	200	60	(140)
Total Charges for Services	575,000	620,000	620,717	717
FINES AND FORFEITURES	840,100	840,100	788,243	(51,857)
INVESTMENT INCOME	600	600	7,380	6,780
MISCELLANEOUS:				
Antenna tower rental	68,693	68,693	67,668	(1,025)
Reimbursements	35,000	55,000	86,579	31,579
Sale of capital assets	-	-	161	161
Donations	14,000	15,000	15,523	523
Miscellaneous	8,000	8,000	4,725	(3,275)
Total Miscellaneous	125,693	146,693	174,656	27,963
OTHER FINANCING SOURCES:				
Transfers from other funds	5,400,533	5,541,733	5,533,050	(8,683)
Total Other Financing Sources	5,400,533	5,541,733	5,533,050	(8,683)
Total Resources (Inflows)	20,227,176	21,054,876	21,284,516	229,640
Amounts available for appropriation	\$21,161,808	\$22,033,832	\$22,744,894	\$711,062

(Continued)

CITY OF SAPULPA, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
GENERAL FUND
For the fiscal year ended June 30, 2015

(Continued)

Charges to Appropriations (Outflows):	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
ADMINISTRATION:				
City Council:				
Materials and supplies	200	200	-	200
Other services and charges	90,055	90,055	78,109	11,946
Total City Council	<u>90,255</u>	<u>90,255</u>	<u>78,109</u>	<u>12,146</u>
City Manager:				
Personal services	216,817	217,444	212,594	4,850
Materials and supplies	750	750	392	358
Other services and charges	2,000	2,000	1,527	473
Total City Manager	<u>219,567</u>	<u>220,194</u>	<u>214,513</u>	<u>5,681</u>
City Clerk:				
Personal services	159,969	160,053	150,155	9,898
Materials and supplies	1,700	1,700	1,352	348
Other services and charges	7,795	7,795	5,943	1,852
Capital outlay	-	6,000	-	6,000
Total City Clerk	<u>169,464</u>	<u>175,548</u>	<u>157,450</u>	<u>18,098</u>
Finance:				
Personal services	278,330	280,195	280,109	86
Materials and supplies	2,500	2,250	2,127	123
Other services and charges	110,371	113,256	112,033	1,223
Total Finance	<u>391,201</u>	<u>395,701</u>	<u>394,269</u>	<u>1,432</u>
Treasurer:				
Personal services	29,594	29,594	29,325	269
Other services and charges	500	500	376	124
Total Treasurer	<u>30,094</u>	<u>30,094</u>	<u>29,701</u>	<u>393</u>
Personnel:				
Personal services	104,723	105,266	98,605	6,661
Materials and supplies	1,940	1,720	569	1,151
Other services and charges	14,993	15,213	5,855	9,358
Total Personnel	<u>121,656</u>	<u>122,199</u>	<u>105,029</u>	<u>17,170</u>
Central Purchasing:				
Personal services	53,424	53,509	52,798	711
Materials and supplies	300	300	35	265
Other services and charges	3,415	3,415	1,291	2,124
Total Central Purchasing	<u>57,139</u>	<u>57,224</u>	<u>54,124</u>	<u>3,100</u>
Building Inspector:				
Personal services	116,030	116,456	107,319	9,137
Materials and supplies	1,750	1,850	1,311	539
Other services and charges	5,730	5,630	4,201	1,429
Total Building Inspector	<u>123,510</u>	<u>123,936</u>	<u>112,831</u>	<u>11,105</u>
TOTAL ADMINISTRATION	<u>1,202,886</u>	<u>1,215,151</u>	<u>1,146,026</u>	<u>69,125</u>

(Continued)

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2015

(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT:				
Central Garage:				
Personal services	117,367	122,622	122,432	190
Materials and supplies	6,575	5,575	2,489	3,086
Other services and charges	16,800	15,800	11,923	3,877
Capital outlay	5,500	5,500	4,079	1,421
Total Central Garage	<u>146,242</u>	<u>149,497</u>	<u>140,923</u>	<u>8,574</u>
General Government:				
Personal services	37,362	37,612	37,580	32
Materials and supplies	20,000	20,000	15,240	4,760
Other services and charges	571,019	570,769	537,030	33,739
Capital Outlay	7,000	13,500	-	13,500
Debt Service	38,004	38,004	34,164	3,840
Total General Government	<u>673,385</u>	<u>679,885</u>	<u>624,014</u>	<u>55,871</u>
Reserve:				
Other services and charges	140,000	109,622	90,931	18,691
Capital Outlay	-	-	-	-
Total Reserve	<u>140,000</u>	<u>109,622</u>	<u>90,931</u>	<u>18,691</u>
TOTAL GENERAL GOVERNMENT	<u>959,627</u>	<u>939,004</u>	<u>855,868</u>	<u>83,136</u>
LEGAL AND JUDICIAL:				
City Attorney:				
Personal services	181,479	182,614	181,283	1,331
Materials and supplies	1,400	1,400	1,244	156
Other services and charges	36,180	28,880	12,395	16,485
Capital outlay	10,800	18,600	16,403	2,197
Total City Attorney	<u>229,859</u>	<u>231,494</u>	<u>211,325</u>	<u>20,169</u>
Municipal Court:				
Personal services	42,525	42,525	41,153	1,372
Materials and supplies	700	700	601	99
Other services and charges	58,610	103,610	93,924	9,686
Total Municipal Court	<u>101,835</u>	<u>146,835</u>	<u>135,678</u>	<u>11,157</u>
TOTAL LEGAL AND JUDICIAL	<u>331,694</u>	<u>378,329</u>	<u>347,003</u>	<u>31,326</u>

(Continued)

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2015

(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC SAFETY:				
Police:				
Personal services	4,256,533	4,283,328	4,011,702	271,626
Materials and supplies	148,750	147,011	113,639	33,372
Other services and charges	200,750	205,447	160,996	44,451
Capital outlay	1,000	1,000	139	861
Total Police	<u>4,607,033</u>	<u>4,636,786</u>	<u>4,286,476</u>	<u>350,310</u>
Fire:				
Personal services	4,378,533	4,400,788	4,223,562	177,226
Materials and supplies	119,616	129,658	108,667	20,991
Other services and charges	188,600	191,286	167,606	23,680
Capital outlay	-	-	-	-
Total Fire	<u>4,686,749</u>	<u>4,721,732</u>	<u>4,499,835</u>	<u>221,897</u>
Animal Control:				
Personal services	88,124	91,574	91,536	38
Materials and supplies	9,640	6,770	4,401	2,369
Other services and charges	14,082	13,502	9,538	3,964
Capital outlay	-	-	-	-
Total Animal Control	<u>111,846</u>	<u>111,846</u>	<u>105,475</u>	<u>6,371</u>
Civil Defense:				
Personal services	13,181	13,196	13,192	4
Other services and charges	11,864	11,849	11,847	2
Total Civil Defense	<u>25,045</u>	<u>25,045</u>	<u>25,039</u>	<u>6</u>
TOTAL PUBLIC SAFETY	<u>9,430,673</u>	<u>9,495,409</u>	<u>8,916,825</u>	<u>578,584</u>
URBAN DEVELOPMENT:				
Personal services	234,719	235,594	217,062	18,532
Materials and supplies	5,740	7,490	4,699	2,791
Other services and charges	73,865	101,251	59,933	41,318
Capital outlay	-	-	-	-
TOTAL URBAN DEVELOPMENT	<u>314,324</u>	<u>344,335</u>	<u>281,694</u>	<u>62,641</u>
OTHER FINANCING USES:				
Transfers to other funds	<u>8,635,787</u>	<u>9,106,287</u>	<u>9,088,398</u>	<u>17,889</u>
Total Other Financing Uses	<u>8,635,787</u>	<u>9,106,287</u>	<u>9,088,398</u>	<u>17,889</u>
Total Charges to Appropriations	<u>20,874,991</u>	<u>21,478,515</u>	<u>20,635,814</u>	<u>842,701</u>
Ending Budgetary Fund Balance	<u>\$286,817</u>	<u>\$555,317</u>	<u>\$2,109,080</u>	<u>\$1,553,763</u>

**CITY OF SAPULPA, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the fiscal year ended June 30, 2015**

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, 2015

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	\$21,284,516
Differences – budget to GAAP:	
Sales tax recognized as inflows of budgetary resources but are not revenues for financial reporting purposes.	(6,648,105)
State payments made on-behalf of police and fire pension not considered a budgetary resource	1,146,901
Revenues from combined accounts:	
Hunting & Fishing Account	49,454
Library Account	183,399
Library Account – Transfer In	272,586
Swimming Pool Account	<u>150,723</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$16,439,474</u>
Total Revenues – General Fund	\$10,633,838
Transfers In – General Fund	<u>5,805,636</u>
	<u>\$16,439,474</u>
Uses/Outflows of appropriations	
Actual amounts (budgetary basis) "total appropriations" from the budgetary comparison schedule	\$20,635,814
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.	(6,648,105)
State payments made on-behalf of police and fire pension not considered a budgetary expenditure	1,146,901
Capital lease expenditure – capital outlay	
Expenditures from combined accounts:	
Hunting & Fishing Account	47,518
Library Account	414,110
Swimming Pool Account	<u>150,310</u>
Total expenditures and transfers out as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$15,746,548</u>
Total expenditures – General Fund	\$13,306,255
Transfers out – General Fund	<u>2,440,293</u>
Total expenditures and transfers out – General Fund	<u>\$15,746,548</u>

CITY OF SAPULPA, OKLAHOMA
SCHEDULE OF FUNDING PROGRESS – OTHER POST-EMPLOYMENT BENEFITS
June 30, 2015

OPEB Actuarial Information

The funded status and funding progress of the City’s defined benefit OPEB plan for the first four 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%	\$ 9,693,950	32.63%
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%	10,120,334	18.17%
July 1, 2014	-	2,089,445	2,089,445	0.00%	10,204,306	20.48%

CITY OF SAPULPA, OKLAHOMA
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
June 30, 2015

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

	<u>2015</u>
City's proportion of the net pension asset	0.8341%
City's proportionate share of the net pension asset	\$ 280,848
City's covered-employee payroll	\$ 2,414,739
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	11.63%
Plan fiduciary net position as a percentage of the total pension asset	101.53%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the current fiscal year is presented because 10-year data is not yet available.

CITY OF SAPULPA, OKLAHOMA
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2015

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

	<u>2015</u>
Statutorially required contribution	\$ 296,349
Contributions in relation to the statutorially required contribution	<u>296,349</u>
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	\$ 2,622,226
Contributions as a percentage of covered-employee payroll	11.30%

Notes to Schedule:

*Only the current fiscal year is presented because 10-year data is not yet available.

CITY OF SAPULPA, OKLAHOMA
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2015

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

	<u>2015</u>
City's proportion of the net pension liability	1.004270%
City's proportionate share of the net pension liability	\$ 10,327,388
City's covered-employee payroll	\$ 2,727,320
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	379%
Plan fiduciary net position as a percentage of the total pension liability	68.12%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the current fiscal year is presented because 10-year data is not yet available.

CITY OF SAPULPA, OKLAHOMA
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2015

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

	<u>2015</u>
Statutorially required contribution	\$ 377,694
Contributions in relation to the statutorially required contribution	<u>377,694</u>
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	\$ 3,007,146
Contributions as a percentage of coverd-employee payroll	12.56%

OTHER SUPPLEMENTARY INFORMATION

City of Sapulpa
Combining Balance Sheet - General Fund Accounts
June 30, 2015

	<u>General Fund</u>	<u>Hunting & Fishing Account</u>	<u>Library Account</u>	<u>Swimming Pool Account</u>	<u>Total General Fund Accounts</u>
ASSETS					
Cash and cash equivalents	\$ 114,261	\$ 37,764	\$ 73,100	\$ 40,340	\$ 265,465
Deposits with insurance pool	126,221	-	-	-	126,221
Due from other funds	996,000	-	-	-	996,000
Due from other governments	818,978	-	21,432	-	840,410
Franchise tax receivable	210,992	-	-	-	210,992
Court fine receivable, net	787,317	-	-	-	787,317
Other receivables	-	772	-	3,460	4,232
Inventory	8,790	-	-	-	8,790
Total assets	<u>\$ 3,062,559</u>	<u>\$ 38,536</u>	<u>\$ 94,532</u>	<u>\$ 43,800</u>	<u>\$ 3,239,427</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 115,504	\$ 4,344	\$ 16,810	\$ 20,943	\$ 157,601
Accrued payroll liabilities	76,460	-	5,848	12,441	94,749
Due to other governments	4,075	-	-	-	4,075
Escrow deposits	23,183	-	-	-	23,183
Refundable court bonds	31,654	-	-	-	31,654
Total liabilities	<u>250,876</u>	<u>4,344</u>	<u>22,658</u>	<u>33,384</u>	<u>311,262</u>
DEFERRED INFLOW OF RESOURCES					
Deferred revenue	<u>702,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>702,603</u>
Fund balances:					
Non-spendable	8,790	-	-	-	8,790
Committed	-	8,912	-	-	8,912
Assigned	1,419,962	25,280	71,874	10,416	1,527,532
Unassigned	680,328	-	-	-	680,328
Total fund balances	<u>2,109,080</u>	<u>34,192</u>	<u>71,874</u>	<u>10,416</u>	<u>2,225,562</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,062,559</u>	<u>\$ 38,536</u>	<u>\$ 94,532</u>	<u>\$ 43,800</u>	<u>\$ 3,239,427</u>

City of Sapulpa
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts
For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Hunting & Fishing Account</u>	<u>Library Account</u>	<u>Swimming Pool Account</u>	<u>Total General Fund Accounts</u>
REVENUES					
Taxes	\$ 7,077,699	\$ -	\$ 151,093	\$ -	\$ 7,228,792
Intergovernmental	1,407,253	-	19,616	-	1,426,869
Charges for services	620,717	22,218	408	150,525	793,868
Fines and forfeitures	788,243	-	3,235	-	791,478
Licenses and permits	174,314	27,138	-	-	201,452
Investment income	7,380	91	87	33	7,591
Miscellaneous	174,656	7	8,960	165	183,788
Total revenues	<u>10,250,262</u>	<u>49,454</u>	<u>183,399</u>	<u>150,723</u>	<u>10,633,838</u>
EXPENDITURES					
Current:					
Administration	1,146,026	-	-	-	1,146,026
General government	817,625	-	-	-	817,625
Legal and judicial	330,599	-	-	-	330,599
Public safety	10,063,589	-	-	-	10,063,589
Urban development	281,694	-	-	-	281,694
Culture and recreation	-	29,971	372,863	147,816	550,650
Capital Outlay	20,620	17,547	41,247	2,494	81,908
Debt Service:					
Principal	28,478	-	-	-	28,478
Interest	5,686	-	-	-	5,686
Total expenditures	<u>12,694,317</u>	<u>47,518</u>	<u>414,110</u>	<u>150,310</u>	<u>13,306,255</u>
Excess (deficiency) of revenues over expenditures	<u>(2,444,055)</u>	<u>1,936</u>	<u>(230,711)</u>	<u>413</u>	<u>(2,672,417)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,533,050	-	272,586	-	5,805,636
Transfers out	(2,440,293)	-	-	-	(2,440,293)
Total other financing sources and uses	<u>3,092,757</u>	<u>-</u>	<u>272,586</u>	<u>-</u>	<u>3,365,343</u>
Net change in fund balances	648,702	1,936	41,875	413	692,926
Fund balances - beginning	1,460,378	32,256	29,999	10,003	1,532,636
Fund balances - ending	<u>\$ 2,109,080</u>	<u>\$ 34,192</u>	<u>\$ 71,874</u>	<u>\$ 10,416</u>	<u>\$ 2,225,562</u>

City of Sapulpa
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015

Special Revenue Funds

	Cemetery Maintenance Fund	Street and Alley Fund	Parks & Recreation Fund	Federal SAF Fund	Major Thoroughfare Fund	Water & Sewer Sales Tax Fund	Spay & Neuter Fund	E911 Fund	Juvenile Justice Fund	Hotel/Motel Tax Fund	Grants & Aid Fund	Sapulpa Development Authority
ASSETS												
Cash and cash equivalents	\$ 545	\$ 80,634	\$ 59,979	\$ 88,123	\$ 28,989	\$ 79,247	\$ 34,826	\$ 172	\$ 11,457	\$ 19,961	\$ 59,911	\$ -
Investments	59,037	5,000	-	31,718	-	13,000	-	150,878	-	-	-	-
Deposits with fiscal agent	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	47,000	-	-	60,000	-	-	78,000	-	-	-	-
Due from other governments	19,007	17,302	38,014	-	38,014	76,027	-	-	-	-	459,097	-
Interest receivable	-	-	-	58	-	-	-	-	-	-	-	-
Court fines receivable, net of allowance	-	-	-	-	-	-	-	-	58,835	-	-	-
Other receivable	-	-	218	-	-	-	-	15,468	-	25,616	-	-
Inventory	-	-	-	-	23,252	33,219	-	-	-	-	-	-
Total assets	<u>\$ 78,589</u>	<u>\$ 149,936</u>	<u>\$ 98,211</u>	<u>\$ 119,899</u>	<u>\$ 150,255</u>	<u>\$ 201,493</u>	<u>\$ 34,826</u>	<u>\$ 244,518</u>	<u>\$ 70,292</u>	<u>\$ 45,577</u>	<u>\$ 519,008</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 10,974	\$ 12,544	\$ 15,444	\$ -	\$ 29,579	\$ 12,431	\$ 940	\$ 5,169	\$ 3,170	\$ 24,476	\$ 88,281	\$ -
Accrued payroll payable	8,465	11,997	11,074	-	-	12,072	-	362	213	3,534	-	-
Due to other funds	6,000	-	-	-	-	-	-	41,000	-	-	300,000	-
Due to other governments	-	-	-	-	-	-	-	-	937	-	-	-
Refundable court bonds	-	-	-	-	-	-	-	-	1,704	-	-	-
Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>25,439</u>	<u>24,541</u>	<u>26,518</u>	<u>-</u>	<u>29,579</u>	<u>24,503</u>	<u>940</u>	<u>46,531</u>	<u>6,024</u>	<u>28,010</u>	<u>388,281</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES												
Deferred revenue	-	-	-	42	-	-	-	-	54,668	-	391,720	-
Fund balances:												
Non-spendable	-	-	-	-	23,252	33,219	-	-	-	-	-	-
Restricted	-	-	-	118,385	32,146	-	33,489	195,381	9,192	-	-	-
Assigned	53,150	125,395	71,693	1,472	65,278	143,771	397	2,606	408	17,567	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	(260,993)	-
Total fund balances	<u>53,150</u>	<u>125,395</u>	<u>71,693</u>	<u>119,857</u>	<u>120,676</u>	<u>176,990</u>	<u>33,886</u>	<u>197,987</u>	<u>9,600</u>	<u>17,567</u>	<u>(260,993)</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 78,589</u>	<u>\$ 149,936</u>	<u>\$ 98,211</u>	<u>\$ 119,899</u>	<u>\$ 150,255</u>	<u>\$ 201,493</u>	<u>\$ 34,826</u>	<u>\$ 244,518</u>	<u>\$ 70,292</u>	<u>\$ 45,577</u>	<u>\$ 519,008</u>	<u>\$ -</u>

City of Sapulpa
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015

	Capital Projects Funds										Debt Service Fund	Total Governmental Funds
	Restricted Construction Park/Rec Fund	Park Development Fund	Fire 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	G.O. Sinking Fund	
ASSETS												
Cash and cash equivalents	\$ 25,147	\$ 1,704	\$ 50,129	\$ 39,005	\$ 32,926	\$ 72	\$ 13,126	\$ 489,296	\$ 58,039	\$ 3,780,709	\$ 45,155	\$ 4,999,152
Investments	-	-	433,408	-	-	100,321	-	114,635	14,823	-	306,995	1,229,815
Deposits with fiscal agent	-	-	-	-	-	-	-	-	-	-	188	188
Due from other funds	-	-	-	-	-	94,000	-	-	-	-	-	279,000
Due from other governments	-	-	19,007	19,007	-	76,027	152,361	190,069	190,069	-	434,933	1,728,934
Interest receivable	-	-	-	-	-	-	-	94	-	-	466	618
Court fines receivable, net of allowance	-	-	-	-	-	-	-	-	-	-	-	58,835
Other receivable	-	-	-	-	-	-	-	-	-	-	-	41,302
Inventory	-	-	-	-	-	-	18,640	-	-	-	-	75,111
Total assets	<u>\$ 25,147</u>	<u>\$ 1,704</u>	<u>\$ 502,544</u>	<u>\$ 58,012</u>	<u>\$ 32,926</u>	<u>\$ 270,420</u>	<u>\$ 184,127</u>	<u>\$ 794,094</u>	<u>\$ 262,931</u>	<u>\$ 3,780,709</u>	<u>\$ 787,737</u>	<u>\$ 8,412,955</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 4,709	\$ -	\$ 2,984	\$ 1,579	\$ -	\$ -	\$ 3,665	\$ 80,876	\$ -	\$ 12,100	\$ -	\$ 308,921
Accrued payroll payable	-	-	-	-	-	-	-	-	-	-	-	47,717
Due to other funds	-	-	-	-	-	119,000	78,000	107,000	94,000	-	-	745,000
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	937
Refundable court bonds	-	-	-	-	-	-	-	-	-	-	-	1,704
Accrued interest payable	-	-	-	-	-	-	-	96,464	-	-	-	96,464
Total liabilities	<u>4,709</u>	<u>-</u>	<u>2,984</u>	<u>1,579</u>	<u>-</u>	<u>119,000</u>	<u>81,665</u>	<u>284,340</u>	<u>94,000</u>	<u>12,100</u>	<u>-</u>	<u>1,200,743</u>
DEFERRED INFLOW OF RESOURCES												
Deferred revenue	-	-	-	-	-	-	-	68	-	-	419,408	865,906
Fund balances:												
Non-spendable	-	-	-	-	-	-	18,640	-	-	-	-	75,111
Restricted	-	-	491,032	53,087	-	96,483	80,860	223,924	163,759	3,768,609	368,329	5,634,676
Assigned	20,438	1,704	8,528	3,346	32,926	54,937	2,962	285,762	5,172	-	-	897,512
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-	(260,993)
Total fund balances	<u>20,438</u>	<u>1,704</u>	<u>499,560</u>	<u>56,433</u>	<u>32,926</u>	<u>151,420</u>	<u>102,462</u>	<u>509,686</u>	<u>168,931</u>	<u>3,768,609</u>	<u>368,329</u>	<u>6,346,306</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 25,147</u>	<u>\$ 1,704</u>	<u>\$ 502,544</u>	<u>\$ 58,012</u>	<u>\$ 32,926</u>	<u>\$ 270,420</u>	<u>\$ 184,127</u>	<u>\$ 794,094</u>	<u>\$ 262,931</u>	<u>\$ 3,780,709</u>	<u>\$ 787,737</u>	<u>\$ 8,412,955</u>

City of Sapulpa
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds											
	Cemetery Maintenance Fund	Street and Alley Fund	Parks & Recreation Fund	Federal SAF Fund	Major Thoroughfare Fund	Water & Sewer Sales Tax Fund	Spay & Neuter Fund	E911 Fund	Juvenile Justice Fund	Hotel/Motel Tax Fund	Grants & Aid Fund	Sapulpa Development Authority
REVENUES												
Taxes	\$ 151,093	\$ -	\$ 302,187	\$ -	\$ 302,187	\$ 604,376	\$ -	\$ -	\$ -	\$ 233,668	\$ -	\$ -
Intergovernmental	-	199,252	-	-	-	-	-	-	-	-	1,153,754	-
Charges for services	70,075	-	9,664	-	-	-	13,985	194,726	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	33,713	-	-	-
Investment income	304	179	421	435	52	308	100	811	31	37	173	-
Miscellaneous	50	-	7,934	70,712	8,686	5,849	-	-	-	-	-	30,000
Total revenues	<u>221,522</u>	<u>199,431</u>	<u>320,206</u>	<u>71,147</u>	<u>310,925</u>	<u>610,533</u>	<u>14,085</u>	<u>195,537</u>	<u>33,744</u>	<u>233,705</u>	<u>1,153,927</u>	<u>30,000</u>
EXPENDITURES												
Current:												
General government	338,220	-	-	-	-	-	11,095	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	79,193	25,244	-	44,580	-
Streets	-	580,947	-	-	239,281	-	-	-	-	-	-	-
Culture and recreation	-	-	614,923	-	-	-	-	-	-	-	-	-
Urban development	-	-	-	-	-	-	-	-	202,220	144,381	-	30,000
Water	-	-	-	-	-	840,011	-	-	-	-	-	-
Capital outlay	7,340	44,894	11,017	30,468	50,400	6,159	-	-	-	-	992,964	-
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>345,560</u>	<u>625,841</u>	<u>625,940</u>	<u>30,468</u>	<u>289,681</u>	<u>846,170</u>	<u>11,095</u>	<u>79,193</u>	<u>25,244</u>	<u>202,220</u>	<u>1,181,925</u>	<u>30,000</u>
Excess (deficiency) of revenues over expenditures	<u>(124,038)</u>	<u>(426,410)</u>	<u>(305,734)</u>	<u>40,679</u>	<u>21,244</u>	<u>(235,637)</u>	<u>2,990</u>	<u>116,344</u>	<u>8,500</u>	<u>31,485</u>	<u>(27,998)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)												
Transfers in	105,505	489,215	219,465	-	-	281,545	-	-	-	12,500	45,761	-
Transfers out	(8,750)	-	-	-	-	-	-	(185,000)	(10,000)	(42,042)	-	-
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>96,755</u>	<u>489,215</u>	<u>219,465</u>	<u>-</u>	<u>-</u>	<u>281,545</u>	<u>-</u>	<u>(185,000)</u>	<u>(10,000)</u>	<u>(29,542)</u>	<u>45,761</u>	<u>-</u>
Net change in fund balances	<u>(27,283)</u>	<u>62,805</u>	<u>(86,269)</u>	<u>40,679</u>	<u>21,244</u>	<u>45,908</u>	<u>2,990</u>	<u>(68,656)</u>	<u>(1,500)</u>	<u>1,943</u>	<u>17,763</u>	<u>-</u>
Fund balances - beginning	80,433	62,590	157,962	79,178	99,432	131,082	30,896	266,643	11,100	15,624	(278,756)	-
Fund balances - ending	<u>\$ 53,150</u>	<u>\$ 125,395</u>	<u>\$ 71,693</u>	<u>\$ 119,857</u>	<u>\$ 120,676</u>	<u>\$ 176,990</u>	<u>\$ 33,886</u>	<u>\$ 197,987</u>	<u>\$ 9,600</u>	<u>\$ 17,567</u>	<u>\$ (260,993)</u>	<u>\$ -</u>

City of Sapulpa
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended June 30, 2015

	Capital Projects Funds										Debt Service Fund	Total Governmental Funds
	Restricted Construction Park/Rec Fund	Park Development Fund	Fire 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	G.O. Sinking Fund	
REVENUES												
Taxes	\$ -	\$ -	\$ 151,093	\$ 151,093	\$ -	\$ 604,376	\$ 1,208,746	\$ 1,510,933	\$ 1,510,933	\$ -	\$ 1,880,483	\$ 8,611,168
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	1,353,006
Charges for services	-	-	-	-	-	-	-	-	-	-	-	288,450
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	33,713
Investment income	46	8	1,669	138	109	384	296	700	549	2,514	3,062	12,326
Miscellaneous	-	-	-	700	-	-	-	-	-	-	-	123,931
Total revenues	<u>46</u>	<u>8</u>	<u>152,762</u>	<u>151,931</u>	<u>109</u>	<u>604,760</u>	<u>1,209,042</u>	<u>1,511,633</u>	<u>1,511,482</u>	<u>2,514</u>	<u>1,883,545</u>	<u>10,422,594</u>
EXPENDITURES												
Current:												
General government	-	-	-	-	-	-	-	-	-	249,591	-	598,906
Public safety	-	-	-	-	-	-	-	-	-	-	-	149,017
Streets	-	-	-	-	-	7,500	-	602,036	-	-	-	1,429,764
Culture and recreation	2,240	-	-	-	-	-	-	-	-	-	-	617,163
Urban development	-	-	-	-	-	-	-	-	-	-	-	376,601
Water	-	-	-	-	-	-	-	-	-	-	-	840,011
Capital outlay	15,609	-	29,930	151,240	12,928	342,004	-	461,609	-	390,829	-	2,547,391
Debt service:												
Principal	-	-	-	-	-	50,297	-	1,120,000	-	-	1,461,315	2,631,612
Interest	-	-	-	-	-	3,925	-	232,543	-	-	402,711	639,179
Total expenditures	<u>17,849</u>	<u>-</u>	<u>29,930</u>	<u>151,240</u>	<u>12,928</u>	<u>403,726</u>	<u>-</u>	<u>2,416,188</u>	<u>-</u>	<u>640,420</u>	<u>1,864,026</u>	<u>9,829,644</u>
Excess (deficiency) of revenues over expenditures	<u>(17,803)</u>	<u>8</u>	<u>122,832</u>	<u>691</u>	<u>(12,819)</u>	<u>201,034</u>	<u>1,209,042</u>	<u>(904,555)</u>	<u>1,511,482</u>	<u>(637,906)</u>	<u>19,519</u>	<u>592,950</u>
OTHER FINANCING SOURCES (USES)												
Transfers in	28,525	42,042	-	-	8,750	50,000	-	259,868	-	-	-	1,543,176
Transfers out	-	(47,197)	-	(7,000)	-	(342,000)	(1,194,000)	(19,761)	(1,450,000)	-	(5,582)	(3,311,332)
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	3,750,000	-	3,750,000
Bond Premium	-	-	-	-	-	-	-	-	-	10,875	-	10,875
Total other financing sources (uses)	<u>28,525</u>	<u>(5,155)</u>	<u>-</u>	<u>(7,000)</u>	<u>8,750</u>	<u>(292,000)</u>	<u>(1,194,000)</u>	<u>240,107</u>	<u>(1,450,000)</u>	<u>3,760,875</u>	<u>(5,582)</u>	<u>1,992,719</u>
Net change in fund balances	10,722	(5,147)	122,832	(6,309)	(4,069)	(90,966)	15,042	(664,448)	61,482	3,122,969	13,937	2,585,669
Fund balances - beginning	9,716	6,851	376,728	62,742	36,995	242,386	87,420	1,174,134	107,449	645,640	354,392	3,760,637
Fund balances - ending	<u>\$ 20,438</u>	<u>\$ 1,704</u>	<u>\$ 499,560</u>	<u>\$ 56,433</u>	<u>\$ 32,926</u>	<u>\$ 151,420</u>	<u>\$ 102,462</u>	<u>\$ 509,686</u>	<u>\$ 168,931</u>	<u>\$ 3,768,609</u>	<u>\$ 368,329</u>	<u>\$ 6,346,306</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2015

	<u>Cemetery Maintenance Fund</u>			<u>Street and Alley</u>		
	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Taxes	\$ -	\$ 151,093	\$ 151,093	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	189,578	199,252	9,674
Charges for services	70,000	70,075	75	-	-	-
Investment income	260	304	44	175	179	4
Miscellaneous	-	50	50	-	-	-
Total revenues	<u>70,260</u>	<u>221,522</u>	<u>151,262</u>	<u>189,753</u>	<u>199,431</u>	<u>9,678</u>
EXPENDITURES						
Departmental:						
General government	382,262	345,560	36,702	-	-	-
Streets	-	-	-	734,784	625,841	108,943
Total Expenditures	<u>382,262</u>	<u>345,560</u>	<u>36,702</u>	<u>734,784</u>	<u>625,841</u>	<u>108,943</u>
Excess (deficiency) of revenues over expenditures	<u>(312,002)</u>	<u>(124,038)</u>	<u>187,964</u>	<u>(545,031)</u>	<u>(426,410)</u>	<u>118,621</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	256,768	105,505	(151,263)	489,215	489,215	-
Transfers out	(8,750)	(8,750)	-	-	-	-
Total other financing sources and uses	<u>248,018</u>	<u>96,755</u>	<u>(151,263)</u>	<u>489,215</u>	<u>489,215</u>	<u>-</u>
Net change in fund balances	(63,984)	(27,283)	36,701	(55,816)	62,805	118,621
Fund balances - beginning	81,160	80,433	(727)	61,547	62,590	1,043
Fund balances - ending	<u>\$ 17,176</u>	<u>\$ 53,150</u>	<u>\$ 35,974</u>	<u>\$ 5,731</u>	<u>\$ 125,395</u>	<u>\$ 119,664</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2015

(Continued)

	<u>Parks & Recreation Fund</u>			<u>Federal SAF Fund</u>		
	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Taxes	\$ -	\$ 302,187	\$ 302,187	\$ -	\$ -	\$ -
Charges for services	6,500	9,664	3,164	-	-	-
Investment income	800	421	(379)	275	435	160
Miscellaneous	16,000	7,934	(8,066)	-	70,712	70,712
Total revenues	<u>23,300</u>	<u>320,206</u>	<u>296,906</u>	<u>275</u>	<u>71,147</u>	<u>70,872</u>
EXPENDITURES						
Departmental:						
Culture and recreation	641,689	625,940	15,749	-	-	-
Streets	-	-	-	31,500	30,468	1,032
Total Expenditures	<u>641,689</u>	<u>625,940</u>	<u>15,749</u>	<u>31,500</u>	<u>30,468</u>	<u>1,032</u>
Excess (deficiency) of revenues over expenditures	<u>(618,389)</u>	<u>(305,734)</u>	<u>312,655</u>	<u>(31,225)</u>	<u>40,679</u>	<u>71,904</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	<u>521,991</u>	<u>219,465</u>	<u>(302,526)</u>	-	-	-
Total other financing sources and uses	<u>521,991</u>	<u>219,465</u>	<u>(302,526)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(96,398)	(86,269)	10,129	(31,225)	40,679	71,904
Fund balances - beginning	135,175	157,962	22,787	76,726	79,178	2,452
Fund balances - ending	<u>\$ 38,777</u>	<u>\$ 71,693</u>	<u>\$ 32,916</u>	<u>\$ 45,501</u>	<u>\$ 119,857</u>	<u>\$ 74,356</u>

City of Sapulpa
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
 Budget and Actual - Nonmajor Governmental Funds
 For the Year ended June 30, 2015

(Continued)

	Major Thoroughfare Fund			Water & Sewer Sales Tax Fund		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ -	\$ 302,187	\$ 302,187	\$ -	\$ 604,376	\$ 604,376
Investment income	270	52	(218)	500	308	(192)
Miscellaneous	1,305	8,686	7,381	1,953	5,849	3,896
Total revenues	<u>1,575</u>	<u>310,925</u>	<u>309,350</u>	<u>2,453</u>	<u>610,533</u>	<u>608,080</u>
EXPENDITURES						
Departmental:						
Streets	377,153	289,681	87,472	-	-	-
Water	-	-	-	948,900	846,170	102,730
Total Expenditures	<u>377,153</u>	<u>289,681</u>	<u>87,472</u>	<u>948,900</u>	<u>846,170</u>	<u>102,730</u>
Excess (deficiency) of revenues over expenditures	<u>(375,578)</u>	<u>21,244</u>	<u>396,822</u>	<u>(946,447)</u>	<u>(235,637)</u>	<u>710,810</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	302,526	-	(302,526)	886,598	281,545	(605,053)
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	<u>302,526</u>	<u>-</u>	<u>(302,526)</u>	<u>886,598</u>	<u>281,545</u>	<u>(605,053)</u>
Net change in fund balances	(73,052)	21,244	94,296	(59,849)	45,908	105,757
Fund balances - beginning	99,434	99,432	(2)	107,243	131,082	23,839
Fund balances - ending	<u>\$ 26,382</u>	<u>\$ 120,676</u>	<u>\$ 94,294</u>	<u>\$ 47,394</u>	<u>\$ 176,990</u>	<u>\$ 129,596</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2015

	Spay & Neuter Fund			E911 Fund			(Continued)
	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Licenses and permits	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	-	
Charges for services	13,500	13,985	485	190,675	194,726	4,051	
Fines and forfeitures	-	-	-	-	-	-	
Investment income	-	100	100	1,000	811	(189)	
Miscellaneous	-	-	-	-	-	-	
Total revenues	<u>13,500</u>	<u>14,085</u>	<u>585</u>	<u>191,675</u>	<u>195,537</u>	<u>3,862</u>	
EXPENDITURES							
Departmental:							
General government	11,000	11,095	(95)	-	-	-	
Public safety	-	-	-	80,428	79,193	1,235	
Total Expenditures	<u>11,000</u>	<u>11,095</u>	<u>(95)</u>	<u>80,428</u>	<u>79,193</u>	<u>1,235</u>	
Excess (deficiency) of revenues over expenditures	<u>2,500</u>	<u>2,990</u>	<u>490</u>	<u>111,247</u>	<u>116,344</u>	<u>5,097</u>	
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	
Transfers out	-	-	-	(185,000)	(185,000)	-	
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(185,000)</u>	<u>(185,000)</u>	<u>-</u>	
Net change in fund balances	2,500	2,990	490	(73,753)	(68,656)	5,097	
Fund balances - beginning	31,214	30,896	(318)	241,450	266,643	25,193	
Fund balances - ending	<u>\$ 33,714</u>	<u>\$ 33,886</u>	<u>\$ 172</u>	<u>\$ 167,697</u>	<u>\$ 197,987</u>	<u>\$ 30,290</u>	

City of Sapulpa
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
 Budget and Actual - Nonmajor Governmental Funds
 For the Year ended June 30, 2015

(Continued)

	Juvenile Justice Fund			Hotel/Motel Tax Fund		
	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 230,000	\$ 233,668	\$ 3,668
Fines and forfeitures	33,000	33,713	713	-	-	-
Investment income	50	31	(19)	100	37	(63)
Total revenues	<u>33,050</u>	<u>33,744</u>	<u>694</u>	<u>230,100</u>	<u>233,705</u>	<u>3,605</u>
EXPENDITURES						
Departmental:						
Public safety	31,350	25,244	6,106	-	-	-
Urban development	-	-	-	217,314	202,220	15,094
Total Expenditures	<u>31,350</u>	<u>25,244</u>	<u>6,106</u>	<u>217,314</u>	<u>202,220</u>	<u>15,094</u>
Excess (deficiency) of revenues over expenditures	<u>1,700</u>	<u>8,500</u>	<u>6,800</u>	<u>12,786</u>	<u>31,485</u>	<u>18,699</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	12,500	12,500	-
Transfers out	(10,000)	(10,000)	-	(43,125)	(42,042)	(1,083)
Total other financing sources and uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>(30,625)</u>	<u>(29,542)</u>	<u>(1,083)</u>
Net change in fund balances	(8,300)	(1,500)	6,800	(17,839)	1,943	19,782
Fund balances - beginning	12,339	11,100	(1,239)	25,876	15,624	(10,252)
Fund balances - ending	<u>\$ 4,039</u>	<u>\$ 9,600</u>	<u>\$ 5,561</u>	<u>\$ 8,037</u>	<u>\$ 17,567</u>	<u>\$ 9,530</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2015

(Continued)

	Grants & Aid Fund			Sapulpa Development Authority		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Intergovernmental	\$ 3,046,413	\$ 1,153,754	\$ (1,892,659)	\$ -	\$ -	\$ -
Investment income	100	173	73	-	-	-
Miscellaneous	-	-	-	30,000	30,000	-
Total revenues	<u>3,046,513</u>	<u>1,153,927</u>	<u>(1,892,586)</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
EXPENDITURES						
Departmental:						
General government	1,242,574	384,693	857,881	-	-	-
Culture and recreation	47,580	17,513	30,067	-	-	-
Public safety	89,198	44,580	44,618	-	-	-
Urban development	902,228	600,073	302,155	30,000	30,000	-
Wastewater	174,626	135,066	39,560	-	-	-
Total Expenditures	<u>2,456,206</u>	<u>1,181,925</u>	<u>1,274,281</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>590,307</u>	<u>(27,998)</u>	<u>(618,305)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	45,761	45,761	-	-	-	-
Transfers out	(235,020)	-	(235,020)	-	-	-
Total other financing sources and uses	<u>(189,259)</u>	<u>45,761</u>	<u>(235,020)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	401,048	17,763	(383,285)	-	-	-
Fund balances - beginning	221,185	(278,756)	(499,941)	-	-	-
Fund balances - ending	<u>\$ 622,233</u>	<u>\$ (260,993)</u>	<u>\$ (883,226)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Sapulpa
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
 Budget and Actual - Nonmajor Governmental Funds/Major Capital Project Fund
 For the Year ended June 30, 2015

(Continued)

	Restricted Construction Park/Rec Fund			Series 2014 Str Cap Imp		
	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	45	46	1	15,000	694	(14,306)
Miscellaneous	-	-	-	123,506	-	(123,506)
Total revenues	<u>45</u>	<u>46</u>	<u>1</u>	<u>138,506</u>	<u>694</u>	<u>(137,812)</u>
EXPENDITURES						
Departmental:						
Culture and recreation	18,640	17,849	791	-	-	-
Streets	-	-	-	7,654,609	1,410,818	6,243,791
Total Expenditures	<u>18,640</u>	<u>17,849</u>	<u>791</u>	<u>7,654,609</u>	<u>1,410,818</u>	<u>6,243,791</u>
Excess (deficiency) of revenues over expenditures	<u>(18,595)</u>	<u>(17,803)</u>	<u>792</u>	<u>(7,516,103)</u>	<u>(1,410,124)</u>	<u>6,105,979</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from long-term debt	-	-	-	7,341,316	7,410,000	68,684
Bond premium	-	-	-	-	23,941	23,941
Transfers in	30,500	28,525	(1,975)	235,020	-	(235,020)
Transfers out	-	-	-	(34,868)	(34,868)	-
Total other financing sources and uses	<u>30,500</u>	<u>28,525</u>	<u>(1,975)</u>	<u>7,541,468</u>	<u>7,399,073</u>	<u>(142,395)</u>
Net change in fund balances	11,905	10,722	(1,183)	25,365	5,988,949	5,963,584
Fund balances - beginning	9,013	9,716	703	-	-	-
Fund balances - ending	<u>\$ 20,918</u>	<u>\$ 20,438</u>	<u>\$ (480)</u>	<u>\$ 25,365</u>	<u>\$ 5,988,949</u>	<u>\$ 5,963,584</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2015

(Continued)

	Park Development Fund			Fire Cash Fund		
	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 151,093	\$ 151,093
Investment income	25	8	(17)	2,500	1,669	(831)
Total revenues	<u>25</u>	<u>8</u>	<u>(17)</u>	<u>2,500</u>	<u>152,762</u>	<u>150,262</u>
EXPENDITURES						
Departmental:						
Public safety	-	-	-	95,500	29,930	65,570
Total Expenditures	-	-	-	95,500	29,930	65,570
Excess (deficiency) of revenues over expenditures	<u>25</u>	<u>8</u>	<u>(17)</u>	<u>(93,000)</u>	<u>122,832</u>	<u>215,832</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	43,125	42,042	(1,083)	151,263	-	(151,263)
Transfers out	(47,197)	(47,197)	-	-	-	-
Total other financing sources and uses	<u>(4,072)</u>	<u>(5,155)</u>	<u>(1,083)</u>	<u>151,263</u>	<u>-</u>	<u>(151,263)</u>
Net change in fund balances	(4,047)	(5,147)	(1,100)	58,263	122,832	64,569
Fund balances - beginning	7,257	6,851	(406)	306,002	376,728	70,726
Fund balances - ending	<u>\$ 3,210</u>	<u>\$ 1,704</u>	<u>\$ (1,506)</u>	<u>\$ 364,265</u>	<u>\$ 499,560</u>	<u>\$ 135,295</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2015

	Police Cash Fund			Cemetery Care Fund		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ -	\$ 151,093	\$ 151,093	\$ -	\$ -	\$ -
Investment income	800	138	(662)	150	109	(41)
Miscellaneous	-	700	700	-	-	-
Total revenues	800	151,931	151,131	150	109	(41)
EXPENDITURES						
Departmental:						
General government	-	-	-	19,593	12,928	6,665
Public safety	158,164	151,240	6,924	-	-	-
Total Expenditures	158,164	151,240	6,924	19,593	12,928	6,665
Excess (deficiency) of revenues over expenditures	(157,364)	691	158,055	(19,443)	(12,819)	6,624
OTHER FINANCING SOURCES (USES)						
Transfers in	151,263	-	(151,263)	8,750	8,750	-
Transfers out	(7,000)	(7,000)	-	-	-	-
Total other financing sources and uses	144,263	(7,000)	(151,263)	8,750	8,750	-
Net change in fund balances	(13,101)	(6,309)	6,792	(10,693)	(4,069)	6,624
Fund balances - beginning	63,327	62,742	(585)	36,890	36,995	105
Fund balances - ending	\$ 50,226	\$ 56,433	\$ 6,207	\$ 26,197	\$ 32,926	\$ 6,729

(Continued)

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2015

(Continued)

	<u>Capital Improvement Fund</u>			<u>Water Resources Fund</u>		
	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Taxes	\$ -	\$ 604,376	\$ 604,376	\$ -	\$ 1,208,746	\$ 1,208,746
Investment income	200	384	184	200	296	96
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>200</u>	<u>604,760</u>	<u>604,560</u>	<u>200</u>	<u>1,209,042</u>	<u>1,208,842</u>
EXPENDITURES						
Departmental:						
General government	194,645	198,414	(3,769)	-	-	-
Culture and recreation	51,927	50,926	1,001	-	-	-
Public safety	76,433	66,594	9,839	-	-	-
Streets	93,860	50,860	43,000	-	-	-
Water	27,588	27,112	476	-	-	-
Wastewater	9,820	9,820	-	-	-	-
Total Expenditures	<u>454,273</u>	<u>403,726</u>	<u>50,547</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(454,073)</u>	<u>201,034</u>	<u>655,107</u>	<u>200</u>	<u>1,209,042</u>	<u>1,208,842</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	655,053	50,000	(605,053)	1,210,105	-	(1,210,105)
Transfers out	(342,000)	(342,000)	-	(1,194,000)	(1,194,000)	-
Total other financing sources and uses	<u>313,053</u>	<u>(292,000)</u>	<u>(605,053)</u>	<u>16,105</u>	<u>(1,194,000)</u>	<u>(1,210,105)</u>
Net change in fund balances	(141,020)	(90,966)	50,054	16,305	15,042	(1,263)
Fund balances - beginning	209,548	242,386	32,838	84,422	87,420	2,998
Fund balances - ending	<u>\$ 68,528</u>	<u>\$ 151,420</u>	<u>\$ 82,892</u>	<u>\$ 100,727</u>	<u>\$ 102,462</u>	<u>\$ 1,735</u>

City of Sapulpa
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
 Budget and Actual - Nonmajor Governmental Funds
 For the Year ended June 30, 2015

(Continued)

	Street Improvement Sales Tax Fund			Sewer Plant Sales Tax Fund		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ -	\$ 1,510,933	\$ 1,510,933	\$ -	\$ 1,510,933	\$ 1,510,933
Intergovernmental	-	-	-	-	-	-
Investment income	2,500	700	(1,800)	200	549	349
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>2,500</u>	<u>1,511,633</u>	<u>1,509,133</u>	<u>200</u>	<u>1,511,482</u>	<u>1,511,282</u>
EXPENDITURES						
Departmental:						
Streets	2,921,463	2,416,188	505,275	-	-	-
Total Expenditures	<u>2,921,463</u>	<u>2,416,188</u>	<u>505,275</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,918,963)</u>	<u>(904,555)</u>	<u>2,014,408</u>	<u>200</u>	<u>1,511,482</u>	<u>1,511,282</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,772,499	259,868	(1,512,631)	1,512,631	-	(1,512,631)
Transfers out	(19,761)	(19,761)	-	(1,450,000)	(1,450,000)	-
Total other financing sources and uses	<u>1,752,738</u>	<u>240,107</u>	<u>(1,512,631)</u>	<u>62,631</u>	<u>(1,450,000)</u>	<u>(1,512,631)</u>
Net change in fund balances	(1,166,225)	(664,448)	501,777	62,831	61,482	(1,349)
Fund balances - beginning	1,174,135	1,174,134	(1)	46,040	107,449	61,409
Fund balances - ending	<u>\$ 7,910</u>	<u>\$ 509,686</u>	<u>\$ 501,776</u>	<u>\$ 108,871</u>	<u>\$ 168,931</u>	<u>\$ 60,060</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2015

	G.O. Bond Construction fund			G.O. Sinking Fund		
	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 1,679,465	\$ 1,880,483	\$ 201,018
Investment income	2,350	2,514	164	2,300	3,062	762
Miscellaneous	-	3,760,875	3,760,875	-	-	-
Total revenues	<u>2,350</u>	<u>3,763,389</u>	<u>3,761,039</u>	<u>1,681,765</u>	<u>1,883,545</u>	<u>201,780</u>
EXPENDITURES						
Departmental:						
General government	647,036	640,420	6,616	1,864,028	1,864,026	2
Water	-	-	-	-	-	-
Total Expenditures	<u>647,036</u>	<u>640,420</u>	<u>6,616</u>	<u>1,864,028</u>	<u>1,864,026</u>	<u>2</u>
Excess (deficiency) of revenues over expenditures	<u>(644,686)</u>	<u>3,122,969</u>	<u>3,767,655</u>	<u>(182,263)</u>	<u>19,519</u>	<u>201,782</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	-	(5,823)	(5,582)	(241)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,823)</u>	<u>(5,582)</u>	<u>(241)</u>
Net change in fund balances	(644,686)	3,122,969	3,767,655	(188,086)	13,937	202,023
Fund balances - beginning	638,887	645,640	6,753	368,120	354,392	(13,728)
Fund balances - ending	<u>\$ (5,799)</u>	<u>\$ 3,768,609</u>	<u>\$ 3,774,408</u>	<u>\$ 180,034</u>	<u>\$ 368,329</u>	<u>\$ 188,295</u>

City of Sapulpa
Combining Schedule of Net Position
SMA Utility Fund Accounts
June 30, 2015

	Enterprise Fund Accounts				Total
	SMA Utility	Stormwater Management Account	Sewer System Development Account	Series 2012 Revenue Bond Construction Account	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 56,627	\$ 33,096	\$ 18,188	\$ (100,985)	\$ 6,926
Restricted cash and cash equivalents	1,832,530	-	-	238,730	2,071,260
Investments	19,215	225,995	50,301	-	295,511
Interest receivable	232	463	116	-	811
Accounts receivable, net	910,715	83,456	-	-	994,171
Other receivables	133,777	-	500	-	134,277
Due from other funds	-	400,000	100,000	-	500,000
Total current assets	<u>2,953,096</u>	<u>743,010</u>	<u>169,105</u>	<u>137,745</u>	<u>4,002,956</u>
Non-current assets:					
Restricted investments	185,240	-	-	-	185,240
Prepaid bond insurance	618,203	-	-	-	618,203
Capital Assets:					
Land and other non-depreciable assets	7,703,415	-	-	-	7,703,415
Other capital assets, net of depreciation	50,605,252	-	-	-	50,605,252
Total non-current assets	<u>59,112,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,112,110</u>
Total assets	<u>62,065,206</u>	<u>743,010</u>	<u>169,105</u>	<u>137,745</u>	<u>63,115,066</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding	6,639,983	-	-	-	6,639,983
Total deferred outflows	<u>6,639,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,639,983</u>
LIABILITIES					
Current liabilities:					
Accounts payable	271,977	21,130	-	37,034	330,141
Accrued payroll liabilities	32,143	2,466	-	-	34,609
Due to other funds	1,000,000	-	-	-	1,000,000
Accrued interest payable	930,586	-	-	-	930,586
Current portion of:					
Due to depositors	56,762	-	-	-	56,762
Water contract obligations	322,346	-	-	-	322,346
Revenue bonds payable	1,455,000	-	-	-	1,455,000
Accrued compensated absences	14,011	-	-	-	14,011
Total current liabilities	<u>4,082,825</u>	<u>23,596</u>	<u>-</u>	<u>37,034</u>	<u>4,143,455</u>
Non-current liabilities:					
Due to depositors	227,047	-	-	-	227,047
Water contract obligations	1,432,614	-	-	-	1,432,614
Revenue bonds payable, net	67,342,409	-	-	-	67,342,409
Accrued compensated absences	126,096	734	-	-	126,830
Total non-current liabilities	<u>69,128,166</u>	<u>734</u>	<u>-</u>	<u>-</u>	<u>69,128,900</u>
Total liabilities	<u>73,210,991</u>	<u>24,330</u>	<u>-</u>	<u>37,034</u>	<u>73,272,355</u>
NET POSITION					
Net investment in capital assets	(5,364,989)	-	-	-	(5,364,989)
Restricted for debt service	802,371	-	-	-	802,371
Unrestricted	56,816	718,680	169,105	100,711	1,045,312
Total net position	<u>\$ (4,505,802)</u>	<u>\$ 718,680</u>	<u>\$ 169,105</u>	<u>\$ 100,711</u>	<u>\$ (3,517,306)</u>

City of Sapulpa
Combining Schedule of Revenues, Expenses and Changes in Net Position
SMA Utility Fund Accounts
For the Year Ended June 30, 2015

	Enterprise Fund Accounts				Total
	<u>SMA Utility</u>	<u>Stormwater Management Account</u>	<u>Sewer System Development Account</u>	<u>Series 2012 Revenue Bond Construction Account</u>	
REVENUES					
Water charges	\$ 3,917,168	\$ -	\$ -	\$ -	\$ 3,917,168
Sewer charges	3,389,721	-	-	-	3,389,721
Sanitation	1,560,163	-	-	-	1,560,163
Water taps	14,669	-	-	-	14,669
Sewer taps	45,000	-	122,744	-	167,744
Late charges	193,581	-	-	-	193,581
Trucked water	45,300	-	-	-	45,300
Stormwater	-	861,917	-	-	861,917
Miscellaneous	144,405	-	-	-	144,405
Total operating revenues	<u>9,310,007</u>	<u>861,917</u>	<u>122,744</u>	<u>-</u>	<u>10,294,668</u>
OPERATING EXPENSES					
General government	189,225	-	-	-	189,225
Administration	85,624	-	-	-	85,624
Utility collections	330,567	-	-	-	330,567
Water treatment plant	1,648,170	-	-	55,928	1,704,098
Industrial pretreatment	72,458	-	-	-	72,458
Wastewater treatment plant	1,096,388	-	-	114,191	1,210,579
Stormwater management	-	289,401	-	-	289,401
Sanitation	1,272,450	-	-	-	1,272,450
Depreciation expense	1,808,752	-	-	-	1,808,752
Total Operating Expenses	<u>6,503,634</u>	<u>289,401</u>	<u>-</u>	<u>170,119</u>	<u>6,963,154</u>
Operating income (loss)	<u>2,806,373</u>	<u>572,516</u>	<u>122,744</u>	<u>(170,119)</u>	<u>3,331,514</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	11,159	2,835	654	41	14,689
Miscellaneous	114,000	20,556	-	-	134,556
Interest expense and fiscal charges	(3,458,990)	(481)	-	-	(3,459,471)
Total non-operating revenue (expenses)	<u>(3,333,831)</u>	<u>22,910</u>	<u>654</u>	<u>41</u>	<u>(3,310,226)</u>
Income (loss) before contributions and transfers	<u>(527,458)</u>	<u>595,426</u>	<u>123,398</u>	<u>(170,078)</u>	<u>21,288</u>
Capital contributions	636,265	-	-	-	636,265
Transfers in	6,401,853	167	-	-	6,402,020
Transfers out	(7,320,623)	(488,546)	(121,609)	(175,733)	(8,106,511)
Change in net position	<u>(809,963)</u>	<u>107,047</u>	<u>1,789</u>	<u>(345,811)</u>	<u>(1,046,938)</u>
Total net position - beginning	<u>(3,695,839)</u>	<u>611,633</u>	<u>167,316</u>	<u>446,522</u>	<u>(2,470,368)</u>
Total net position - ending	<u>\$ (4,505,802)</u>	<u>\$ 718,680</u>	<u>\$ 169,105</u>	<u>\$ 100,711</u>	<u>\$ (3,517,306)</u>

CITY OF SAPULPA, OKLAHOMA
(SAPULPA MUNICIPAL AUTHORITY)
SCHEDULE OF DEBT SERVICE COVERAGE REQUIREMENTS
For the fiscal year ended June 30, 2015

	2012 and 2013 Refunding Revenue Bonds Coverage Requirement #1	2012 and 2013 Refunding Revenue Bonds Coverage Requirement #2
Gross Revenue Available for Debt Service:		
Operating revenues and investment income	\$10,309,357	\$10,309,357
Sales tax appropriated and transferred	-	3,861,768
Total Gross Revenues Available	10,309,357	14,171,125
Operating Expenses	5,154,402	5,154,402
Net Revenues Available for Debt Service	\$5,154,955	\$9,016,723
 Debt Service Requirements:		
Average annual debt service	\$4,095,687	\$4,095,687
 Coverage	1.26	2.20
 Coverage Requirement	1.00	1.25

NOTE 1: 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.

NOTE 2: According to the 2012 bond indenture, the Authority must meet two coverage requirements:
#1 - Net revenues (excluding sales tax) must at least equal 1.00 times the average annual debt service.

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CITY OF SAPULPA, OKLAHOMA
NET ASSETS/NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 June 30, 2015
TABLE 1

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 23,264,086	\$ 25,731,696	\$ 25,453,019	\$ 27,327,634	\$ 28,413,297 *	\$ 25,253,598	\$ 25,864,472	\$ -	\$ -	\$ -
Net investment in capital assets	-	-	-	-	-	-	-	24,658,364	28,299,654	34,911,581
Restricted	3,182,803	3,378,260	3,651,202	3,445,938	3,851,607 *	3,492,437	2,440,222	3,982,888	3,508,280	2,177,147
Unrestricted	2,039,881	989,136	811,160	207,770	(157,338)	1,710,363	908,507	14,733	(525,971) ***	(11,149,035)
Total governmental activities net assets	\$ 28,486,770	\$ 30,099,092	\$ 29,915,381	\$ 30,981,342	\$ 32,107,566	\$ 30,456,398	\$ 29,213,201	\$ 28,655,985	\$ 31,281,963	\$ 25,939,693
Business-type activities										
Invested in capital assets, net of related debt	\$ 1,965,686	\$ 1,434,206	\$ 1,995,103	\$ (5,282,635)	\$ (6,587,407)	\$ (5,289,977)	\$ (5,593,983)	\$ -	\$ -	\$ -
Net investment in capital assets	-	-	-	-	-	-	-	(6,020,714)	(4,880,098)	(4,661,216)
Restricted	1,923,836	1,883,075	1,219,432	2,186,122	3,076,143 **	3,198,295	2,852,635	383,690	764,732	1,250,754
Unrestricted	2,351,403	1,138,151	2,527,446	6,059,820	5,296,191 **	4,203,008	4,131,268	6,956,283	2,802,982	1,074,381
Total business-type activities net assets	\$ 6,240,925	\$ 4,455,432	\$ 5,741,981	\$ 2,963,307	\$ 1,784,927	\$ 2,111,326	\$ 1,389,920	\$ 1,319,259	\$ (1,312,384)	\$ (2,336,081)
Primary government										
Invested in capital assets, net of related debt	\$ 25,229,772	\$ 27,165,902	\$ 27,448,122	\$ 22,044,999	\$ 21,825,890	\$ 19,963,621	\$ 20,270,489	\$ -	\$ -	\$ -
Net investment in capital assets	-	-	-	-	-	-	-	18,637,650	23,419,556	30,250,365
Restricted	5,106,639	5,261,335	4,870,634	5,632,060	6,927,750	6,690,732	5,292,857	4,366,578	4,273,012	3,427,901
Unrestricted	4,391,284	2,127,287	3,338,606	6,267,590	5,138,853	5,913,371	5,039,775	6,971,016	2,277,011	(10,074,654)
Total primary government net assets	\$ 34,727,695	\$ 34,554,524	\$ 35,657,362	\$ 33,944,649	\$ 33,892,493	\$ 32,567,724	\$ 30,603,121	\$ 29,975,244	\$ 29,969,579	\$ 23,603,612

* 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.

*** 2015 unrestricted net position includes net pension liabilities with the implementation of GASB 68. Prior years have not been restated because the information is not available.

CITY OF SAPULPA, OKLAHOMA
CHANGES IN NET ASSETS/POSITION
 Last Ten Fiscal Years
 June 30, 2015
TABLE 2

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
Administration	\$ 922,218	\$ 938,846	\$ 956,165	\$ 1,073,542	\$ 1,068,277	\$ 1,070,144	\$ 1,111,318	\$ 1,176,999	\$ 1,161,305	\$ 1,147,479
General government	1,521,420	1,767,315	1,356,744	1,347,723	1,167,575	1,251,192	1,408,140	1,389,891	1,355,737	1,498,532
Legal and judicial	240,662	239,239	236,636	301,454	281,752	289,703	311,262	326,787	356,413	360,529
Public safety	8,022,350	10,179,831	10,742,549	10,587,857	10,312,829	10,075,409	10,504,023	10,848,677	10,949,137	10,313,168
Urban development	316,422	414,096	435,239	419,161	453,837	420,914	435,616	485,346	502,722	487,448
Streets	1,345,462	1,763,423	2,784,449	2,355,922	2,429,735	2,174,486	2,703,737	1,745,231	1,271,007	2,555,471
Culture and recreation	854,183	951,804	1,166,790	1,155,838	1,281,735	1,383,426	1,395,653	1,483,769	1,479,655	1,541,965
Interest on long-term debt	482,366	468,799	498,907	518,346	449,233	661,342	627,376	628,875	500,720	645,615
Total governmental activities expenses	<u>13,705,083</u>	<u>16,723,353</u>	<u>18,177,479</u>	<u>17,759,843</u>	<u>17,444,973</u>	<u>17,326,616</u>	<u>18,497,125</u>	<u>18,085,575</u>	<u>17,576,696</u>	<u>18,550,207</u>
Business-type activities:										
Water operations	3,251,849	3,685,257	3,925,793	4,463,707	3,781,367	4,200,477	4,304,460	4,920,543	4,353,733	4,065,753
Wastewater operations	5,348,397	5,482,432	5,246,459	6,363,922	6,437,587	6,520,715	6,783,694	6,013,722	5,496,979	5,457,768
Sanitation operations	1,160,526	1,127,731	1,245,713	1,476,846	1,290,756	1,254,592	1,318,230	1,326,338	1,320,618	1,402,766
Stormwater maintenance	25,551	60,901	333,179	75,226	581,406	389,019	363,981	307,344	382,874	471,518
Golf course operations	609,716	635,283	657,173	688,775	709,765	728,809	777,581	763,120	766,627	845,914
Interest charges - governmental activities	198,662	219,826	-	250,662	279,547	159,201	135,689	3,320	1,910	-
Total business-type activities expenses	<u>10,594,701</u>	<u>11,211,430</u>	<u>11,408,317</u>	<u>13,319,138</u>	<u>13,080,428</u>	<u>13,252,813</u>	<u>13,683,635</u>	<u>13,334,387</u>	<u>12,322,741</u>	<u>12,243,719</u>
Total primary government expenses	<u>\$ 24,299,784</u>	<u>\$ 27,934,783</u>	<u>\$ 29,585,796</u>	<u>\$ 31,078,981</u>	<u>\$ 30,525,401</u>	<u>\$ 30,579,429</u>	<u>\$ 32,180,760</u>	<u>\$ 31,419,962</u>	<u>\$ 29,899,437</u>	<u>\$ 30,793,926</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General government	296,179	309,286	369,695	347,269	309,656	243,474	305,011	351,610	346,197	383,677
Legal and judicial	-	-	-	-	-	-	-	-	-	-
Public safety	1,138,414	1,404,493	1,432,925	1,396,380	1,449,726	1,280,684	1,296,598	1,336,141	1,562,331	1,566,859
Urban development	-	-	-	-	-	-	-	-	-	-
Streets	-	3,580	2,835	2,465	1,880	1,410	2,200	2,025	2,160	2,985
Culture and recreation	46,471	53,858	61,019	63,598	121,714	195,097	231,450	251,688	231,384	249,950
Operating grants and contributions	392,791	1,790,870	2,180,366	1,515,802	1,545,268	1,381,450	1,480,098	1,755,551	1,454,026	1,367,842
Capital grants and contributions	2,633,830	280,910	390,706	321,276	705,061	279,978	247,842	653,744	3,013,628	5,940,352
Total governmental activities program revenues	<u>4,507,685</u>	<u>3,842,997</u>	<u>4,437,546</u>	<u>3,646,790</u>	<u>4,133,305</u>	<u>3,382,093</u>	<u>3,563,199</u>	<u>4,350,759</u>	<u>6,609,726</u>	<u>9,511,665</u>

(Continued)

TABLE 2
(Continued)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Water operations	3,722,888	3,863,474	3,917,170	3,825,477	4,219,649	4,355,677	4,489,675	4,567,882	4,550,607	4,269,833
Wastewater operations	3,074,182	3,089,967	3,263,802	3,025,624	3,266,234	3,230,851	3,227,839	3,519,075	3,367,955	3,557,465
Sanitation operations	1,069,175	1,160,271	1,208,563	1,284,700	1,340,625	1,340,120	1,375,304	1,433,791	1,446,311	1,605,453
Stormwater operations	-	-	178,996	555,318	786,841	824,475	850,247	904,277	925,114	861,917
Golf course operations	487,726	474,354	506,902	518,383	416,658	420,077	339,711	374,750	465,583	356,469
Operating grants and contributions	-	-	-	654	-	-	-	-	-	-
Capital grants and contributions	-	320,395	1,636,307	-	-	-	-	82,868	-	65,587
Total business-type activities program revenues	<u>8,353,971</u>	<u>8,908,461</u>	<u>10,711,740</u>	<u>9,210,156</u>	<u>10,030,007</u>	<u>10,171,200</u>	<u>10,282,776</u>	<u>10,882,643</u>	<u>10,755,570</u>	<u>10,716,724</u>
Total primary government program revenues	<u>\$ 12,196,968</u>	<u>\$ 13,346,007</u>	<u>\$ 14,358,530</u>	<u>\$ 13,343,461</u>	<u>\$ 13,412,100</u>	<u>\$ 13,734,399</u>	<u>\$ 14,633,535</u>	<u>\$ 17,492,369</u>	<u>\$ 17,365,296</u>	<u>\$ 20,228,389</u>
Net (Expense)/Revenue										
Governmental activities:	\$ (12,880,356)	\$ (13,739,933)	\$ (14,113,053)	\$ (13,311,668)	\$ (13,944,523)	\$ (14,933,926)	\$ (13,734,816)	\$ (10,966,970)	\$ (10,966,970)	\$ (9,038,542)
Business-type activities:	(2,857,459)	(2,499,856)	(2,607,398)	(3,870,272)	(3,222,806)	(3,512,435)	(3,051,611)	(1,440,098)	(1,567,171)	(1,526,995)
Total primary government net expense	<u>\$ (15,737,815)</u>	<u>\$ (16,239,789)</u>	<u>\$ (16,720,451)</u>	<u>\$ (17,181,940)</u>	<u>\$ (17,167,329)</u>	<u>\$ (18,446,361)</u>	<u>\$ (16,786,427)</u>	<u>\$ (12,407,068)</u>	<u>\$ (12,534,141)</u>	<u>\$ (10,565,537)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 11,393,892	\$ 11,796,326	\$ 12,361,944	\$ 12,068,005	\$ 11,285,695	\$ 11,726,417	\$ 12,526,584	\$ 11,819,642	\$ 12,283,297	\$ 12,700,633
Ad valorem property taxes	1,222,022	1,203,946	1,396,811	1,409,760	1,443,683	1,754,809	1,708,703	1,630,259	1,281,765	1,880,483
Franchise and public service taxes	475,507	427,556	443,180	506,646	505,361	518,026	566,894	536,362	543,345	559,510
Payment in lieu of taxes	411,153	420,570	443,526	533,019	439,767	439,422	428,810	489,500	471,073	550,090
Hotel/motel taxes	-	136,286	250,112	226,929	185,685	189,002	191,443	215,883	196,538	233,668
E-911 taxes	162,757	170,803	226,004	237,292	217,442	215,068	201,751	212,641	218,150	194,726
Intergovernmental revenue not restricted to specific programs	248,464	251,636	262,624	257,051	252,939	269,260	275,705	256,192	243,731	260,352
Investment income	302,650	175,066	170,723	90,972	76,078	88,060	57,462	34,713	21,745	19,857
Miscellaneous	125,183	163,589	464,382	324,959	1,705,317	325,436	250,669	181,936	335,570	150,704
Special item - Gain on forgiveness of debt / gain on sale of capital assets	133,844	-	-	-	-	-	-	-	-	-
Transfers-Internal activity	(2,510,859)	(253,100)	(1,628,329)	(1,060,094)	(1,674,075)	(3,232,145)	(2,517,292)	(879,543)	(1,316,581)	(346,991)
Total governmental activities	<u>11,964,613</u>	<u>14,492,678</u>	<u>14,390,977</u>	<u>14,594,539</u>	<u>14,437,892</u>	<u>12,293,355</u>	<u>13,690,729</u>	<u>14,497,585</u>	<u>14,278,633</u>	<u>16,203,032</u>
Business-type activities:										
Sales and use taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	299,364	367,890	221,558	61,112	54,785	34,294	13,163	29,845	25,728	15,902
Miscellaneous	121,414	63,597	133,240	209,102	143,181	141,573	148,998	151,710	154,862	140,405
Transfers - Internal activity	2,510,859	253,100	1,628,329	1,060,094	1,674,075	3,232,145	2,517,292	879,543	1,316,581	346,991
Total business-type activities	<u>2,931,637</u>	<u>684,387</u>	<u>1,983,127</u>	<u>1,330,308</u>	<u>1,872,041</u>	<u>3,408,012</u>	<u>2,679,453</u>	<u>1,061,098</u>	<u>1,497,171</u>	<u>503,298</u>
Total primary government	<u>\$ 14,896,250</u>	<u>\$ 15,177,065</u>	<u>\$ 16,374,104</u>	<u>\$ 15,924,847</u>	<u>\$ 16,309,933</u>	<u>\$ 15,701,367</u>	<u>\$ 16,370,182</u>	<u>\$ 15,558,683</u>	<u>\$ 15,775,804</u>	<u>\$ 16,706,330</u>
Change in Net Assets/Position										
Governmental activities	\$ (915,743)	\$ 752,745	\$ 277,924	\$ 1,282,871	\$ 493,369	\$ (2,640,571)	\$ (44,087)	\$ 3,530,615	\$ 3,311,663	\$ 7,164,490
Business-type activities	74,178	(1,815,469)	(624,271)	(2,539,964)	(1,350,765)	(104,423)	(372,158)	(379,000)	(70,000)	(1,023,697)
Total primary government	<u>\$ (841,565)</u>	<u>\$ (1,062,724)</u>	<u>\$ (346,347)</u>	<u>\$ (1,257,093)</u>	<u>\$ (857,396)</u>	<u>\$ (2,744,994)</u>	<u>\$ (416,245)</u>	<u>\$ 3,151,615</u>	<u>\$ 3,241,663</u>	<u>\$ 6,140,793</u>

CITY OF SAPULPA, OKLAHOMA
FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 June 30, 2015
TABLE 3

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Reserved	\$ 1,982,763	\$ 2,110,218	\$ 303,557	\$ 205,933	\$ 199,888	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	(299,612)	(517,555)	2,129,650	2,015,310	1,432,329	-	-	-	-	-
Nonspendable	-	-	-	-	-	28,044.00	28,251	10,187	8,903	8,790
Committed	-	-	-	-	-	9,151.00	-	7,753	7,074	8,912
Assigned	-	-	-	-	-	1,396,679.00	1,327,870	476,068	642,999	1,527,532
Unassigned	-	-	-	-	-	766,562.00	530,398	632,889	873,660	680,328
Total general fund	<u>\$ 1,683,151</u>	<u>\$ 1,592,663</u>	<u>\$ 2,433,207</u>	<u>\$ 2,221,243</u>	<u>\$ 1,632,217</u>	<u>\$ 2,200,436</u>	<u>\$ 1,886,519</u>	<u>\$ 1,126,897</u>	<u>\$ 1,532,636</u>	<u>\$ 2,225,562</u>
All Other Governmental Funds										
Reserved	\$ 1,436,477	\$ 485,980	\$ 30,000	\$ 114,805	\$ 25,437	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,094,841	2,909,690	3,379,674	2,938,050	3,612,778	-	-	-	-	-
Debt service funds	579,549	638,793	675,822	603,551	599,612	-	-	-	-	-
Capital project funds	987,418	226,465	9,809	9,976	6,227,208	-	-	-	-	-
Nonspendable	-	-	-	-	-	104,823	102,348	71,860	72,754	75,111
Restricted	-	-	-	-	-	7,319,538	4,605,853	4,733,237	3,389,744	11,623,625
Assigned	-	-	-	-	-	890,861	954,633	539,397	576,895	897,512
Unassigned	-	-	-	-	-	-	-	(80,945)	(278,756)	(260,993)
Total all other governmental funds	<u>\$ 5,098,285</u>	<u>\$ 4,260,928</u>	<u>\$ 4,095,305</u>	<u>\$ 3,666,382</u>	<u>\$ 10,465,035</u>	<u>\$ 8,315,222</u>	<u>\$ 5,662,834</u>	<u>\$ 5,263,549</u>	<u>\$ 3,760,637</u>	<u>\$ 12,335,255</u>
GRAND TOTAL	<u>\$ 6,781,436</u>	<u>\$ 5,853,591</u>	<u>\$ 6,528,512</u>	<u>\$ 5,887,625</u>	<u>\$ 12,097,252</u>	<u>\$ 10,515,658</u>	<u>\$ 7,549,353</u>	<u>\$ 6,390,446</u>	<u>\$ 5,293,273</u>	<u>\$ 14,560,817</u>

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
June 30, 2015
TABLE 4

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Sales and use taxes	\$ 11,393,892	\$ 11,796,326	\$ 12,361,944	\$ 12,068,005	\$ 11,285,695	\$ 11,726,417	\$ 12,526,584	\$ 11,819,642	\$ 12,283,297	\$ 12,700,633
Franchise and public service taxes	476,493	437,765	435,211	506,646	506,484	519,306	568,534	543,696	543,345	559,510
Ad valorem taxes	1,150,898	1,187,400	1,393,472	1,351,081	1,443,683	1,754,809	1,708,703	1,630,259	1,279,523	1,880,483
Payment in lieu of tax	411,153	420,570	443,526	533,019	444,814	433,956	432,744	457,178	471,073	465,666
Hotel/motel taxes	-	136,286	250,112	226,929	185,685	189,002	191,443	215,883	196,538	233,668
Intergovernmental	1,256,678	2,847,067	2,658,141	2,018,637	1,839,296	1,605,417	1,856,450	1,875,191	2,496,953	2,779,875
Charges for services	837,007	682,600	1,007,160	681,175	812,468	957,381	1,031,133	1,075,463	1,069,476	1,082,318
Fines and forfeitures	764,493	504,235	1,360,620	1,081,859	986,075	854,646	792,458	819,632	1,005,125	825,191
Licenses and permits	146,929	150,588	185,115	169,721	152,398	103,452	144,708	170,794	171,406	201,452
Investment income	326,819	201,273	165,102	135,120	81,871	94,987	57,562	36,161	21,284	20,611
Miscellaneous	345,217	333,743	691,398	414,806	1,825,979	458,196	442,424	348,064	435,900	307,719
Total Revenues	<u>17,109,579</u>	<u>18,697,853</u>	<u>20,951,801</u>	<u>19,186,998</u>	<u>19,564,448</u>	<u>18,697,569</u>	<u>19,752,743</u>	<u>18,991,963</u>	<u>19,973,920</u>	<u>21,057,126</u>
Expenditures:										
Administration	914,403	927,515	1,047,491	1,064,987	1,026,696	1,053,102	1,101,748	1,142,548	1,171,955	1,146,026
General government	1,433,430	1,680,138	1,459,139	1,155,645	1,098,311	1,082,186	1,196,497	1,587,391	1,138,947	1,416,531
Legal and judicial	220,108	219,300	217,008	265,581	252,601	259,345	283,797	295,223	324,632	330,599
Public safety	7,697,333	9,506,028	9,900,490	9,410,268	9,316,475	9,536,063	10,262,800	10,464,141	10,301,401	10,212,606
Urban development	302,813	399,383	426,359	408,053	441,909	564,694	430,531	481,545	502,286	658,295
Streets	912,145	995,751	1,227,894	1,095,206	1,213,348	1,076,534	837,637	989,421	856,310	1,759,652
Culture and recreation	750,076	847,538	869,269	917,770	1,017,099	1,108,269	1,115,128	1,123,818	1,094,492	1,167,813
Water	720,710	643,703	907,507	818,481	670,992	657,752	762,727	807,385	852,745	840,011
Wastewater	240,733	364,420	2,090	137,510	257,700	294,054	-	379	111,708	-
Stormwater	-	-	75,001	-	-	-	-	-	-	-
Capital outlay	11,080,478	3,289,117	2,770,416	3,046,582	3,150,245	4,027,730	4,806,244	3,059,420	3,801,541	3,710,229
Debt service:										
Principal	953,356	1,189,559	-	1,206,180	1,160,665	1,049,457	1,424,883	1,908,668	2,149,087	2,660,090
Interest and fiscal charges	472,754	474,240	1,179,906	509,827	543,216	661,522	623,224	660,062	510,795	644,865
Total Expenditures	<u>25,698,339</u>	<u>20,536,692</u>	<u>20,082,570</u>	<u>20,036,090</u>	<u>20,149,257</u>	<u>21,370,708</u>	<u>22,845,216</u>	<u>22,520,001</u>	<u>22,815,899</u>	<u>24,546,717</u>
Excess of revenues over/under) expenditures	(8,588,760)	(1,838,839)	869,231	(849,092)	(584,809)	(2,673,139)	(3,092,473)	(3,528,038)	(2,841,979)	(3,489,591)
Other financing sources (uses) and special item:										
Transfers in	5,669,317	6,454,626	6,720,781	6,354,987	6,119,686	6,780,870	6,425,466	6,795,543	7,530,391	7,348,812
Transfers out	(5,787,969)	(6,242,907)	(7,407,382)	(6,465,333)	(6,038,545)	(6,218,191)	(6,715,298)	(5,905,112)	(6,270,528)	(5,786,493)
Payment to escrow	(14,464)	-	-	-	(246,740)	-	-	(6,002,824)	-	-
Debt proceeds	977,688	699,275	492,291	495,800	6,935,000	528,866	-	6,450,534	153,643	11,160,000
Bond premium	-	-	-	-	25,035	-	-	-	-	34,816
Judgements	-	-	-	-	-	-	416,000	24,312	331,300	-
Special item - proceeds from sale of capital assets	147,164	-	-	-	-	-	-	8,881	-	-
Total other financing sources(uses) and special item	<u>991,736</u>	<u>910,994</u>	<u>(194,310)</u>	<u>385,454</u>	<u>6,794,436</u>	<u>1,091,545</u>	<u>126,168</u>	<u>1,371,334</u>	<u>1,744,806</u>	<u>12,757,135</u>
Net change in fund balances	<u>\$ (7,597,024)</u>	<u>\$ (927,845)</u>	<u>\$ 674,921</u>	<u>\$ (463,638)</u>	<u>\$ 6,209,627</u>	<u>\$ (1,581,594)</u>	<u>\$ (2,966,305)</u>	<u>\$ (2,156,704)</u>	<u>\$ (1,097,173)</u>	<u>\$ 9,267,544</u>
Debt service as a percentage of noncapital expenditures	9.8%	9.6%	6.8%	10.1%	10.0%	9.9%	11.4%	13.2%	16.3%	15.9%

CITY OF SAPULPA, OKLAHOMA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 Last Ten Fiscal Years
 June 30, 2015
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
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
2014	1,279,523	11,692,608	590,689	543,345	471,073	196,538	218,150	14,991,926
2015	1,880,483	12,087,467	613,166	559,510	465,666	233,668	194,726	16,034,686

CITY OF SAPULPA, OKLAHOMA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
June 30, 2015
TABLE 6

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Service Property</u>	<u>Total Assessed Value</u>	<u>Homestead Exemption</u>	<u>Net Assessed Value</u>	<u>Estimated Actual Value</u>
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
2014	105,689,967	17,282,094	6,514,937	129,486,998	4,309,270	125,177,728	1,043,147,733
2015	108,275,772	19,619,921	6,417,131	134,312,824	5,291,198	129,021,626	1,075,180,217

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
June 30, 2015
TABLE 7

Fiscal Year	City Direct Rate		(1) Overlapping Rates		Total Levy
	Sinking Fund	Sapulpa School District	County	Vo Tech School District	
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
2014	10.24	67.39	20.22	13.26	111.11
2015	15.23	67.36	21.30	13.26	117.15

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
 June 30, 2015
 TABLE 8

Taxpayer	Type of Business	Rank	2015	
			Taxable Assessed Value	Percentage of Net Total Assessed Value
Inverness Village	Retirement Community	1	14,121,609	10.945%
Ardagh Glass, Inc.		2	5,447,323	4.222%
Oklahoma Gas & Electric	Utility	3	4,167,829	3.230%
Enogex, LLC	Gas/Pipeline Company	4	2,271,889	1.761%
AEP Industries, Inc.	Packaging	5	1,915,947	1.485%
Rolled Alloys LP	Metal Supplies	6	1,523,488	1.181%
Enable Oklahoma Intrastate Transmission		7	1,406,866	1.090%
Sulzer Chemtech, Inc.	Chemical Engineering/ Manufacturing	8	1,197,196	0.928%
Weatherford Artificial Lift		9	1,102,323	0.854%
Safebrush Pipeline Equipment		10	<u>1,067,106</u>	0.827%
Totals			<u>\$ 34,221,576</u>	<u>26.52%</u>

Source: County Assessors Office

CITY OF SAPULPA, OKLAHOMA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
June 30, 2015
TABLE 9

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Collected to Total Levy</u>	<u>Net Assessed Value</u>	<u>Mill Levy</u>
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	100%	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
2014	1,281,372	1,224,170	96%	55,353	1,279,523	99.9%	125,177,728	10.24
2015	1,965,293	1,808,677	92%	71,806	1,880,483	95.7%	129,021,626	15.23

Estimate of Needs, County Report

CITY OF SAPULPA, OKLAHOMA
SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
June 30, 2015
TABLE 10

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%
Tulsa County	1.017%	1.017%	1.017%	1.017%	1.017%	1.017%	0.850%	0.850%	0.917%	0.917%
State of Oklahoma	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%
Total	9.517%	9.517%	9.517%	9.517%	9.517%	9.517%	9.350%	9.350%	9.417%	9.417%

Oklahoma Tax Commission

CITY OF SAPULPA, OKLAHOMA
TAXABLE SALES BY CATEGORY
 Last Ten Fiscal Years
 June 30, 2015

TABLE 11

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Agriculture, forestry, and fishing	\$ 1,479	\$ 1,196	\$ 1,159	\$ 1,862	\$ 1,737	\$ 1,489	\$ 944	\$ 287	\$ (11)	\$ 2
Mining	475	1,116	(3,182)	1,704	167	215,917	362,179	87,504	72,905	99,305
Construction	3,666	5,255	6,596	29,931	7,388	4,765	18,846	24,992	32,766	22,196
Manufacturing	119,121	185,349	216,424	239,727	176,934	124,884	176,357	198,718	191,519	191,415
Transportation	3,906	6,976	5,047	4,979	6,169	5,572	5,074	130,867	211,423	200,910
Communications and utilities:										
Communications	421,233	449,101	464,174	481,970	474,240	448,798	478,749	364,050	264,794	281,842
Electric, gas, and sanitary services	889,120	735,494	827,085	879,008	915,850	899,809	934,241	904,052	912,652	914,509
Wholesale trade	813,920	849,551	933,849	833,248	737,948	798,444	1,041,494	1,008,727	1,031,499	1,180,595
Retail trade:										
Building materials, hardware, garden supply and mobile home dealer	500,806	526,830	535,494	591,220	456,872	432,603	415,583	455,622	468,238	510,290
General merchandise stores	3,417,233	3,317,272	3,349,104	2,927,881	2,770,815	2,730,322	2,779,177	2,734,168	2,730,900	2,986,164
Food stores	1,471,724	1,440,435	1,572,560	1,532,842	1,427,977	1,436,346	1,441,341	1,148,175	1,104,023	1,291,229
Automotive dealers and gasoline service stations	586,521	656,200	592,159	589,097	520,171	606,846	643,713	703,990	731,878	747,507
Apparel and accessory stores	159,596	186,175	176,195	156,067	149,291	153,207	161,950	155,788	147,636	139,801
Furniture, home furnishings and equipment stores	345,110	339,593	342,606	360,098	375,155	328,787	335,028	450,360	175,198	193,479
Eating and drinking places	1,224,975	1,286,043	1,453,726	1,519,279	1,451,177	1,551,048	1,597,674	1,580,635	1,572,118	1,680,998
Miscellaneous retail	415,906	560,374	597,043	579,268	542,471	570,924	588,785	642,640	1,021,678	910,867
Finance, insurance, and real estate	4,206	2,940	12,635	1,959	9,946	15,396	19,559	26,121	174,950	168,302
Services:										
Hotels and motels	136,875	212,488	203,159	191,262	158,052	141,417	128,824	173,262	257,499	200,200
Personal services	44,136	49,263	39,351	34,165	39,573	35,748	29,263	54,574	50,175	79,379
Business services	218,310	237,570	239,650	211,350	180,842	202,161	207,055	175,085	29,697	37,775
Automotive repair services and garages	80,793	81,293	88,530	86,808	97,997	187,408	81,241	51,634	47,919	53,676
Miscellaneous repair services	18,927	20,907	13,641	6,718	6,281	10,291	10,905	13,919	7,935	7,629
Motion pictures	71,565	75,000	80,621	83,797	77,814	67,459	58,141	18,203	38,868	35,062
Other services	103,851	115,695	128,627	281,686	324,263	337,146	372,786	217,979	116,619	60,567
Nonclassifiable establishments	58,018	49,606	82,754	47,218	47,288	44,686	55,412	122,392	379,110	219,190
	<u>\$ 11,111,472</u>	<u>\$ 11,391,722</u>	<u>\$ 11,959,007</u>	<u>\$ 11,673,144</u>	<u>\$ 10,956,418</u>	<u>\$ 11,351,473</u>	<u>\$ 11,944,321</u>	<u>\$ 11,443,744</u>	<u>\$ 11,771,988</u>	<u>\$ 12,212,889</u>

CITY OF SAPULPA, OKLAHOMA
RATIO FOR OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
June 30, 2015
TABLE 12

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Per Capita
	General Obligation Bonds	Notes Payable	Revenue Bonds	Capital Leases Payable	Judgments Payable	Revenue Bonds Payable	Capital Leases Payable	Notes Payable	Water Contract Obligations		
2006	11,320,000	-	-	576,062	139,066	66,080,153	49,727	-	4,135,965	82,300,973	4,003
2007	10,710,000	-	-	229,107	605,737	65,530,153	20,984	-	3,920,264	81,016,245	3,882
2008	10,085,000	-	-	607,712	399,380	65,039,864	-	-	3,685,369	79,817,325	3,818
2009	9,425,000	-	-	414,823	541,890	69,442,821	-	616,859	3,441,050	83,882,443	3,962
2010	15,565,000	-	-	406,686	210,266	68,984,806	-	511,863	3,186,929	88,865,550	4,326
2011	14,905,000	-	-	746,025	18,333	68,506,065	-	392,617	2,922,612	87,490,652	4,259
2012	13,895,000	-	-	349,476	416,000	68,006,852	-	266,883	2,647,690	85,581,901	4,145
2013	13,130,000	-	1,920,000	343,534	301,645	69,995,000	-	137,079	2,361,740	88,188,998	4,241
2014	11,905,000	-	1,315,000	343,109	484,397	69,335,000	-	201,663	2,064,317	85,648,486	4,111
2015	14,450,000	-	7,605,000	225,130	228,081	67,940,000	-	118,880	1,754,960	92,322,051	4,494

CITY OF SAPULPA, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years
June 30, 2015
TABLE 13

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Net Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2006	20,560	95,623,992	11,320,000	579,549	10,740,451	11.23%	522
2007	20,871	96,600,150	10,710,000	638,793	10,071,207	10.43%	483
2008	20,908	98,175,690	10,085,000	675,822	9,409,178	9.58%	450
2009	21,173	104,652,521	9,425,000	659,926	8,765,074	8.38%	414
2010	20,544	112,526,167	15,565,000	599,612	14,965,388	13.30%	728
2011	20,544	121,046,668	14,905,000	853,802	14,051,198	11.61%	684
2012	20,648	120,213,501	13,895,000	930,536	12,964,464	10.78%	628
2013	20,793	123,912,805	13,130,000	889,056	12,240,944	9.88%	589
2014	20,836	125,177,728	11,905,000	354,392	11,550,608	9.23%	554
2015	20,544	129,021,626	14,450,000	368,329	14,081,671	10.91%	685

(1) Oklahoma Department of Commerce Projection

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF SAPULPA, OKLAHOMA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2015
TABLE 14

<u>Jurisdiction</u>	<u>Net (1) Debt Outstanding</u>	<u>Percentage (2) Applicable to City of Sapulpa</u>	<u>Amount Applicable to City of Sapulpa</u>
Direct - City of Sapulpa	\$ 14,081,671	100.00%	\$14,081,671
Overlapping: Sapulpa School District	\$ 13,053,775	65.77%	8,585,468
Creek County	\$ 150,000	28.41%	42,615
Total	<u>\$27,285,446</u>		<u>\$22,709,754</u>

Outstanding bond debt-06-30-15

- (1) Gross general bonded debt outstanding less debt service reserves.
- (2) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the City of Sapulpa.

CITY OF SAPULPA, OKLAHOMA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
June 30, 2015
TABLE 15

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 9,562,399	\$ 9,660,015	\$ 9,817,569	\$ 10,465,146	\$ 11,249,593	\$ 12,104,667	\$ 12,021,350	\$ 12,391,281	\$ 12,517,773	\$ 12,902,163
Total net debt applicable to limit	<u>6,180,404</u>	<u>5,848,850</u>	<u>5,503,550</u>	<u>5,123,250</u>	<u>4,742,950</u>	<u>4,362,650</u>	<u>3,982,350</u>	<u>8,465,000</u>	<u>7,765,000</u>	<u>7,080,000</u>
Legal debt margin	<u>\$ 3,381,995</u>	<u>\$ 3,811,165</u>	<u>\$ 4,314,019</u>	<u>\$ 5,341,896</u>	<u>\$ 6,506,643</u>	<u>\$ 7,742,017</u>	<u>\$ 8,039,000</u>	<u>\$ 3,926,281</u>	<u>\$ 4,752,773</u>	<u>\$ 5,822,163</u>
Total net debt applicable to the limit as a percentage of debt limit	64.63%	60.55%	56.97%	48.96%	42.16%	36.04%	33.13%	68.31%	62.03%	54.87%

Legal Debt Margin Calculation for Fiscal Year 2015

Net assessed valuation	\$ 129,021,626
Debt limit (10% of total assessed value)	12,902,163
Debt applicable to limit:	
General obligation bonds	14,450,000
Less: Street or utility bonds outstanding	<u>7,370,000</u>
Total net debt applicable to limit	<u>7,080,000</u>
Legal debt margin	<u>\$ 5,822,163</u>

Note: Article 10, Section 26 of the Constitution of the State of Oklahoma limits municipal debt to 10% of net assessed valuation.
Article 10, Section 27 of the Constitution of the State of Oklahoma limits municipal debt to non-utility or non-street purposes.

CITY OF SAPULPA, OKLAHOMA
THE SAPULPA MUNICIPAL AUTHORITY
UTILITY SYSTEMS DIVISION
PLEGGED REVENUE COVERAGE
Last Ten Fiscal Years
June 30, 2015
TABLE 16

		<u>Eligible Revenues</u>	<u>Eligible Expenses (1)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Average Annual/ Annual Debt Service</u>	<u>Revenue Bond Coverage</u>
2006	Series 2002 A & B and Series 2006	11,130,976	3,768,878	7,362,098	2,113,118	3.48
	Series 2002 A & B	7,928,756	3,768,878	4,159,878	2,113,118	1.97
	Series 2003 A & B	11,130,796	3,768,878	7,361,918	3,263,416	2.26
2007	Series 2002 A & B and Series 2006	12,099,590	3,832,413	8,267,177	2,113,118	3.91
	Series 2002 A & B	8,417,095	3,832,413	4,584,682	2,113,118	2.17
	Series 2003 A & B	12,099,590	3,832,413	8,267,177	3,259,591	2.54
2008	Series 2002 A & B and Series 2006	12,181,273	3,933,666	8,247,607	2,113,118	3.90
	Series 2002 A & B	8,369,145	3,933,666	4,435,479	2,113,118	2.10
	Series 2003 A & B	12,181,273	3,933,666	8,247,607	3,259,591	2.53
2009	Series 2002 A and Series 2006	12,506,046	5,305,485	7,200,561	2,867,928	2.51
	Series 2002 A	8,738,680	5,305,485	3,433,195	2,867,928	1.20
	Series 2003 A & B	12,506,046	5,305,485	7,200,561	3,514,089	2.05
	Series 2009 A & B	12,506,046	5,305,485	7,200,561	3,514,089	2.05
2010	Series 2002 A and Series 2006	12,954,276	4,724,154	8,230,122	2,867,928	2.87
	Series 2002 A	9,661,621	4,724,154	4,937,467	2,867,928	1.72
	Series 2003 A & B	12,954,276	4,724,154	8,230,122	3,292,376	2.50
	Series 2009 A & B	12,954,276	4,724,154	8,230,122	3,292,376	2.50
2011	Series 2002 A and Series 2006	13,416,715	4,961,892	8,454,823	2,975,546	2.84
	Series 2002 A	9,779,479	4,961,892	4,817,587	2,975,546	1.62
	Series 2003 A & B	13,416,715	4,961,892	8,454,823	3,158,256	2.68
	Series 2009 A & B	13,416,715	4,961,892	8,454,823	3,158,256	2.68
2012	Series 2002 A and Series 2006	13,942,643	4,954,359	8,988,284	2,975,546	3.02
	Series 2002 A	9,952,205	4,954,359	4,997,846	2,975,546	1.68
	Series 2003 A & B	13,942,643	4,954,359	8,988,284	3,158,256	2.85
	Series 2009 A & B	13,942,643	4,954,359	8,988,284	3,158,256	2.85
2013	Series 2012 and 2013 Refunding	14,266,099	5,033,068	9,233,031	4,095,687	2.25
2014	Series 2012 and 2013 Refunding	14,042,548	5,571,732	8,470,816	4,095,687	2.07
2015	Series 2012 and 2013 Refunding	14,171,125	5,154,402	9,016,723	4,095,687	2.20

(1) Excludes depreciation and amortization expense.

CITY OF SAPULPA, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
June 30, 2015
TABLE 17

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age of Population (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
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%
2014	20,836	983,875	47,220	34.9	5,782	4.6%
2015	20,544	1,089,777	53,046	34.0	5,672	4.3%

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
 June 30, 2015
 TABLE 18

			2015
Employer	Product/Business	Rank	Employees
BIOS Corporation	Health Care and Social Assistance	1	900
Sapulpa Public Schools	Education Services	2	520
T. D. Williamson	Manufacturing/Engineering Equipment	3	400
John Christner Trucking	Transportation	4	450
Veralia	Manufacturing/Engineering Equipment	5	330
American Heritage Bank	Financial Institution	6	300
Walmart Supercenter	Retail	7	279
City of Sapulpa	City Services	8	208
Creek County	Government Services	9	200
Thermal Engineering	Metal Fabrication	10	175
Paragon Industries	Pipe Manufacturing	10	150
Totals			3,912

Sapulpa Chamber of Commerce (Facts at your Fingertips)

CITY OF SAPULPA, OKLAHOMA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Nine Fiscal Years
 June 30, 2015
TABLE 19

Function/Program	Fiscal Year								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government:									
Management Services	5	5	5	5	5	5	5	5	5
Finance	5	5	5	5	5	5	5	5	5
Planning	3	3	3	3	3	3	3	3	3
Building	2	2	2	2	2	2	2	2	2
Community Image	1	1	1	1	1	1	1	1	1
Court	3	3	3	3	3	3	3	3	3
Treasurer									
Human Resources	1	1	1	1	1	1	1	1	1
MIS									
Legal	1	2	2	2	2	2	2	2	2
Cemetery	6	6	6	6	6	6	6	6	6
Other (FM, VM, Tort, FM, DCC)	5	5	5	5	5	5	5	5	5
Utility Accounting	7	7	7	7	6	6	6	6	6
Total General Government	39	40	40	40	39	39	39	39	39
Public Safety and Judiciary:									
Police									
Officers	47	48	48	47	47	47	43	43	40
Civilians	12	12.5	12.5	12	12	12	11	11	11
Animal Welfare	3	3	3	3	3	2	2	2	2
Fire:									
Firefighters & Officers	54	52	52	48	48	49	49	49	49
Civilians	1	1	1	1	1	1	1	1	1
Central Communications/EM									
Total Public Safety and Judiciary	117	117	117	111	111	111	106	106	103
Transportation:									
Streets	11	12	12	12	12	12	12	12	12
Total Transportation	11	12	12	12	12	12	12	12	12
Cultural, Parks and Recreation:									
Parks and Recreations	8	8	7	7	7	7	7	7	7
Library	5	6	5	5	5	5	5	5	5
Golf Course	6	5	5	5	5	5	5	5	5
Total Cultural, Parks and Recreation	19	19	17	17	17	17	17	17	17
Public Works:									
Solid Waste Collection	1	1	1	0	0	0	0	0	0
Utility Maintenance	15	15	15	15	11	11	11	11	12
Water Treatment	8	8	8	8	8	8	8	8	8
Wastewater Treatment	12	11	12	12	12	12	12	13	13
Industrial Pretreatment/Stormwater Management	1	1	1	5	5	4	3	4	4
Total Public Works	37	36	37	40	36	35	34	36	37
Total Full-Time Employees by Function/Program	223	224	223	220	215	214	208	210	208

CITY OF SAPULPA, OKLAHOMA
 Capital Asset Statistics by Function/Program
 Last Nine Fiscal Years
 June 30, 2015
 TABLE 20

<u>Function/Program</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>	<u>FY 2014</u>	<u>FY 2015</u>
General Government									
Buildings	17	17	17	17	17	17	17	17	17
Police									
Stations	1	1	1	1	1	1	1	1	1
Zone Offices	1	1	1	1	1	1	1	1	1
Patrol units	48	42	39	39	35	35	35	33	32
Fire									
Stations	4	4	4	4	4	4	4	4	4
Trucks	12	12	12	12	14	14	13	12	12
Vehicles	9	9	9	9	9	8	8	8	10
Trailer Vans								4	4
Boats								2	2
Refuse Collection									
Collection trucks	0	0	0	0	0	0	0	0	0
Streets									
Street miles	209	209	209	209	209	209	209	209	209
Streetlights	1407	1407	1407	1407	1410	1410	1410	1410	1410
Traffic signals	20	22	22	23	23	23	23	23	23
Parks and recreation									
Acreage	487	487	487	487	487	487	487	487	487
Playgrounds	12	12	12	12	12	12	12	12	12
Baseball/softball diamonds	14	14	14	14	14	14	14	14	14
Soccer/football fields	15	12	12	12	12	12	12	12	12
Community Center	1	1	1	1	1	1	1	1	1
Pool	0	0	0	1	1	1	1	1	1
Golf course	1	1	1	1	1	1	1	1	1
Library									
Buildings	2	2	2	2	2	2	2	2	2
Public Transportation									
Buses	N/A	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	N/A
Cemetery									
Plots	27,764	28,475	40,850	52,595	31,550	46,725	52,850	35,750	34,150
Vehicles & Machinery	17	17	17	17	17	17	17	17	17
Water									
Water mains (miles)	94	94	94	94	94	94	94	94	94
Fire hydrants	802	810	820	820	822	822	888	860	547
Storage capacity (thousands of g:	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
Wastewater									
Sanitary sewers (miles)	99	106	106	106	106	106	106	106	106
Storm sewers (feet)	51,105	105,600	159,679	159,679	159,679	159,679	159,679	159,679	159,679
Daily Treatment Capacity	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000

CITY OF SAPULPA, OKLAHOMA
Operating Indicators by Function/Program
Last Ten Fiscal Years
June 30, 2015
TABLE 21

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Physical Arrests	1068	1146	1146	1338	1262	1002	917	1106	863	1078
*Parking Violations	500	1402	658	779	413	9	48	42	17	12
Traffic Violations	9746	8200	8504	10141	8978	8392	8137	8159	8728	5830
Fire										
Emergency Responses	1687	1051	1220	1269	1845	2789	2741	2901	3137	2924
Fires Extinguished	247	280	344	290	188	280	287	295	206	224
Inspections	200	510	148	164	174	209	130	210	310	175
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	N/A	N/A
Recyclables Collected (Tons Per Day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NA	NA	NA
Other Public Works										
Potholes Repaired:										
Asphalt Patching (Tons)	600	600	700	438	472	400	597	640	452	485
Concrete Patching (Cubic Yards)	85	30	54	48	38	26	4	10	10	10
Parks & Recreation										
Athletic Field-Agreements										
Sapulpa Little League (# of Fields Used)	6	14	14	14	14	14	14	14	14	14
Sapulpa Youth Soccer (# of Fields Used)	8	15	12	12	12	12	12	12	12	12
Sapulpa Girls Softball (# of Fields Used)	4	10	10	10	10	10	10	10	10	10
Community Center/Park Rentals	56	56	70	64	237		81	83	97	143
Senior Citizen- Meals Served					7140	7417	7500	4780	4000	5750
-Sr. Center Lunch Program	530	0	0	0						
Water										
Connections	6670	6900	6516	6499	6516	6478	6486	6498	11213	12243
Water Main Breaks	50-100	50	20	25	25-50	100-150	50-100	100-150	50	50-100
Average Daily Consumption (Thousands of Gallons)	1608	1608	2949	3500	3142	3169	3062	2991	3036	2612
Peak Daily Consumption (Thousands of Gallons)	5100	5100	4723	5000	4896	5234	5932	5063	4643	3974
Wastewater										
Average Daily Sewage Treatment (Thousands of Gallons)	3000	3000	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	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	N/A	N/A
Passengers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Various City Departments