



**COMPREHENSIVE ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

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

FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

**CITY OF SAPULPA, OKLAHOMA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 AND ACCOMPANYING INDEPENDENT AUDITOR’S REPORTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 | 18 |
| Statement of Activities | 19 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | 20-21 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 22-23 |
| Statement of Net Position – Proprietary Funds | 24 |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds | 25 |
| Statement of Cash Flows – Proprietary Funds | 26-27 |
| Notes to the Basic Financial Statements | 28-69 |
| 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 | 89-101 |
| Combining Schedule of Net Position – SMA Utility Fund Accounts | 102 |

**CITY OF SAPULPA, OKLAHOMA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 AND ACCOMPANYING INDEPENDENT AUDITOR’S REPORTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

TABLE OF CONTENTS

| | | <u>Page</u> |
|---|--------------|-------------|
| OTHER SUPPLEMENTARY INFORMATION (Continued): | | |
| Combining Schedule of Revenues, Expenses and Changes in Net Position – SMA Utility Fund Accounts | | 103 |
| Schedule of Expenditures of Federal Awards | | 104 |
| <u>STATISTICAL SECTION:</u> | | |
| | <u>Table</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 |
| INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL AND COMPLIANCE | | |
| | | 127 |

INTRODUCTION SECTION



Oklahoma's Most Connected City

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

January 29, 2021

To the Honorable Mayor Craig Henderson, 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, 2020. 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 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, 2005, and 2014. 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 and the Sapulpa Development 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 4.75% over the prior fiscal year and continues to increase.

The other major revenue is the Sapulpa Municipal Authority (SMA) charges for service, which include water, sewer, and refuse revenue. The FY 2019/2020 charges for service decreased 4.0% from prior year. This was a result of the reporting of commercial refuse revenue in prior years that is not included in the current year due to a change in the contract with Waste Management. The contract now only includes residential refuse.

In preparing the FY 2020/2021 budget City officials believe that the overall outlook for the City remains stable; however due to the national pandemic and the uncertainty of the results to the economy the sales tax was projected at \$12,003,050.00, a decrease of approximately 6%.

Overall economic outlook for the City continues to remain positive. The City is experiencing growth in several areas including new job growth, housing, industrial growth and expansion, along with renovations to existing buildings. A Downtown Master Plan will be completed in the coming year and will provide a usable map to improve, update, and create walkable usable spaces for new investment in an expanded downtown. The infusion of the voter approved \$40 million 2020 Bond Issue designed around quality of life and infrastructure issues will keep up the momentum going forward.

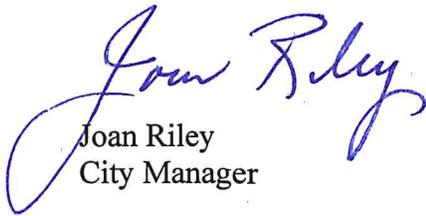
Acknowledgments

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,



Joan Riley
City Manager



Pamela Vann
Finance Director

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF SAPULPA
LIST OF CITY OFFICIALS
FOR THE FISCAL YEAR
JULY 1, 2019 – JUNE 30, 2020

HONORABLE LOUIS MARTIN, JR, MAYOR PRO TEM
HONORABLE MARTY CUMMINS, VICE-MAYOR PRO TEM

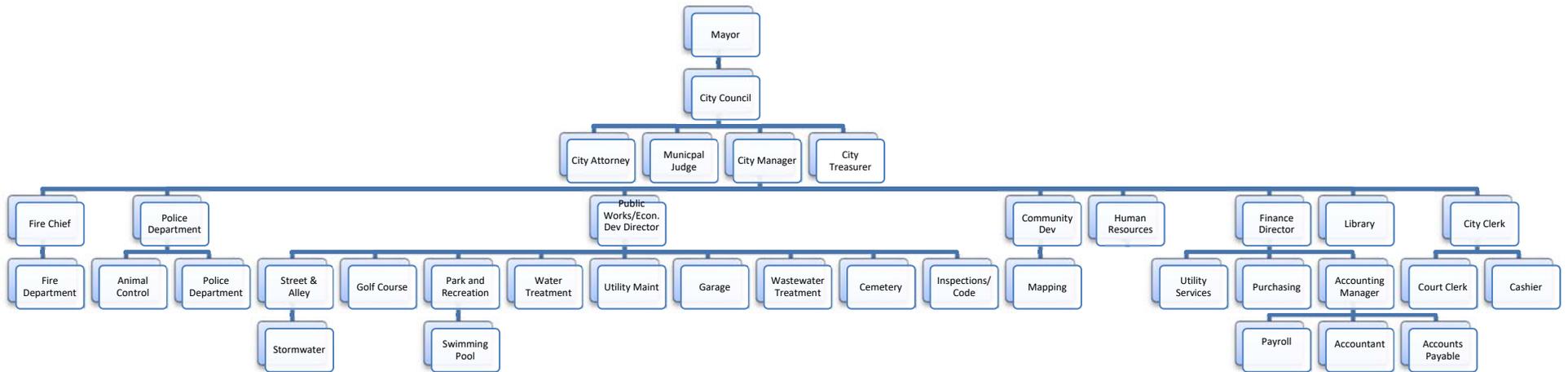
COUNCIL:

CRAIG HENDERSON
WES GALLOWAY
CARLA GUNN
JOHN ANDERSON

VICKIE BEYER
JOHN SUGGS
BRUCE BLEDSOE
HUGO NAIFEH

Joan Riley, 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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the City of Sapulpa, Oklahoma (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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, are the responsibility of management and were derived from and relate 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 other 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 January 27, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Arlidge & Associates, P.C.

January 27, 2021

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, 2020. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The total net position at the end of fiscal years 2020 and 2019 for governmental activities was \$40.8 million and \$38.3 million respectively.
- The total net position at the end of fiscal years 2020 and 2019 for business-type activities was \$6.5 million and \$6.3 million.
- During the year, the City's expenses for governmental activities were \$20.7 million and were funded by program revenues of \$3.2 million and further funded with taxes, other general revenues and transfers that totaled \$20.0 million.
- In the City's business-type activities, such as utilities and golf course, total program revenues were under total program expenses by \$143 thousand, while general revenues and transfers totaled \$338 thousand.
- At June 30, 2020, the General Fund reported an unassigned fund balance of \$1 million.
- For budgetary reporting purposes, the General Fund reported revenues and transfers under estimates by \$107 thousand or 0.4%, while expenditures and transfers were less than final appropriations by \$1.3 million or 5.1%.

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

Government-wide Statements

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

Statement of Net Position

The City's total net position as of June 30, 2020 was \$47.3 million, which was \$2.7 million more than the fiscal year ended June 30, 2019. The biggest contributing factors to this change were an increase in capital assets of \$893 thousand and a decrease in the negative unrestricted net position of \$601 thousand.

Current assets for governmental activities increased by \$14.6 million, mainly due to an increase in cash and cash equivalents of \$14.8 million which was offset by a slight net decrease in other current asset categories.

Non-current liabilities for governmental activities increased by \$12.6 million, due mostly to the issuance of three general obligation bonds totaling \$18.5 million being offset by a general obligation bonds refunding of \$4.0 million, and debt retirements totaling \$2.2 million.

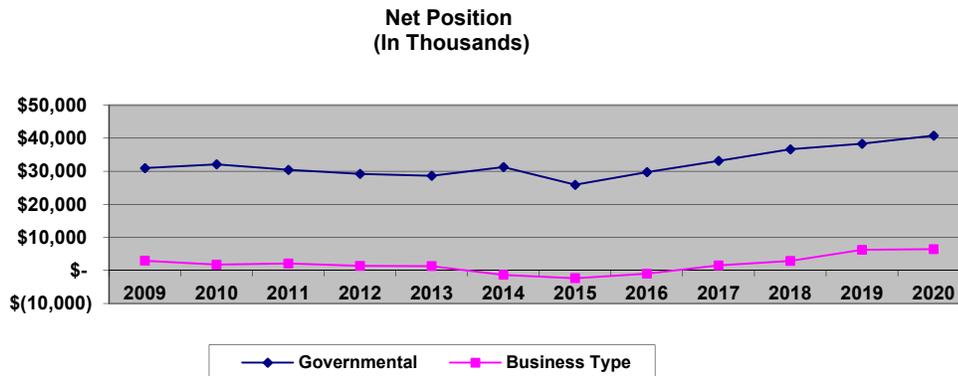
The restricted net position of governmental activities increased by \$1.1 million, due primarily to increases in restrictions for public safety of \$710 thousand and economic development of \$284 thousand.

A comparative, condensed presentation of net positions follows.

TABLE 1
NET POSITION (In Thousands)
JUNE 30, 2020 AND 2019

| | Governmental Activities | | % Inc. (Dec.) | Business-Type Activities | | % Inc. (Dec.) | Total | | % Inc. (Dec.) |
|--|-------------------------|------------------|------------------|--------------------------|-----------------|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | | 2020 | 2019 | | 2020 | 2019 | |
| Current assets | \$ 29,727 | \$ 15,088 | 97% | \$ 6,310 | \$ 6,100 | 3% | \$ 36,037 | \$ 21,188 | 70% |
| Capital assets, net | 56,640 | 55,488 | 2% | 61,439 | 61,599 | 0% | 118,079 | 117,087 | 1% |
| Other non-current assets | 47 | - | 100% | - | - | 0% | 47 | - | 100% |
| Total assets | 86,414 | 70,576 | 22% | 67,749 | 67,699 | 0% | 154,163 | 138,275 | 11% |
| Deferred outflows of resources | 3,417 | 3,649 | -6% | 3,198 | 3,874 | -17% | 6,615 | 7,523 | -12% |
| Total assets and deferred outflows of resources | 89,831 | 74,225 | 21% | 70,947 | 71,573 | -1% | 160,778 | 145,798 | 10% |
| Current liabilities | 3,902 | 3,504 | 11% | 3,395 | 2,845 | 19% | 7,297 | 6,349 | 15% |
| Non-current liabilities | 43,194 | 30,593 | 41% | 60,991 | 62,466 | -2% | 104,185 | 93,059 | 12% |
| Total liabilities | 47,096 | 34,097 | 38% | 64,386 | 65,311 | -1% | 111,482 | 99,408 | 12% |
| Deferring inflows of resources | 1,937 | 1,790 | 8% | 103 | - | 100% | 2,040 | 1,790 | 14% |
| Net position | | | | | | | | | |
| Net investment in capital assets | 41,198 | 41,159 | 0% | 3,707 | 2,852 | 30% | 44,905 | 44,011 | 2% |
| Restricted | 6,270 | 5,188 | 21% | 993 | 915 | 9% | 7,263 | 6,103 | 19% |
| Unrestricted (deficit) | (6,670) | (8,009) | -17% | 1,758 | 2,495 | -30% | (4,912) | (5,514) | -11% |
| Total net position | \$ 40,798 | \$ 38,338 | 6% | \$ 6,458 | \$ 6,262 | 3% | \$ 47,256 | \$ 44,600 | 6% |

The following chart is representative of the City's net position as reflected over the past twelve years.



Statement of Activities

The City's total revenues amounted to \$35.1 million and \$35.2 million during the fiscal years ended June 30, 2020 and 2019, respectively. For the year ending June 30, 2020, charges for services made up \$12.8 million or 36.5%, and taxes made up \$19.1 million or 54.4%. For the year ending June 30, 2019, charges for services made up \$13.5 million or 38.4%, and taxes made up \$18.7 million or 53.1%.

The City's total expenses amounted to \$32.4 million and \$30.2 million during the fiscal years ended June 30, 2020 and 2019, respectively. For the year ending June 30, 2020, public safety made up \$12 million or 37.1%, water made up \$4.4 million or 13.6%, and wastewater totaled \$5 million or 15.4%. For the year ending June 30, 2019, public safety made up \$10.2 million or 33.9%, water made up \$4.3 million or 14.2%, and wastewater totaled \$4.8 million or 16.0%.

A comparative, condensed presentation of changes in net position follows.

TABLE 2
CHANGES IN NET POSITION (In Thousands)
JUNE 30, 2020 AND 2019

| | Governmental Activities | | % Inc. (Dec.) | Business-Type Activities | | % Inc. (Dec.) | Total | | % Inc. (Dec.) |
|--------------------------------------|-------------------------|-----------------|---------------|--------------------------|-----------------|---------------|-----------------|-----------------|---------------|
| | 2020 | 2019 | | 2020 | 2019 | | 2020 | 2019 | |
| Revenues | | | | | | | | | |
| Charges for service | \$ 1,262 | \$ 1,526 | -17% | \$ 11,535 | \$ 12,001 | -4% | \$ 12,797 | \$ 13,527 | -5% |
| Operating grants and contributions | 1,819 | 1,681 | 8% | - | - | 0% | 1,819 | 1,681 | 8% |
| Capital grants and contributions | 156 | 110 | 42% | - | - | 0% | 156 | 110 | 42% |
| Taxes | 19,082 | 18,697 | 2% | - | - | 0% | 19,082 | 18,697 | 2% |
| Intergovernmental revenue | 328 | 278 | 18% | - | - | 0% | 328 | 278 | 18% |
| Investment income | 120 | 144 | -17% | 62 | 62 | 0% | 182 | 206 | -12% |
| Miscellaneous | 537 | 581 | -8% | 160 | 152 | 5% | 697 | 733 | -5% |
| Total revenues | 23,304 | 23,017 | 1% | 11,757 | 12,215 | -4% | 35,061 | 35,232 | 0% |
| Expenses | | | | | | | | | |
| Administration | 1,773 | 1,393 | 27% | - | - | - | 1,773 | 1,393 | 27% |
| General government | 1,964 | 1,461 | 34% | - | - | - | 1,964 | 1,461 | 34% |
| Legal and judicial | 369 | 385 | -4% | - | - | - | 369 | 385 | -4% |
| Public safety | 12,029 | 10,227 | 18% | - | - | - | 12,029 | 10,227 | 18% |
| Urban development | 497 | 770 | -35% | - | - | - | 497 | 770 | -35% |
| Streets | 2,077 | 1,760 | 18% | - | - | - | 2,077 | 1,760 | 18% |
| Culture, parks and recreation | 1,476 | 1,521 | -3% | - | - | - | 1,476 | 1,521 | -3% |
| Interest on long-term debt | 544 | 650 | -16% | - | - | - | 544 | 650 | -16% |
| Water | - | - | - | 4,398 | 4,285 | 3% | 4,398 | 4,285 | 3% |
| Wastewater | - | - | - | 4,981 | 4,837 | 3% | 4,981 | 4,837 | 3% |
| Sanitation | - | - | - | 817 | 1,584 | -48% | 817 | 1,584 | -48% |
| Stormwater | - | - | - | 722 | 559 | 29% | 722 | 559 | 29% |
| Golf operations | - | - | - | 760 | 746 | 2% | 760 | 746 | 2% |
| Total expenses | 20,729 | 18,167 | 14% | 11,678 | 12,011 | -3% | 32,407 | 30,178 | 7% |
| Excess (deficiency) before transfers | 2,575 | 4,850 | -47% | 79 | 204 | -61% | 2,654 | 5,054 | -47% |
| Transfers | (116) | (3,173) | 96% | 116 | 3,173 | -96% | - | - | - |
| Increase in net position | \$ 2,459 | \$ 1,677 | 47% | \$ 195 | \$ 3,377 | -94% | \$ 2,654 | \$ 5,054 | -47% |

Explanations for the more significant changes include:

Governmental public safety - \$1.8 million or 18% increase due mainly to an increase in pension-related expenses of \$1.6 million.

Transfers - \$3.1 million or 96% change due to capital asset transfers from the SMA to governmental activities that peaked in fiscal year 2019, substantially decreased in fiscal year 2020.

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 2020 and 2019 total Governmental Activities expenses and net revenue (expense) of services:

TABLE 3
Net Revenue (Expense) of Governmental Activities (In Thousands)
June 30, 2020 and 2019

| | Total Expense of Services | | % Inc. (Dec.) | Net Revenue (Expense) of Services | | % Inc. (Dec.) |
|----------------------------|------------------------------|-----------------|------------------|---|-------------------|------------------|
| | 2020 | 2019 | | 2020 | 2019 | |
| | Administration | \$ 1,773 | | \$ 1,393 | 27% | |
| General government | 1,964 | 1,461 | 34% | (1,532) | (1,023) | 50% |
| Legal and judicial | 369 | 385 | -4% | (369) | (385) | -4% |
| Public safety | 12,029 | 10,227 | 18% | (9,731) | (7,958) | 22% |
| Urban development | 497 | 770 | -35% | (471) | (744) | -37% |
| Streets | 2,077 | 1,760 | 18% | (1,828) | (1,465) | 25% |
| Culture and recreation | 1,476 | 1,521 | -3% | (1,244) | (1,232) | 1% |
| Interest on long-term debt | 544 | 650 | -16% | (543) | (649) | -16% |
| Total | \$20,729 | \$18,167 | 14% | (\$17,491) | (\$14,849) | 18% |

Business-type Activities

The following table compares fiscal year 2020 and 2019 total Business-type Activities expenses and net revenue (expense) of services:

TABLE 4
Net Revenue (Expense) of Business-Type Activities (In Thousands)
June 30, 2020 and 2019

| | Total Expense of Services | | % Inc. Dec. | Net Revenue (Expense) of Services | | % Inc. Dec. |
|-----------------|------------------------------|------------------|----------------|---|----------------|----------------|
| | 2020 | 2019 | | 2020 | 2019 | |
| | Water | \$ 4,398 | | \$ 4,285 | 3% | |
| Wastewater | 4,981 | 4,837 | 3% | (806) | (857) | -6% |
| Sanitation | 817 | 1,584 | -48% | 401 | 333 | 20% |
| Stormwater | 722 | 559 | 29% | 147 | 305 | -52% |
| Golf operations | 760 | 746 | 2% | (459) | (405) | 13% |
| Total | \$ 11,678 | \$ 12,011 | -3% | \$ (144) | \$ (12) | 1100% |

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2020 fiscal year, the governmental funds reported a combined fund balance of \$28.5 million and \$13.8 million in fiscal years 2020 and 2019, respectively. The enterprise funds reported a combined net position of \$5.2 million and \$5.3 million in fiscal years 2020 and 2019, respectively.

FUND BALANCE/NET POSITION
(In thousands of dollars)
June 30, 2020 and 2019

| | Governmental Funds | | | Enterprise Funds | |
|--------------------|--------------------|------------------|----------------------------------|------------------|-----------------|
| | 2020 | 2019 | | 2020 | 2019 |
| Nonspendable | \$ 127 | \$ 133 | Net Investment in Capital Assets | \$ 3,707 | \$ 2,852 |
| Restricted | 23,437 | 9,947 | Restricted for debt service | 261 | 266 |
| Assigned | 3,970 | 2,870 | Unrestricted | <u>1,280</u> | <u>2,199</u> |
| Unassigned | <u>996</u> | <u>840</u> | Total Net Position | <u>\$ 5,248</u> | <u>\$ 5,317</u> |
| Total Fund Balance | <u>\$ 28,530</u> | <u>\$ 13,790</u> | | | |

Other fund highlights include:

- For the year ended June 30, 2020, the General Fund's total fund balance increased \$668 thousand or 20.7%, due primarily to increases to cash and cash equivalents of \$540 thousand and to increases to investments of \$102 thousand.
- The G.O. Bond Construction Fund's total fund balance increased \$11.3 million or 498.7%, due an increase of \$11.4 million to cash and cash equivalents due to the issuance of debt.
- The Sapulpa Municipal Authority enterprise fund remained fairly constant between fiscal years 2020 and 2019 as the total net position decreased by \$69 thousand or 1.3%, due mainly to a decrease in cash and cash equivalents of \$41 thousand.

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 8.2% or approximately \$1.8 million, mainly related to increased sales tax collections over original estimates, and an increase in appropriations of 5.8% or \$1.3 million, with most of the increased appropriations related to the required sales tax transfers.

For budgetary reporting purposes, the General Fund reported revenues over final estimates by \$107 thousand or 0.4%, while expenditures were less than the final appropriations by \$1.3 million or 5.1%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2020, the City had approximately \$118.1 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, water lines, and sewer lines. This represents a net increase of \$1 million or 0.8% over the prior year.

TABLE 5
Primary Government Capital Assets (In Thousands)
(Net of accumulated depreciation)
June 30, 2020 and 2019

| | Governmental | | Business-Type | | Total | |
|------------------------------------|---------------------|------------------|----------------------|------------------|-------------------|-------------------|
| | Activities | | Activities | | | |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Land | \$ 4,864 | \$ 4,859 | \$ 71 | \$ 71 | \$ 4,935 | \$ 4,930 |
| Buildings | 9,145 | 7,857 | 2,161 | 2,238 | 11,306 | 10,095 |
| Imp. other than buildings | 1,826 | 1,765 | 237 | 293 | 2,063 | 2,058 |
| Machinery, furniture and equipment | 6,075 | 6,334 | 1,625 | 1,456 | 7,700 | 7,790 |
| Infrastructure | 29,323 | 30,331 | 5,111 | 5,225 | 34,434 | 35,556 |
| Intangible water rights | - | - | 4,916 | 4,915 | 4,916 | 4,915 |
| Utility property | - | - | 44,268 | 42,747 | 44,268 | 42,747 |
| Construction in progress | 5,406 | 4,342 | 3,050 | 4,654 | 8,456 | 8,996 |
| Totals | <u>\$ 56,639</u> | <u>\$ 55,488</u> | <u>\$ 61,439</u> | <u>\$ 61,599</u> | <u>\$ 118,078</u> | <u>\$ 117,087</u> |

This year's more significant capital asset additions include:

\$1,470,208 – Animal Control Shelter
\$1,823,611 – Lift Station
\$644,132 – Gravity Sewer Line

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

Long- Term Debt

The City had \$95.2 million and \$84.4 million in outstanding debt at the end of fiscal years 2020 and 2019, respectively. Governmental Activities increased by \$12 million due to the issuance of three series of bonds (Series 2019 Refunding G.O. Bonds, Series 2020A G.O. Bonds, and Series 2020B G.O. Bonds) totaling \$18.5 million, which was partially offset by the refunding and defeasance of the remaining \$4 million of the Series 2010 G.O. Bonds and the other regularly scheduled debt payments. Business-type Activities decreased by \$1.2 million due to the retirement of debt, which was partially offset by an increase of \$430 thousand in notes payable.

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)
June 30, 2020 and 2019

| | <u>Governmental</u> <u>Activities</u> | | <u>Business-Type</u> <u>Activities</u> | | <u>Total</u> | |
|----------------------------|--|------------------|---|------------------|------------------|------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Accrued absences | \$ 1,594 | \$ 1,925 | \$ 204 | \$ 183 | \$ 1,798 | \$ 2,108 |
| Revenue bonds | 4,850 | 5,325 | 59,530 | 61,170 | 64,380 | 66,495 |
| Due to depositors | - | - | 328 | 322 | 328 | 322 |
| Water contract obligations | - | - | 680 | 716 | 680 | 716 |
| Notes payable | - | - | 1,151 | 720 | 1,151 | 720 |
| General obligation bonds | 25,955 | 12,745 | - | - | 25,955 | 12,745 |
| Judgments payable | 267 | 533 | - | - | 267 | 533 |
| Capital leases | 630 | 809 | - | - | 630 | 809 |
| Totals | <u>\$ 33,296</u> | <u>\$ 21,337</u> | <u>\$ 61,893</u> | <u>\$ 63,111</u> | <u>\$ 95,189</u> | <u>\$ 84,448</u> |

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

Although the impact of the COVID-19 pandemic has been felt by the City throughout the current fiscal year, and it is likely to substantially impact operations throughout fiscal year 2021, Sapulpa's overall economic outlooks seems to be remaining stable.

Total sales tax collections, which are the major revenue for the General Fund, had a 4.7% increase from fiscal year 2018-2019 (\$13,233,981) to fiscal year 2019-2020 (\$13,862,297). A very conservative approach was used in projecting for sales tax for fiscal year 2020-2021. Sales tax was budgeted at \$12,003,048 or 13.4% less than the fiscal year 2019-2020 actual. Total assessed valuation of property went up 0.2% from 2019 to 2020.

The Sapulpa Municipal Authority (SMA) charges for service, which include water, sewer, and refuse revenues, shows a decrease of 3.8% for fiscal year 2019-2020 (\$10,164,488) from 2018-2019 actual (\$10,564,634). Revenues for these services for fiscal year 2020-2021 were projected 1%, or \$96,574, higher than fiscal year 2019-2020 actual. This slight decrease reflects a presumption of fairly stagnant charges for service revenue during fiscal year 2020-2021 in light of the ongoing pandemic.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

City of Sapulpa
Statement of Net Position
June 30, 2020

| | Governmental Activities | Business-type Activities | Total |
|---|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 23,430,633 | \$ 1,908,531 | \$ 25,339,164 |
| Investments | 3,191,927 | 1,882,806 | 5,074,733 |
| Deposits with insurance pool | 6,870 | - | 6,870 |
| Internal balances | 50,000 | (50,000) | - |
| Interest receivable | 7,702 | 7,886 | 15,588 |
| Accounts receivable, net of allowance | 156,650 | 912,979 | 1,069,629 |
| Franchise tax receivable | 57,860 | - | 57,860 |
| Court fines receivable | 552,701 | - | 552,701 |
| Due from other governments | 2,234,063 | 523,621 | 2,757,684 |
| Other receivables | 6,661 | 515,639 | 522,300 |
| Inventory | 32,053 | 103,355 | 135,408 |
| Prepaid expenses | - | 505,333 | 505,333 |
| Net pension asset | 46,627 | - | 46,627 |
| Capital assets: | | | |
| Land and construction in progress | 10,269,718 | 8,035,844 | 18,305,562 |
| Other capital assets, net of depreciation | 46,369,905 | 53,403,138 | 99,773,043 |
| | | | |
| Total assets | <u>86,413,370</u> | <u>67,749,132</u> | <u>154,162,502</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred amount on refunding | 63,660 | 3,182,678 | 3,246,338 |
| Deferred amounts related to OPEB | 57,569 | 15,273 | 72,842 |
| Deferred amounts related to pensions | 3,295,402 | - | 3,295,402 |
| Total deferred outflows | <u>3,416,631</u> | <u>3,197,951</u> | <u>6,614,582</u> |
| LIABILITIES | | | |
| Accounts payable | 1,230,197 | 1,047,830 | 2,278,027 |
| Accrued payroll liabilities | 116,324 | 65,138 | 181,462 |
| Accrued interest payable | 120,647 | 372,607 | 493,254 |
| Due to other governments | 2,110 | - | 2,110 |
| Escrow deposits | 48,107 | - | 48,107 |
| Due to bondholders | 6,371 | - | 6,371 |
| Unearned revenue | - | 1,944 | 1,944 |
| Long-term liabilities: | | | |
| Due within one year | 2,378,140 | 1,907,741 | 4,285,881 |
| Due in more than one year | 31,866,974 | 60,689,587 | 92,556,561 |
| Net pension liabilities | 10,213,494 | - | 10,213,494 |
| Total OPEB liability | 1,113,254 | 301,069 | 1,414,323 |
| Total liabilities | <u>47,095,618</u> | <u>64,385,916</u> | <u>111,481,534</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred amounts related to OPEB | 110,948 | 102,847 | 213,795 |
| Deferred amounts related to pensions | 1,825,911 | - | 1,825,911 |
| Total deferred inflows | <u>1,936,859</u> | <u>102,847</u> | <u>2,039,706</u> |
| NET POSITION | | | |
| Net investment in capital assets | 41,197,880 | 3,706,724 | 44,904,604 |
| Restricted for: | | | |
| Capital projects | 245,843 | - | 245,843 |
| Debt service | 1,547,719 | 261,506 | 1,809,225 |
| Streets | 2,604,238 | - | 2,604,238 |
| Public safety | 921,194 | - | 921,194 |
| Grant projects | 57,069 | - | 57,069 |
| Economic development | 894,386 | - | 894,386 |
| Water capital projects | - | 526,670 | 526,670 |
| Sewer capital projects | - | 205,139 | 205,139 |
| Unrestricted (deficit) | (6,670,805) | 1,758,281 | (4,912,524) |
| Total net position | <u>\$ 40,797,524</u> | <u>\$ 6,458,320</u> | <u>\$ 47,255,844</u> |

See accompanying notes to the basic financial statements.

**City of Sapulpa
Statement of Activities
For the Year Ended June 30, 2020**

| 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 | \$ 1,772,609 | \$ - | \$ - | \$ - | \$ (1,772,609) | \$ - | \$ (1,772,609) |
| General government | 1,963,610 | 431,281 | - | - | (1,532,329) | - | (1,532,329) |
| Legal and judicial | 369,390 | - | - | - | (369,390) | - | (369,390) |
| Public safety | 12,029,227 | 715,823 | 1,582,588 | - | (9,730,816) | - | (9,730,816) |
| Urban development | 496,708 | - | 28,096 | (2,300) | (470,912) | - | (470,912) |
| Streets | 2,077,081 | 680 | 193,048 | 55,819 | (1,827,534) | - | (1,827,534) |
| Culture and recreation | 1,476,389 | 114,291 | 15,326 | 102,700 | (1,244,072) | - | (1,244,072) |
| Interest on long-term debt | 543,310 | - | - | - | (543,310) | - | (543,310) |
| Total governmental activities | <u>20,728,324</u> | <u>1,262,075</u> | <u>1,819,058</u> | <u>156,219</u> | <u>(17,490,972)</u> | <u>-</u> | <u>(17,490,972)</u> |
| Business-type activities | | | | | | | |
| Water | 4,397,586 | 4,971,089 | - | - | - | 573,503 | 573,503 |
| Wastewater | 4,980,514 | 4,174,685 | - | - | - | (805,829) | (805,829) |
| Sanitation | 816,601 | 1,217,922 | - | - | - | 401,321 | 401,321 |
| Stormwater | 722,966 | 870,016 | - | - | - | 147,050 | 147,050 |
| Golf operations | 760,332 | 301,596 | - | - | - | (458,736) | (458,736) |
| Total business-type activities | <u>11,677,999</u> | <u>11,535,308</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(142,691)</u> | <u>(142,691)</u> |
| Total primary government | <u>\$ 32,406,323</u> | <u>\$ 12,797,383</u> | <u>\$ 1,819,058</u> | <u>\$ 156,219</u> | <u>(17,490,972)</u> | <u>(142,691)</u> | <u>(17,633,663)</u> |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Sales and use taxes | | | | | 15,417,647 | - | 15,417,647 |
| Property taxes | | | | | 2,057,748 | - | 2,057,748 |
| Franchise and public service taxes | | | | | 600,551 | - | 600,551 |
| Payment in lieu of tax | | | | | 272,625 | - | 272,625 |
| Hotel/motel taxes | | | | | 220,138 | - | 220,138 |
| Tax apportionment revenue | | | | | 198,531 | - | 198,531 |
| E-911 taxes | | | | | 313,845 | - | 313,845 |
| Intergovernmental revenue not restricted to specific programs | | | | | 327,898 | - | 327,898 |
| Investment income | | | | | 119,840 | 62,212 | 182,052 |
| Miscellaneous | | | | | 537,273 | 160,308 | 697,581 |
| Transfers - Internal activity | | | | | (115,848) | 115,848 | - |
| Total general revenues and transfers | | | | | <u>19,950,248</u> | <u>338,368</u> | <u>20,288,616</u> |
| Change in net position | | | | | <u>2,459,276</u> | <u>195,677</u> | <u>2,654,953</u> |
| Net position - beginning | | | | | <u>38,338,248</u> | <u>6,262,643</u> | <u>44,600,891</u> |
| Net position - ending | | | | | <u>\$ 40,797,524</u> | <u>\$ 6,458,320</u> | <u>\$ 47,255,844</u> |

See accompanying notes to the basic financial statements.

**City of Sapulpa
Balance Sheet
Governmental Funds
June 30, 2020**

| | <u>General Fund</u> | <u>G.O. Bond Construction Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|--|---|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,395,468 | \$ 13,577,699 | \$ 8,858,226 | \$ 23,831,393 |
| Investments | 230,371 | - | 3,178,464 | 3,408,835 |
| Deposits with insurance pool | 6,870 | - | - | 6,870 |
| Deposits with fiscal agent | - | - | 188 | 188 |
| Accrued interest receivable | 648 | - | 7,918 | 8,566 |
| Due from other funds | 150,000 | - | - | 150,000 |
| Due from other governments | 1,150,322 | - | 1,575,109 | 2,725,431 |
| Franchise tax receivable | 57,860 | - | - | 57,860 |
| Court fines receivable | 537,606 | - | 15,095 | 552,701 |
| Other receivables | 1,429 | - | 182,392 | 183,821 |
| Inventory | 8,753 | - | 118,272 | 127,025 |
| Total assets | <u>\$ 3,539,327</u> | <u>\$ 13,577,699</u> | <u>\$ 13,935,664</u> | <u>\$ 31,052,690</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 101,483 | \$ 14,001 | \$ 1,126,758 | \$ 1,242,242 |
| Accrued payroll liabilities | 74,104 | - | 55,207 | 129,311 |
| Accrued interest payable | - | - | 17,609 | 17,609 |
| Due to other funds | - | - | 150,000 | 150,000 |
| Due to other governments | 3,439 | - | 242 | 3,681 |
| Escrow deposit | 34,847 | - | - | 34,847 |
| Refundable court bonds | 6,236 | - | 135 | 6,371 |
| Total liabilities | <u>220,109</u> | <u>14,001</u> | <u>1,349,951</u> | <u>1,584,061</u> |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Unavailable revenue | <u>492,416</u> | <u>-</u> | <u>446,455</u> | <u>938,871</u> |
| Fund balances: | | | | |
| Non-spendable | 8,753 | - | 118,272 | 127,025 |
| Restricted | - | 13,563,698 | 9,873,290 | 23,436,988 |
| Assigned | 1,822,526 | - | 2,147,696 | 3,970,222 |
| Unassigned | 995,523 | - | - | 995,523 |
| Total fund balances | <u>2,826,802</u> | <u>13,563,698</u> | <u>12,139,258</u> | <u>28,529,758</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 3,539,327</u> | <u>\$ 13,577,699</u> | <u>\$ 13,935,664</u> | <u>\$ 31,052,690</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, 2020

Fund Balance - Net Position Reconciliation: \$ 28,529,758

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 \$33,170,259 56,639,623

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 48,021

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 | (405,923) |
| Water resources fund | (592,020) |
| Sewer plant sales tax fund | (211,652) |
| | (1,209,595) |

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:

| | |
|--|-----------|
| Net pension asset | 46,627 |
| Pension related deferred outflows of resources | 3,295,402 |
| Deferred amount on general obligation bond refunding | 63,660 |
| Unavailable revenue | 938,218 |
| OPEB related deferred outflows of resources | 57,569 |
| | 4,401,476 |

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 | (103,038) |
| Capital lease obligation | (629,945) |
| Judgments payable | (266,667) |
| Revenue bonds | (4,850,000) |
| General obligation bond | (25,955,000) |
| Unamortized premium on general obligation bonds | (948,991) |
| Net pension liability | (10,213,494) |
| OPEB related deferred inflows of resources | (110,948) |
| Pension related deferred inflows of resources | (1,825,911) |
| Total OPEB liability | (1,113,254) |
| Accrued compensated absences | (1,594,511) |
| | (47,611,759) |

Net Position of Governmental Activities in the Statement of Net Position \$ 40,797,524

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, 2020

| | <u>General Fund</u> | <u>G.O. Bond Construction Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|--|---|---|
| REVENUES | | | | |
| Taxes | \$ 8,566,366 | \$ - | \$ 10,211,515 | \$ 18,777,881 |
| Intergovernmental | 1,686,296 | 102,700 | 570,394 | 2,359,390 |
| Charges for services | 730,331 | - | 423,834 | 1,154,165 |
| Fines and forfeitures | 350,545 | - | 17,838 | 368,383 |
| Licenses and permits | 165,339 | - | - | 165,339 |
| Investment income | 11,729 | 12,657 | 102,251 | 126,637 |
| Miscellaneous | 443,867 | - | 208,024 | 651,891 |
| Total revenues | <u>11,954,473</u> | <u>115,357</u> | <u>11,533,856</u> | <u>23,603,686</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Administration | 1,408,399 | - | - | 1,408,399 |
| General government | 1,109,660 | 234,834 | 856,909 | 2,201,403 |
| Legal and judicial | 351,489 | - | - | 351,489 |
| Public safety | 10,857,413 | - | 600,039 | 11,457,452 |
| Urban development | 155,880 | - | 148,571 | 304,451 |
| Streets | - | - | 981,786 | 981,786 |
| Culture and recreation | 476,178 | 15,811 | 617,811 | 1,109,800 |
| Water | - | - | 823,180 | 823,180 |
| Wastewater | - | 9,250 | 93,683 | 102,933 |
| Capital Outlay | 47,136 | 1,557,250 | 3,199,346 | 4,803,732 |
| Debt Service: | | | | |
| Principal | 26,953 | - | 1,982,371 | 2,009,324 |
| Interest | 2,771 | - | 723,931 | 726,702 |
| Total expenditures | <u>14,435,879</u> | <u>1,817,145</u> | <u>10,027,627</u> | <u>26,280,651</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,481,406)</u> | <u>(1,701,788)</u> | <u>1,506,229</u> | <u>(2,676,965)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 6,196,447 | - | 1,668,753 | 7,865,200 |
| Transfers out | (3,046,770) | - | (2,733,938) | (5,780,708) |
| Proceeds from long-term debt | - | 13,000,000 | 6,404,644 | 19,404,644 |
| Payment to escrow account | - | - | (4,072,826) | (4,072,826) |
| Total other financing sources (uses) | <u>3,149,677</u> | <u>13,000,000</u> | <u>1,266,633</u> | <u>17,416,310</u> |
| Net change in fund balances | 668,271 | 11,298,212 | 2,772,862 | 14,739,345 |
| Fund balances - beginning | 2,158,531 | 2,265,486 | 9,366,396 | 13,790,413 |
| Fund balances - ending | <u>\$ 2,826,802</u> | <u>\$ 13,563,698</u> | <u>\$ 12,139,258</u> | <u>\$ 28,529,758</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, 2020

Changes in Fund Balance - Changes in Net Position Reconciliation: \$ 14,739,345

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 | 3,339,405 |
| Donated land | 4,881 |
| Book value of disposed capital assets | (2,468) |
| Capital assets transferred to business-type activities | (667) |
| Depreciation expense | (2,189,238) |
| | 1,151,913 |

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

| | |
|-------------------------------|-----------|
| Change in unavailable revenue | (258,631) |
|-------------------------------|-----------|

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.

(49,076)

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 | (174,978) |
| Water Resources Fund | (74,772) |
| Sewer Plant Sales Tax Fund | (14,551) |
| | (264,301) |

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 | 179,543 |
| Principal payment on judgments payable | 266,667 |
| Principal payment on G.O. bonds payable | 1,315,000 |
| Principal payment on Revenue bonds payable | 475,000 |
| Payment to escrow | 4,000,000 |
| Bond refunding amortization | (2,121) |
| Bond premium amortization | 57,858 |
| Bond premium received | (879,644) |
| Proceeds from general obligation bonds | (18,525,000) |
| | (13,112,697) |

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 | (30,341) |
| Change in total OPEB liability | (71,706) |
| Change in accrued compensated absences | 330,446 |
| | 228,399 |

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 | 24,324 |
|---|--------|

| | |
|---|--------------|
| Change in net position of governmental activities | \$ 2,459,276 |
|---|--------------|

See accompanying notes to the basic financial statements.

**City of Sapulpa
Statement of Net Position
Proprietary Funds
June 30, 2020**

| | Enterprise Funds | | | Internal Service Fund |
|---|-------------------------|---------------------------------------|---------------------|------------------------------|
| | SMA Utility Fund | Non-major Golf Course Fund | Total | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 485,208 | \$ 279,779 | \$ 764,987 | \$ 47,967 |
| Restricted cash and cash equivalents | 694,629 | - | 694,629 | - |
| Investments | 1,385,219 | - | 1,385,219 | - |
| Interest receivable | 7,022 | - | 7,022 | - |
| Accounts receivable, net | 910,907 | 2,072 | 912,979 | - |
| Other receivables | 515,639 | - | 515,639 | 54 |
| Inventory | - | 8,383 | 8,383 | - |
| Total current assets | <u>3,998,624</u> | <u>290,234</u> | <u>4,288,858</u> | <u>48,021</u> |
| Non-current assets: | | | | |
| Restricted investments | 280,679 | - | 280,679 | - |
| Prepaid bond insurance | 505,333 | - | 505,333 | - |
| Capital assets: | | | | |
| Land and other non-depreciable assets | 8,000,884 | 34,960 | 8,035,844 | - |
| Other capital assets, net of depreciation | 52,863,571 | 539,567 | 53,403,138 | - |
| Total non-current assets | <u>61,650,467</u> | <u>574,527</u> | <u>62,224,994</u> | <u>-</u> |
| Total assets | <u>65,649,091</u> | <u>864,761</u> | <u>66,513,852</u> | <u>48,021</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Related to OPEB | 15,273 | - | 15,273 | - |
| Deferred amount on refunding | 3,182,678 | - | 3,182,678 | - |
| Total deferred outflows | <u>3,197,951</u> | <u>-</u> | <u>3,197,951</u> | <u>-</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 1,018,278 | 17,233 | 1,035,511 | - |
| Accrued payroll liabilities | 40,237 | 12,188 | 52,425 | - |
| Accrued interest payable | 372,607 | - | 372,607 | - |
| Unearned revenue | - | 1,944 | 1,944 | - |
| Current portion of: | | | | |
| Due to depositors | 65,623 | - | 65,623 | - |
| Notes payable | 115,000 | - | 115,000 | - |
| Water contract obligations | 37,162 | - | 37,162 | - |
| Revenue bonds payable | 1,670,000 | - | 1,670,000 | - |
| Accrued compensated absences | 17,411 | 2,545 | 19,956 | - |
| Total current liabilities | <u>3,336,318</u> | <u>33,910</u> | <u>3,370,228</u> | <u>-</u> |
| Non-current liabilities: | | | | |
| Due to depositors | 262,494 | - | 262,494 | - |
| Notes payable | 1,035,600 | - | 1,035,600 | - |
| Water contract obligations | 643,170 | - | 643,170 | - |
| Revenue bonds payable, net | 58,564,604 | - | 58,564,604 | - |
| Accrued compensated absences | 160,818 | 22,901 | 183,719 | - |
| Total OPEB liability | 252,058 | 49,011 | 301,069 | - |
| Total non-current liabilities | <u>60,918,744</u> | <u>71,912</u> | <u>60,990,656</u> | <u>-</u> |
| Total liabilities | <u>64,255,062</u> | <u>105,822</u> | <u>64,360,884</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Related to OPEB | 25,120 | 77,727 | 102,847 | - |
| NET POSITION | | | | |
| Net investment in capital assets | 3,132,197 | 574,527 | 3,706,724 | - |
| Restricted for debt service | 261,506 | - | 261,506 | - |
| Unrestricted | 1,173,157 | 106,685 | 1,279,842 | 48,021 |
| Total net position | <u>\$ 4,566,860</u> | <u>\$ 681,212</u> | <u>\$ 5,248,072</u> | <u>\$ 48,021</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.

Impact of governmental fund's unavailable revenue recognized as revenue the government-wide level for business-type activities

1,209,595

653

Net Position of business-type activities

\$ 6,458,320

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, 2020

| | <u>Enterprise Funds</u> | | | <u>Internal Service Fund</u> |
|--|-------------------------|-------------------------|---------------------|------------------------------|
| | <u>Non-major</u> | | | |
| | <u>SMA Utility Fund</u> | <u>Golf Course Fund</u> | <u>Total</u> | |
| REVENUES | | | | |
| Water charges | \$ 4,665,414 | \$ - | \$ 4,665,414 | \$ - |
| Sewer charges | 4,150,280 | - | 4,150,280 | - |
| Sanitation | 1,057,521 | - | 1,057,521 | - |
| Water taps | 29,000 | - | 29,000 | - |
| Sewer taps | 24,405 | - | 24,405 | - |
| Late charges | 130,872 | - | 130,872 | - |
| Trucked water | 160,401 | - | 160,401 | - |
| Stormwater | 870,016 | - | 870,016 | - |
| Golf course | - | 301,213 | 301,213 | - |
| Self insurance charges | - | - | - | 2,794,041 |
| Miscellaneous | 145,803 | 383 | 146,186 | - |
| Total operating revenues | <u>11,233,712</u> | <u>301,596</u> | <u>11,535,308</u> | <u>2,794,041</u> |
| OPERATING EXPENSES | | | | |
| General government | 169,691 | - | 169,691 | - |
| Administration | 199,030 | - | 199,030 | - |
| Utility collections | 328,908 | - | 328,908 | - |
| Water treatment plant | 1,678,608 | - | 1,678,608 | - |
| Industrial pretreatment | 956,900 | - | 956,900 | - |
| Wastewater treatment plant | 972,108 | - | 972,108 | - |
| Stormwater management | 653,340 | - | 653,340 | - |
| Sanitation | 702,990 | - | 702,990 | - |
| Golf course operations | - | 622,866 | 622,866 | - |
| Depreciation expense | 1,948,569 | 137,466 | 2,086,035 | - |
| Claims expense | - | - | - | 2,769,764 |
| Total operating expenses | <u>7,610,144</u> | <u>760,332</u> | <u>8,370,476</u> | <u>2,769,764</u> |
| Operating income (loss) | <u>3,623,568</u> | <u>(458,736)</u> | <u>3,164,832</u> | <u>24,277</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 54,403 | 1,591 | 55,994 | 47 |
| Miscellaneous | 146,483 | - | 146,483 | - |
| Interest expense and fiscal charges | (3,211,703) | - | (3,211,703) | - |
| Total non-operating revenue (expenses) | <u>(3,010,817)</u> | <u>1,591</u> | <u>(3,009,226)</u> | <u>47</u> |
| Income (loss) before contributions and transfers | 612,751 | (457,145) | 155,606 | 24,324 |
| Capital contributions | 1,858,942 | 667 | 1,859,609 | - |
| Transfers in | 5,404,116 | 354,996 | 5,759,112 | - |
| Transfers out | (7,843,604) | - | (7,843,604) | - |
| Change in net position | 32,205 | (101,482) | (69,277) | 24,324 |
| Total net position - beginning | 4,534,655 | 782,694 | 5,317,349 | 23,697 |
| Total net position - ending | <u>\$ 4,566,860</u> | <u>\$ 681,212</u> | <u>\$ 5,248,072</u> | <u>\$ 48,021</u> |
| Change in net position | | | \$ (69,277) | |

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 | 174,978 |
| Water resources fund | 74,772 |
| Sewer plant sales tax fund | 14,551 |
| Deferred interest revenue in governmental fund reversed for accrual basis | 653 |
| Change in net position of the business-type activities | <u>\$ 195,677</u> |

See accompanying notes to the basic financial statements.

City of Sapulpa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

| | SMA Utility Fund | Golf Course Fund | Total Enterprise Funds | Internal Service Fund |
|--|---------------------|------------------------|------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 11,226,392 | \$ 303,585 | \$ 11,529,977 | \$ - |
| Payments to suppliers | (2,972,542) | (243,388) | (3,215,930) | (2,769,764) |
| Payments to employees | (2,203,138) | (432,866) | (2,636,004) | - |
| Receipts of customer meter deposits | 114,015 | - | 114,015 | - |
| Refunds of customer meter deposits | (107,537) | - | (107,537) | - |
| Interfund receipts/payments | - | - | - | (50,000) |
| Receipts from others | - | - | - | 2,794,041 |
| Net cash provided by (used in) operating activities | <u>6,057,190</u> | <u>(372,669)</u> | <u>5,684,521</u> | <u>(25,723)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers from other funds | 5,404,116 | 354,996 | 5,759,112 | - |
| Transfers to other funds | (7,843,604) | - | (7,843,604) | - |
| Net cash provided by (used in) noncapital financing activities | <u>(2,439,488)</u> | <u>354,996</u> | <u>(2,084,492)</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Purchases of capital assets | (40,392) | (25,162) | (65,554) | - |
| Proceeds from issuance of capital debt | 430,337 | - | 430,337 | - |
| Principal paid on capital debt | (1,675,727) | - | (1,675,727) | - |
| Interest and fiscal agent fees paid on capital debt | (2,533,124) | - | (2,533,124) | - |
| Net cash provided by (used in) capital and related financing activities | <u>(3,818,906)</u> | <u>(25,162)</u> | <u>(3,844,068)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Sale of investments | 20,303 | - | 20,303 | - |
| Interest and dividends | 56,820 | 1,591 | 58,411 | 47 |
| Net cash provided by investing activities | <u>77,123</u> | <u>1,591</u> | <u>78,714</u> | <u>47</u> |
| Net increase (decrease) in cash and cash equivalents | (124,081) | (41,244) | (165,325) | (25,676) |
| Balances - beginning of year | <u>1,303,918</u> | <u>321,023</u> | <u>1,624,941</u> | <u>73,643</u> |
| Balances - end of year | <u>\$ 1,179,837</u> | <u>\$ 279,779</u> | <u>\$ 1,459,616</u> | <u>\$ 47,967</u> |
| Reconciliation to Statement of Net Position: | | | | |
| Cash and cash equivalents | \$ 485,208 | \$ 279,779 | \$ 764,987 | \$ 47,967 |
| Restricted cash and cash equivalents - current | 694,629 | - | 694,629 | - |
| Total cash and cash equivalents, end of year | <u>\$ 1,179,837</u> | <u>\$ 279,779</u> | <u>\$ 1,459,616</u> | <u>\$ 47,967</u> |

(Continued)

See accompanying notes to the financial statements.

**City of Sapulpa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020**

| | <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) | \$ 3,623,568 | \$ (458,736) | \$ 3,164,832 | \$ 24,277 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation expense | 1,948,569 | 137,466 | 2,086,035 | - |
| Miscellaneous income | 146,483 | - | 146,483 | - |
| Change in assets and liabilities: | | | | |
| Due from other funds | - | - | - | - |
| Total OPEB liability | 6,643 | (83,135) | (76,492) | - |
| Net inflows related to OPEB | 9,847 | 77,727 | 87,574 | - |
| Accounts receivable | 40,827 | 2,887 | 43,714 | - |
| Other receivables | (194,630) | - | (194,630) | - |
| Inventory | - | 1,007 | 1,007 | - |
| Accounts payable | 443,774 | (55,308) | 388,466 | - |
| Accrued payroll payable | 7,570 | 4,089 | 11,659 | - |
| Due to other funds | - | - | - | (50,000) |
| Unearned revenue | - | (898) | (898) | - |
| Deposits subject to refund | 6,478 | - | 6,478 | - |
| Accrued compensated absences | 18,061 | 2,232 | 20,293 | - |
| Net cash provided by (used in) operating activities | <u>\$ 6,057,190</u> | <u>\$ (372,669)</u> | <u>\$ 5,684,521</u> | <u>\$ (25,723)</u> |
| Noncash activities: | | | | |
| Contributed capital assets | <u>\$ 1,858,942</u> | <u>\$ 667</u> | <u>\$ 1,859,609</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.

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 unit's 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 on the following page.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

| <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, while 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, while management of the City and Trust is the same. There was no activity in the current fiscal year. | 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:

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

- 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 accounts that, in addition to the General Fund, comprise the total presentation of the General Fund:

| <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. |

Other Major Fund

| <u>Fund</u> | <u>Description</u> |
|---|--|
| GO Bond Construction Fund (Major Capital Project Fund) | Accounts for the financing and construction of specified capital improvements. |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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. |
| 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. |
| Polson Apportionment Fund | Accounts for all apportioned ad valorem tax levies within the Polson Industrial Park Increment District and payment of project costs with the same. |
| Grants & Aid Fund | Accounts for revenue received and expenditures made for all grant projects, except for library grants and aid. |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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. |
| 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 \$7,500 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. |
| Economic Development Sales Tax | Accounts for revenues received from ½ cent dedicated sales tax (only effective for the portion of Sapulpa in Tulsa County) for the promotion of economic development. |
| 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. |
| Series 2014 Street Capital Improvement Fund | Accounts for the use of bond proceeds from the Series 2014 Street Capital Improvement bonds. |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

Article X, Section 35

Accounts for GO Bond Proceeds issued from Article X, Section 35 of the Oklahoma Constitution for the funding of economic development purposes within or near the City.

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

| <u>Major 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 |

Nonmajor Fund

| | |
|----------------------|--|
| SMA Golf Course Fund | Accounts for revenues received from fees and operational expenses associated with the golf course. |
|----------------------|--|

Internal Service Fund

| | |
|----------------|--|
| 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.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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, 2020. 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 acquisition 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.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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 nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- 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 and one-half 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, one-half cent in the Economic Sales Tax Fund (only effective for the portion of Sapulpa in Tulsa County) and the remaining two cents distributed to various funds based on various percentages.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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

2012A Refunding General Obligation Bonds
2012B Refunding General Obligation Bonds
2015 General Obligation Bonds
2015A General Obligation Bonds
2016A General Obligation Bonds
2019 Refunding General Obligation Bonds
2020A General Obligation Bonds
2020B 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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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, 2020, the City's net assessed valuation of taxable property was \$152,148,008. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2020, was \$13.61.

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 units are subject to various federal, state and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources 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, 2020.

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.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

- 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, 2020, the City complied with this restriction.

Other Long-Term Debt

As required by the Oklahoma State Constitution, the City (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without 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, 2020:

| <u>Requirement</u> | <u>Level of Compliance</u> |
|----------------------------------|---|
| a. Flow of Funds | |
| 1. 2012 Refunding Revenue Bonds: | |
| - Revenue Fund | The Authority maintained all required accounts and made the required payments into such accounts. |
| - Construction Fund | |
| - Bond Fund | |
| - Bond Reserve Fund | |
| 2. 2013 Refunding Revenue Bonds: | |
| - Revenue Account | The Authority maintained all required accounts and made the required payments into such accounts. |
| - Construction Fund | |
| - Bond Account | |
| - Sinking Fund | |

b. Revenue Bond Coverage:

Net operating revenue plus transferred sales tax must equal 1.25 times avg. annual debt service on the 2012 and 2013 Refunding Revenue Bonds.

Net revenues available amounted to \$11,059,795. The avg. annual debt service was \$4,113,715. Actual coverage was 2.69 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.

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.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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

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

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, 2020:

| Type | Maturities | Credit Rating | Carrying Value |
|--|---------------------|---------------------|-----------------------------|
| Deposits: | | | |
| Demand deposits | | N/A | \$ 23,351,070 |
| Cash on hand | | N/A | 3,621 |
| Time deposits (Certificates of Deposit) | Due within one year | N/A | 4,462,600 |
| Time deposits (Certificate of Deposit) | Due in 1 - 5 years | N/A | 527,133 |
| | | | <u>\$ 28,344,424</u> |
| Investments: | | | |
| Federated Hermes Government Obligations Tax-Managed Fund | | AAAm ⁽¹⁾ | \$ 1,984,473 |
| U.S. Treasury HH Savings Bonds | 7/1/2022 | N/A | 35,000 |
| Judgments | | N/A | 50,000 |
| | | | <u>2,069,473</u> |
| Total deposits and investments | | | <u><u>\$ 30,413,897</u></u> |

(1) Standard & Poor's

Reconciliation to Statement of Net Position:

| | Governmental Activities | Business-type Activities | Total |
|---------------------------|----------------------------|-----------------------------|----------------------|
| Cash and cash equivalents | 23,430,633 | 1,908,531 | 25,339,164 |
| Investments | 3,191,927 | 1,882,806 | 5,074,733 |
| | <u>\$ 26,622,560</u> | <u>\$ 3,791,337</u> | <u>\$ 30,413,897</u> |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The level inputs for the City's investments are reflected at fiscal year-end as follows:

| Type | Fair Value | Fair Value Measurement Basis | | |
|--|------------|------------------------------|----------------|----------------|
| | | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs |
| Certificates of Deposit | 4,989,733 | - | 4,989,733 | - |
| Federated Hermes Government Obligations Tax-Managed Fund | 1,984,473 | 1,984,473 | - | - |
| U.S. Treasury HH Savings Bonds | 35,000 | 35,000 | - | - |
| Judgments | 50,000 | - | - | 50,000 |

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

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

At June 30, 2020, 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, 2020, 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, 2020, the City had no concentration of credit risk as defined above.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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 SMA 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, 2020 were as follows:

| | Current Cash and cash Equivalents | Noncurrent Investments |
|-------------------|---|---------------------------|
| Utility Deposits | 60,516 | \$ 280,679 |
| Trustee Accounts: | | |
| 2012 Bond Fund | 7,413 | - |
| 2012 Sinking Fund | 70 | - |
| 2013 Bond Fund | 626,630 | - |
| Total | \$ 694,629 | \$ 280,679 |

3. C. ACCOUNTS RECEIVABLE, COURT FINES RECEIVABLE AND PROPERTY TAX RECEIVABLE

Accounts receivable of the governmental and business-type activities as reflected in the Statement of Net Position consist of the following categories. As applicable, the primary source(s) of the receivables net of any allowances for uncollectible accounts is depicted.

| | Receivable balance | Less: allowance for uncollectible accounts | Net of allowance balance |
|---|--------------------|---|-----------------------------|
| Governmental: | | | |
| <u>Accounts receivable</u> | | | |
| EDA Grant Match | \$ 156,550 | \$ - | \$ 156,550 |
| Other | 100 | - | 100 |
| | 156,650 | - | 156,650 |
| <u>Franchise tax receivable</u> | 57,860 | - | 57,860 |
| <u>Court fine receivable</u> | 3,858,484 | (3,305,783) | 552,701 |
| <u>Due from other governments</u> | | | |
| Property tax | 952,920 | (494,273) | 458,647 |
| Sales tax | 1,650,755 | - | 1,650,755 |
| Other | 124,661 | - | 124,661 |
| | 2,728,336 | (494,273) | 2,234,063 |
| <u>Other receivables</u> | 6,661 | - | 6,661 |
| <u>Business-type Activities:</u> | | | |
| <u>Accounts receivable</u> | | | |
| Utilities receivable | 3,240,728 | (2,329,821) | 910,907 |
| Golf | 2,072 | - | 2,072 |
| | 3,242,800 | (2,329,821) | 912,979 |
| <u>Due from other governments (sales tax)</u> | 523,621 | - | 523,621 |
| <u>Other receivables</u> | | | |
| Water/sewer related | 515,375 | - | 515,375 |
| Other | 264 | - | 264 |
| | \$ 515,639 | \$ - | \$ 515,639 |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

3. D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

| | Balance at July 1, 2019 | Additions | Transfers | Disposals | Balance at June 30, 2020 |
|---|----------------------------|---------------------|--------------------|-------------------|-----------------------------|
| Governmental activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 4,859,056 | \$ 4,881 | \$ - | \$ - | \$ 4,863,937 |
| Construction in progress | 4,341,487 | 2,851,346 | (1,787,052) | - | 5,405,781 |
| Total capital assets not being depreciated | <u>9,200,543</u> | <u>2,856,227</u> | <u>(1,787,052)</u> | <u>-</u> | <u>10,269,718</u> |
| Other capital assets: | | | | | |
| Buildings | 12,511,815 | - | 1,549,144 | - | 14,060,959 |
| Other improvements | 3,868,092 | - | 237,908 | - | 4,106,000 |
| Machinery and equipment | 15,845,111 | 488,059 | (10,000) | (29,620) | 16,293,550 |
| Infrastructure | 45,079,655 | - | - | - | 45,079,655 |
| Total other capital assets at historical cost | <u>77,304,673</u> | <u>488,059</u> | <u>1,777,052</u> | <u>(29,620)</u> | <u>79,540,164</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (4,654,349) | (261,467) | - | - | (4,915,816) |
| Other improvements | (2,102,942) | (177,018) | - | - | (2,279,960) |
| Machinery and equipment | (9,511,417) | (742,625) | 9,333 | 27,152 | (10,217,557) |
| Infrastructure | (14,748,798) | (1,008,128) | - | - | (15,756,926) |
| Total accumulated depreciation | <u>(31,017,506)</u> | <u>(2,189,238)</u> | <u>9,333</u> | <u>27,152</u> | <u>(33,170,259)</u> |
| Other capital assets, net | <u>46,287,167</u> | <u>(1,701,179)</u> | <u>1,786,385</u> | <u>(2,468)</u> | <u>46,369,905</u> |
| Governmental activities capital assets, net | <u>\$ 55,487,710</u> | <u>\$ 1,155,048</u> | <u>\$ (667)</u> | <u>\$ (2,468)</u> | <u>\$ 56,639,623</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 | 4,653,654 | 1,389,322 | (2,993,339) | - | 3,049,637 |
| Total capital assets not being depreciated | <u>9,639,861</u> | <u>1,389,322</u> | <u>(2,993,339)</u> | <u>-</u> | <u>8,035,844</u> |
| Other capital assets: | | | | | |
| Buildings | 3,844,087 | - | - | - | 3,844,087 |
| Other improvements | 1,679,178 | - | - | - | 1,679,178 |
| Utility property | 74,346,239 | - | 2,931,362 | - | 77,277,601 |
| Machinery and equipment | 4,925,728 | 535,841 | 10,000 | (68,575) | 5,402,994 |
| Infrastructure | 6,227,423 | - | 61,977 | - | 6,289,400 |
| Total other capital assets at historical cost | <u>91,022,655</u> | <u>535,841</u> | <u>3,003,339</u> | <u>(68,575)</u> | <u>94,493,260</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (1,605,616) | (77,046) | - | - | (1,682,662) |
| Other improvements | (1,386,256) | (55,640) | - | - | (1,441,896) |
| Utility property | (31,599,414) | (1,478,505) | - | 68,575 | (33,009,344) |
| Machinery and equipment | (3,470,084) | (298,729) | (9,333) | - | (3,778,146) |
| Infrastructure | (1,001,959) | (176,115) | - | - | (1,178,074) |
| Total accumulated depreciation | <u>(39,063,329)</u> | <u>(2,086,035)</u> | <u>(9,333)</u> | <u>68,575</u> | <u>(41,090,122)</u> |
| Other capital assets, net | <u>51,959,326</u> | <u>(1,550,194)</u> | <u>2,994,006</u> | <u>-</u> | <u>53,403,138</u> |
| Business-type activities capital assets, net | <u>\$ 61,599,187</u> | <u>\$ (160,872)</u> | <u>\$ 667</u> | <u>\$ -</u> | <u>\$ 61,438,982</u> |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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

Depreciation expense charged to governmental activities:

| | |
|--|--------------|
| General government | \$ 143,524 |
| Legal and judicial | 107 |
| Public safety | 616,992 |
| Urban development | 1,730 |
| Streets | 1,146,420 |
| Culture and recreation | 280,465 |
| Total governmental activities depreciation expense | \$ 2,189,238 |

Depreciation expense charged to business-type activities:

| | |
|---|--------------|
| Water | \$ 651,170 |
| Wastewater | 1,053,740 |
| Sanitation | 29,401 |
| Stormwater | 214,258 |
| Golf course | 137,466 |
| Total business-type activities depreciation expense | \$ 2,086,035 |

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, 2020), 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. During fiscal year 2018, the obligations incurred in November 2002 and June 2006 were paid in full. The remaining obligations are payable in annual installments of \$30,491 and \$33,966, respectively. The total water right obligation balance at June 30, 2020 is \$680,334. 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.

Governmental Activities Long-Term Debt

At June 30, 2020, the governmental activities long-term debt consisted of the following:

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

General Obligation Bonds:

| | |
|---|---------------------|
| <p>\$2,000,000 General Obligation Bonds of 2020B, due in annual installments of \$80,000 with a final installment of \$160,000 due June 1, 2045, and with interest rates at 3.0% to 3.75%. The purpose of issuance was for economic development purposes.</p> | \$ 2,000,000 |
| <p>\$13,000,000 General Obligation Bonds of 2020A, due in annual installments of \$540,000 with a final installment of \$580,000 due June 1, 2034, and with interest rates at 2.375% to 3.0%. The purpose of issuance was to be utilized but not restricted for the following: 1) Streets & Bridges for \$3,680,000; 2) Public Safety Facilities and Equipment for \$5,065,000; 3) Community Park Enhancements for \$1,800,000; 4) Booker T Washington Recreation Center Study for \$100,000; and 5) Sapulpa Youth Sports Complex of \$2,355,000.</p> | 13,000,000 |
| <p>\$3,525,000 Refunding General Obligation Bonds of 2019, due in annual installments varying from \$295,000 to \$370,000 with a final maturity of June 1, 2030, and with interest rates at 2.0% to 4.0%. The purpose of issuance was to refund the \$6,800,000 General Obligation Bonds of 2010.</p> | 3,155,000 |
| <p>\$925,000 Refunding General Obligation Bonds of 2016, due in annual installments of \$100,000 with a final installment of \$125,000 due June 1, 2025, and with interest rates at 2.5% to 3.15%. The purpose of issuance was to refund the \$1,925,000 General Obligation Bonds of 2005.</p> | 525,000 |
| <p>\$2,865,000 General Obligation Bonds of 2015A, due in annual installments of \$150,000 with a final installment of \$15,000 due October 1, 2035, and with interest rates at 2.50% to 3.15%. The purpose of issuance was to construct, equip, and improve the municipal animal shelter, public parks and park lands, and recreational facilities.</p> | 2,415,000 |
| <p>\$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, and with interest rates at 2.0% to 3.1%. The purpose of issuance was to purchase, construct, equip, improve, etc. the water distribution transportation and sewage disposal systems</p> | 3,000,000 |
| <p>\$3,720,000 Refunding General Obligation Bonds of 2012B, due in annual installments varying from \$425,000 to \$260,000 with a final maturity of June 1, 2024, and with interest rates at 1.6% to 4%. The purpose of issuance was to refund the \$5,600,000 General Obligation Bonds of 2004.</p> | 1,215,000 |
| <p>\$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, and with interest rates at 1.6% to 4%. The purpose of issuance was to refund the \$4,100,000 General Obligation Bonds of 2003.</p> | 645,000 |
| <p>\$6,800,000 General Obligation Bonds of 2010, due in annual installments of \$350,000, final installment of \$500,000 due June 1, 2030, and with interest rates at 3.75% to 4.25%. The bond was paid off during the fiscal year ended June 30, 2020, with the proceeds from the Refunding General Obligations Bonds of 2019.</p> | - |
| Total General Obligation Bonds | \$25,955,000 |
| Plus: Unamortized Premium | <u>948,991</u> |
| Total General Obligation Bonds, net | <u>\$26,903,991</u> |
| Current portion | \$ 1,290,000 |
| Non-current portion, net | <u>25,613,991</u> |
| Total General Obligation Bonds | <u>\$26,903,991</u> |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

Revenue Bonds Payable:

| | |
|---|--------------------|
| 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, and interest rates from 2.0% to 3.3%, final maturity on July 1, 2029. The bonds were issued to make improvements to roads, streets, and bridges of the City of Sapulpa. | \$4,850,000 |
| Total Revenue Bonds Payable | <u>\$4,850,000</u> |
| Current portion | \$485,000 |
| Non-current portion | <u>4,365,000</u> |
| Total Revenue Bonds | <u>\$4,850,000</u> |

Capital Lease Obligations:

| | |
|---|-------------------|
| \$169,058 capital lease with First United Bank & Trust for asphalt paver and distributor payable in quarterly installments of \$6,736, and with final payment due August 2019 with an interest rate at 3.05%. | \$ -0- |
| \$126,478 capital lease with De Lage Landen Public Finance copiers payable in monthly installments of \$2,327, and with the final payment due April 2022 with an interest rate at 3.96%. The lease must be renewed annually. | 47,137 |
| \$7,234 capital lease with De Lage Landen Public Finance copiers payable in monthly installments of \$150, and with the final payment due June 2022 with an interest rate at 8.95%. The lease must be renewed annually. | 3,159 |
| \$175,000 capital lease with American Heritage Bank for 50 Yanmaha Golf carts payable in quarterly installments of \$11,696, and with the final payment due August 2022 with an interest rate at 3.50%. The lease must be renewed annually. | 100,804 |
| \$325,000 capital lease with American Hertiage Bank for meters payable in quarterly installments of \$12,685, and with the final payment due October 2022 with an interest rate at 2.55%. The lease must be renewed annually. | 122,170 |
| \$413,183 capital lease with Spillman Technologies for software and hardware CAD System payable in annual installments of \$62,499, and with the final payment due January 2026 with an interest rate at 1.45%. The lease must be renewed annually. | 356,675 |
| Total Capital Lease Obligations | <u>\$ 629,945</u> |
| Current portion | \$ 177,022 |
| Non-current portion | <u>452,923</u> |
| Total Capital Lease Obligations | <u>\$ 629,945</u> |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

Accrued Compensated Absences:

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

| | |
|------------------------------------|--------------------|
| Current portion | \$ 159,451 |
| Non-current portion | <u>1,435,060</u> |
| Total Accrued Compensated Absences | <u>\$1,594,511</u> |

Judgment Payable:

\$800,000 judgment payable (David Bennett Living Trust) payable in Annual installments of \$266,667, and with the final payment due December 2021, with an interest at the statutory rate of 5.5%.

\$266,667

\$266,667

| | |
|-------------------------|------------------|
| Current portion | \$266,667 |
| Non-current portion | <u>-0-</u> |
| Total Judgments Payable | <u>\$266,667</u> |

Business-Type Activities Long-Term Debt

At June 30, 2020, the long-term debt payable from enterprise fund resources consisted of the following:

Revenue Bonds Payable:

2012 Refunding Series Revenue Bonds with an 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 rates from 5.00% to 2.00%, and the final maturity on July 1, 2042. The bonds were issued to refund Utility Revenue Bonds (Series 2002A and Series 2006), and to make capital improvements and extensions to the utility system.

\$23,310,000

2013 Refunding Series Revenue Bonds with an original issue amount of \$43,320,000, 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%, and the final maturity on July 1, 2043. The bonds were issued to refund Capital Improvement Revenue Bonds (Series 2003A, Series 2003B, Series 2009A, and Series 2009B), and to fund the Reserve Fund Insurance Policy and to fund the premium on the Insurance Policy.

36,220,000

| | |
|---|---------------------|
| Total Revenues Bonds Payable | 59,530,000 |
| Less: Unamortized Bond Discount – 2012 Series | (197,571) |
| Add: Unamortized Bond Premium – 2013 Series | <u>902,175</u> |
| Total Revenue Bonds Payable, net | <u>\$60,234,604</u> |

| | |
|----------------------------------|---------------------|
| Current portion | \$ 1,670,000 |
| Non-current portion, net | <u>58,564,604</u> |
| Total Revenue Bonds Payable, net | <u>\$60,234,604</u> |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

Note Payable (direct borrowing):

\$7,850,000 note payable direct borrowing debt with Oklahoma Water Resources Resources Board used for wastewater system improvements, payable in semi-annual installments, final payment due September 2046, secured by water, sewer, and sanitation net revenues, and 1.3% sales tax, interest rate of 2.58%. In the event of default the lender may: 1) file suit for specific performance covenants, 2) accelerate the payment of principal and interest accrued on all notes, 3) appoint temporary trustees to take over, operate, and maintain the System, 4) file suit to enforce or enjoin action or inaction of parties under provisions of the note or sales tax agreement, and 5) interest rate increases to 14% from date of default until date of payment.

| | |
|---------------------|--------------------|
| | <u>\$1,150,600</u> |
| Total Note Payable | <u>\$1,150,600</u> |
| Current portion | \$ 115,000 |
| Non-current portion | <u>1,035,600</u> |
| Total Notes Payable | <u>\$1,150,600</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 | \$ 19,956 |
| Non-current portion | <u>183,717</u> |
| Total Accrued Compensated Absences | <u>\$203,673</u> |

Water Contract Obligations (direct borrowings):

The City has two direct borrowing contractual obligations with the U.S. Army Corps of Engineer for water use rights. In the event of default the lender may: 1) compound interest annually on overdue payments based upon an interest rate determined by the department of Treasury's Treasury Fiscal Requirements Manual, 2) charge interest for payments overdue for a period of less than a year on a monthly basis, and 3) payments overdue for greater than a year shall also be charged interest for any portion of each succeeding month. The outstanding amounts due are 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, and interest rate 4.012%. | \$321,847 |
| 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, and interest rate 4.012%. | <u>358,487</u> |
| Total Water Contract Obligations | <u>\$680,334</u> |
| Current portion | \$ 37,162 |
| Non-current portion | <u>643,172</u> |
| Total Water Contract Obligations | <u>\$680,334</u> |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

Due to Depositors:

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

| | |
|-------------------------|------------------|
| Current portion | \$65,623 |
| Non-current portion | <u>262,494</u> |
| Total Due to Depositors | <u>\$328,117</u> |

Defeased Bonds Outstanding

The Refunding General Obligation Bonds of 2019 resulted in the defeasance of the General Obligation Bonds of 2010 by placing deposits in an escrow account for the purchase of U.S. government securities to pay the principal and interest of the defeased note when it was ultimately paid in December 2019. At this time the entire outstanding debt balance of the note was paid. As a result, at fiscal year-end the remaining outstanding balance of these defeased bonds totaled \$0. The refunding resulted in an accounting loss of \$10,497 and a net present value savings of \$433,535.

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 | \$3,145,000 |
| 2003A Series Revenue Bonds | <u>4,700,000</u> |
| Total Defeased Bonds Outstanding | <u>\$7,845,000</u> |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

| <u>Type of Debt</u> | Balance <u>June 30, 2019</u> | <u>Additions</u> | <u>Refunded</u> | <u>Deductions</u> | Balance <u>June 30, 2020</u> | Amounts Due Within <u>One Year</u> |
|--|---------------------------------|----------------------|---------------------|---------------------|---------------------------------|--|
| Governmental Activities: | | | | | | |
| General obligation bonds | \$ 12,745,000 | \$ 18,525,000 | \$ 4,000,000 | \$ 1,315,000 | \$ 25,955,000 | \$ 1,290,000 |
| Revenue bonds payable | 5,325,000 | - | - | 475,000 | 4,850,000 | 485,000 |
| Capital lease obligation | 809,488 | - | - | 179,543 | 629,945 | 177,022 |
| Judgments payable | 533,334 | - | - | 266,667 | 266,667 | 266,667 |
| Accrued compensated absences | 1,924,957 | 1,261,385 | - | 1,591,831 | 1,594,511 | 159,451 |
| Total Governmental Activities | <u>\$ 21,337,779</u> | <u>\$ 19,786,385</u> | <u>\$ 4,000,000</u> | <u>\$ 3,828,041</u> | 33,296,123 | <u>\$ 2,378,140</u> |
| Unamortized bond premiums/discounts | | | | | 948,991 | |
| Total OPEB Liability | | | | | 1,113,254 | |
| Net Pension Liability | | | | | 10,213,494 | |
| Net Long-term Debt | | | | | <u>\$ 45,571,862</u> | |
| Reconciliation to Government-Wide Statement of Net Position: | | | | | | |
| Due in One Year | | | | | \$ 2,378,140 | |
| Due in More than One Year | | | | | 31,866,974 | |
| Net Pension Liabilities | | | | | 10,213,494 | |
| Total OPEB Liability | | | | | <u>1,113,254</u> | |
| | | | | | <u>\$ 45,571,862</u> | |
| Business-Type Activities: | | | | | | |
| Due to depositors | \$ 321,639 | \$ 114,015 | \$ - | \$ 107,537 | \$ 328,117 | \$ 65,623 |
| Water contract obligations | 716,061 | - | - | 35,727 | 680,334 | 37,162 |
| Notes payable (direct borrowing) | 720,263 | 430,337 | - | - | 1,150,600 | 115,000 |
| Revenue bonds payable | 61,170,000 | - | - | 1,640,000 | 59,530,000 | 1,670,000 |
| Accrued compensated absences | 183,384 | 161,121 | - | 140,832 | 203,673 | 19,956 |
| Total Business-Type Activities | <u>\$ 63,111,347</u> | <u>\$ 705,473</u> | <u>\$ -</u> | <u>\$ 1,924,096</u> | 61,892,724 | <u>\$ 1,907,741</u> |
| Total OPEB Liability | | | | | 301,069 | |
| Unamortized bond premiums/discounts | | | | | 704,604 | |
| Net Long-term Debt | | | | | <u>\$ 62,898,397</u> | |
| Reconciliation to Government-Wide Statement of Net Position: | | | | | | |
| Due in One Year | | | | | 1,907,741 | |
| Due in More than One Year | | | | | 60,689,587 | |
| Total OPEB Liability | | | | | <u>301,069</u> | |
| | | | | | <u>\$ 62,898,397</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 total OPEB liability as of June 30, 2020 are as follows:

| <u>Year Ending June 30,</u> | GOVERNMENTAL ACTIVITY DEBT | | | | | | | |
|-----------------------------|----------------------------|------------------|--------------------------|---------------------|---------------------|-------------------|-------------------|------------------|
| | Capital Lease Obligations | | General Obligation Bonds | | Revenue Bonds | | Judgments Payable | |
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2021 | \$ 177,022 | \$ 12,727 | \$ 1,290,000 | \$ 731,403 | \$ 485,000 | \$ 141,728 | \$ 266,667 | \$ 17,333 |
| 2022 | 175,012 | 7,606 | 1,915,000 | 702,908 | 495,000 | 131,421 | - | - |
| 2023 | 95,724 | 3,843 | 1,925,000 | 654,737 | 505,000 | 119,665 | - | - |
| 2024 | 59,857 | 2,642 | 1,700,000 | 599,278 | 515,000 | 104,515 | - | - |
| 2025 | 60,725 | 1,774 | 1,415,000 | 549,097 | 535,000 | 277,405 | - | - |
| 2026-2030 | 61,605 | 894 | 6,375,000 | 2,150,488 | 2,315,000 | - | - | - |
| 2031-2035 | - | - | 4,850,000 | 1,303,518 | - | - | - | - |
| 2036-2040 | - | - | 3,265,000 | 709,999 | - | - | - | - |
| 2041-2045 | - | - | 3,220,000 | 277,475 | - | - | - | - |
| Totals | <u>\$ 629,945</u> | <u>\$ 29,486</u> | <u>\$ 25,955,000</u> | <u>\$ 7,678,903</u> | <u>\$ 4,850,000</u> | <u>\$ 774,734</u> | <u>\$ 266,667</u> | <u>\$ 17,333</u> |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

| Year Ending June 30, | BUSINESS-TYPE ACTIVITY DEBT | | | | | |
|----------------------|-----------------------------|----------------------|--------------------------------|---------------------|--|-------------------|
| | Revenue Bonds Payable | | Direct Borrowing Notes Payable | | Direct Borrowing Water Contract Obligation | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2021 | \$ 1,670,000 | \$ 2,439,953 | \$ 115,000 | \$ 197,588 | \$ 37,162 | \$ 27,295 |
| 2022 | 1,710,000 | 2,401,378 | 220,000 | 200,908 | 38,653 | 25,804 |
| 2023 | 1,750,000 | 2,358,078 | 220,000 | 195,153 | 40,204 | 24,253 |
| 2024 | 1,805,000 | 2,303,887 | 230,000 | 189,848 | 41,817 | 22,640 |
| 2025 | 1,890,000 | 2,221,238 | 230,000 | 183,317 | 43,494 | 20,963 |
| 2026-2030 | 10,820,000 | 9,724,937 | 1,270,000 | 821,559 | 245,090 | 77,196 |
| 2031-2035 | 13,545,000 | 7,012,875 | 1,435,000 | 645,838 | 233,914 | 23,925 |
| 2036-2040 | 16,485,000 | 3,991,412 | 1,645,000 | 446,302 | - | - |
| 2041-2045 | 9,855,000 | 729,506 | 1,875,000 | 217,626 | - | - |
| 2046-2047 | - | - | 610,000 | 16,065 | - | - |
| Totals | <u>\$ 59,530,000</u> | <u>\$ 33,183,264</u> | <u>\$ 7,850,000</u> | <u>\$ 3,114,204</u> | <u>\$ 680,334</u> | <u>\$ 222,076</u> |
| Amount left to draw | | | <u>(6,699,400)</u> | | | |
| | | | <u>\$ 1,150,600</u> | | | |

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 \$92,713,264. Pledged sales taxes received in the current year were \$5,433,255 and net utility revenues were \$5,626,540 for total pledged revenues of \$11,059,795. Debt service payments of \$4,113,715 for the current fiscal year were 37.2% of total pledged revenues for these bonds.

3.G. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables at June 30, 2020, were as follows:

| Receivable Fund | Payable Fund | Amount | Nature of Interfund Balance |
|-----------------|----------------------------------|-------------------|-----------------------------|
| General Fund | Grants & Aids Fund | \$ 100,000 | Temporary loan of cash |
| General Fund | Sewer Improvement Sales Tax Fund | 50,000 | Temporary loan of cash |
| | | <u>\$ 150,000</u> | |

Reconciliation to Fund Financial Statements:

| | Due From | Due to | Net Interfund Balances |
|--------------------|-------------------|---------------------|------------------------|
| Governmental Funds | \$ 150,000 | \$ (150,000) | - |
| | <u>\$ 150,000</u> | <u>\$ (150,000)</u> | <u>-</u> |

Reconciliation to Statement of Net Position:

| | |
|----------------------------|--------------------|
| Net Interfund Balances | \$ - |
| BTA- Special Revenue Funds | (50,000) |
| Internal Balances | <u>\$ (50,000)</u> |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

Interfund transfers for the year ended June 30, 2020 were as follows:

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Amount</u> | <u>Purpose of Transfer</u> | | | |
|----------------------------|---------------------------------------|----------------------|------------------------------------|--|--|--|
| General Fund | SMA | \$ 2,741,620 | Pledged sales tax - bond indenture | | | |
| General Fund | E-911 | 270,000 | Supplemental operating transfer | | | |
| General Fund | Restricted Construction Park/Rec Fund | 9,150 | Required revenue transfer | | | |
| General Fund | Capital Improvement Fund | 26,000 | Supplemental for capital project | | | |
| SMA | General Fund | 3,200,000 | Supplemental operating transfer | | | |
| SMA | General Fund | 2,741,620 | Return of pledged sales tax | | | |
| SMA | Golf Course Fund | 354,996 | Supplemental operating transfer | | | |
| SMA | Street and Alley | 354,996 | Supplemental operating transfer | | | |
| SMA | Water & Sewer Sales Tax Fund | 234,996 | Supplemental operating transfer | | | |
| SMA | Parks & Recreation Fund | 285,000 | Supplemental operating transfer | | | |
| SMA | Cemetery Maintenance Fund | 219,996 | Supplemental operating transfer | | | |
| SMA | Library Fund | 225,000 | Supplemental operating transfer | | | |
| SMA | Hunting & Fishing Fund | 15,000 | Supplemental operating transfer | | | |
| Polson Apportionment Fund | General Fund | 5,000 | Supplemental operating transfer | | | |
| Stormwater Management Fund | Street and Alley | 20,000 | Supplemental operating transfer | | | |
| Stormwater Management Fund | Capital Improvement Fund | 192,000 | Supplemental operating transfer | | | |
| Cemetery Maintenance Fund | Cemetery Care Fund | 10,859 | 12.5% revenue transfer - state law | | | |
| Hotel/Motel Tax Fund | Park Development Fund | 42,846 | Required revenue transfer | | | |
| Sewer Plant Sales Tax Fund | SMA | 1,625,000 | Supplemental for debt service | | | |
| GO Sinking Fund | General Fund | 9,827 | Interest earnings | | | |
| Water Resource Fund | SMA | 1,037,496 | Supplemental for debt service | | | |
| Water Resource Fund | Water & Sewer Sales Tax Fund | 2,910 | Supplemental for capital purchases | | | |
| Total | | <u>\$ 13,624,312</u> | | | | |

| | <u>Transfers In</u> | <u>Transfers Out</u> | <u>Reconciliation - BTA - Special Revenue Funds</u> | <u>Reclass BTA Sales Tax</u> | <u>Capital Asset Activity</u> | <u>Net Transfers/ Internal Activity</u> |
|------------------------|-------------------------|--------------------------|---|----------------------------------|-----------------------------------|---|
| Reconciliation to Fund | | | | | | |
| Financial Statements: | | | | | | |
| Governmental Funds | \$ 7,865,200 | \$ (5,780,708) | \$ 2,659,196 | \$ (3,812,132) | \$ (815,708) | \$ 115,848 |
| Proprietary Funds | 5,759,112 | (7,843,604) | (2,659,196) | 3,812,132 | 815,708 | (115,848) |
| Total Transfers | <u>\$ 13,624,312</u> | <u>\$ (13,624,312)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</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.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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:

| | General Fund | G.O. Bond Construction | Other Governmental Funds | TOTAL |
|----------------------------|---------------------|---------------------------|--------------------------------|----------------------|
| Fund Balances: | | | | |
| Nonspendable: | | | | |
| Inventory | \$ 8,753 | - | \$ 118,272 | \$ 127,025 |
| Sub-total Nonspendable | 8,753 | - | 118,272 | 127,025 |
| Restricted for: | | | | |
| Law enforcement | - | - | 226,915 | 226,915 |
| Major Thoroughfares | - | - | 525,262 | 525,262 |
| Increment District | - | - | 23 | 23 |
| Animal control | - | - | 7,505 | 7,505 |
| Juvenile Justice programs | - | - | 29,017 | 29,017 |
| Economic Development | - | - | 1,043,421 | 1,043,421 |
| Capital Improvements | - | 13,563,698 | 6,866,866 | 20,430,564 |
| Grants | - | - | 57,070 | 57,070 |
| Debt Service | - | - | 1,117,211 | 1,117,211 |
| Sub-total Restricted | - | 13,563,698 | 9,873,290 | 23,436,988 |
| Assigned to: | | | | |
| Subsequent Year Budget | 1,640,320 | - | - | 1,640,320 |
| Hunting & Fishing | 49,533 | - | - | 49,533 |
| Library | 101,563 | - | - | 101,563 |
| Swimming Pool | 31,110 | - | - | 31,110 |
| Streets | - | - | 82,764 | 82,764 |
| Cemetery | - | - | 102,306 | 102,306 |
| Parks | - | - | 168,693 | 168,693 |
| Major Thoroughfares | - | - | 131,478 | 131,478 |
| Water & Sewer maintenance | - | - | 353,636 | 353,636 |
| Animal control | - | - | 613 | 613 |
| E911 | - | - | 159,521 | 159,521 |
| Juvenile Justice programs | - | - | 1,078 | 1,078 |
| Economic Development | - | - | 69,657 | 69,657 |
| Grant projects | - | - | 25,791 | 25,791 |
| Capital Improvements | - | - | 1,052,159 | 1,052,159 |
| Sub-total Assigned | 1,822,526 | - | 2,147,696 | 3,970,222 |
| Unassigned: | 995,523 | - | - | 995,523 |
| TOTAL FUND BALANCES | \$ 2,826,802 | 13,563,698 | \$ 12,139,258 | \$ 28,529,758 |

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, 2020, is comprised of the following:

| | |
|--|-------------------|
| Enterprise Funds: | |
| 2012 Revenue Bond Trust Accounts | 7,483 |
| 2013 Revenue Bond Trust Accounts | 626,630 |
| Restricted per bond indenture | 634,113 |
| Less: Accrued interest payable | (372,607) |
| Total Restricted for Debt Service | \$ 261,506 |

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 (OkMRF) | Agent Multiple Employer – Defined Contribution Plan Agent Multiple Employer – Defined Contribution Plan - CMO |

A summary of all the amounts recorded in the City’s financial statements for the plans is as follows:

| | <u>Governmental Activities</u> |
|--------------------------------------|--------------------------------|
| Net Pension Liability (Asset) | |
| Police Pension System | \$ (46,627) |
| Firefighter's Pension System | 10,213,494 |
| Total Net Pension Liability | <u>\$ 10,166,867</u> |
| Deferred Outflows of Resources | |
| Police Pension System | \$ 885,092 |
| Firefighter's Pension System | 2,410,310 |
| Total Deferred Outflows of Resources | <u>\$ 3,295,402</u> |
| Deferred Inflows of Resources | |
| Police Pension System | \$ 237,167 |
| Firefighter's Pension System | 1,588,744 |
| Total Deferred Inflows of Resources | <u>\$ 1,825,911</u> |

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.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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

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

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

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$301,206. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$278,760 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 \$288,927. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the City reported an asset of \$46,627 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2019. 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, 2019. Based upon this information, the City's proportion was 0.730370%.

For the year ended June 30, 2020, the City recognized pension expense of \$546,216. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 27,982 | \$ 220,146 |
| Changes of assumptions | 119,057 | - |
| actual earnings on pension plan investments | 426,080 | - |
| Changes in proportion | 8,770 | 14,173 |
| date | 1,997 | 2,848 |
| City contributions subsequent to the measurement date | 301,206 | - |
| Total | <u>\$ 885,092</u> | <u>\$ 237,167</u> |

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

The \$301,206 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | | |
|---------------------|-----------|----------------|
| 2021 | \$ | 195,193 |
| 2022 | | (64,932) |
| 2023 | | 68,076 |
| 2024 | | 141,942 |
| 2025 | | 6,440 |
| | <u>\$</u> | <u>346,719</u> |

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

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

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the following table:

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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

The current allocation policy is that approximately 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies, and absolute return 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%) |
|--|-----------------------|---------------------------------|-----------------------|
| City's proportionate share of the net pension liability (asset) | \$ 1,986,285 | \$ (46,627) | \$ (1,765,480) |

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.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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

Normal Retirement:

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

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

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

Contributions - The contributions requirements of the Plan are at an established rate 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 \$449,932. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$1,015,553 (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 \$983,009.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the City reported a net pension liability of \$10,213,494 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by the pension plan for all participating employers as of June 30, 2019. Based upon this information, the City's proportion was 0.966577%.

For the year ended June 30, 2020, the City recognized pension expense of \$1,525,934. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 1,710,246 | \$ 207,746 |
| Changes of assumptions | - | 262,379 |
| actual earnings on pension plan investments | - | 739,337 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 248,152 | 366,783 |
| City contributions during the measurement date | 1,980 | 12,499 |
| City contributions subsequent to the measurement date | <u>449,932</u> | <u>-</u> |
| Total | <u>\$ 2,410,310</u> | <u>\$ 1,588,744</u> |

The \$449,932 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | | |
|---------------------|----|----------------|
| 2021 | \$ | 207,699 |
| 2022 | | (90,526) |
| 2023 | | 205,417 |
| 2024 | | 80,526 |
| 2025 | | (31,482) |
| Total | \$ | <u>371,634</u> |

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

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

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

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the following table:

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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

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

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

| | 1% Decrease 6.5% | Current Discount Rate 7.5% | 1% Increase 8.5% |
|---|---------------------|-------------------------------|---------------------|
| City's proportionate share of the net pension liability | \$ 13,188,494 | \$ 10,213,494 | \$ 6,946,654 |

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 .

Defined Contribution Plan - Oklahoma Municipal Retirement Fund (OkMRF)

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 (OkMRF). OkMRF 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, 2020, the following amounts related to the defined contribution plan:

| | |
|-----------------------------|------------|
| Employee contributions made | \$ 120,397 |
|-----------------------------|------------|

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

| <i>Civilian</i> | |
|-------------------|-------------|
| <i>Retirement</i> | |
| <u>Age</u> | <u>Rate</u> |
| 55 | 25.00% |
| 60 | 17.00% |
| 61 | 17.00% |
| 62 | 30.00% |
| 63 | 20.00% |
| 64 | 15.00% |
| 65 | 30.00% |
| 70 | 100.00% |

| <u>Years of Service</u> | <u>Retirement Rate</u> | |
|-------------------------|------------------------|-------------|
| | <u>Police</u> | <u>Fire</u> |
| 20 | 20% | 10% |
| 25 | 20% | 15% |
| 30 | 100% | 20% |
| 35 | | 100% |

- Participation – 25% of currently covered civilian employees are assumed to elect retiree medical coverage and 50% for police and firefighters. Dependents are assumed acceptance rate is 50%
- Healthcare cost trend rate - Level 5.50%
- Mortality Rates - The RPH-2014 Total mortality table is a current mortality table used for valuation purposes and the MP-2019 mortality projection used is the most current available.

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

| | <u>Total OPEB</u> <u>Liability</u> |
|----------------------------|---------------------------------------|
| Balances Beginning of Year | \$ 1,472,488 |
| Changes for the Year: | |
| Service cost | 80,259 |
| Interest expense | 59,453 |
| Changes in assumptions | (156,970) |
| Benefits paid | (40,907) |
| Net changes | <u>(58,165)</u> |
| Balances Ending of Year | <u>\$ 1,414,323</u> |
| Governmental Activities | \$ 1,113,254 |
| Business-Type Activities | <u>301,069</u> |
| | <u>\$ 1,414,323</u> |

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate-The following presents the total OPEB liability of the employer calculated using the discount rate of 2.21%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.21%) or 1-percentage-point higher (3.21) than the current rate:

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

| | 1% Decrease 1.21% | Current Discount Rate - 2.21% | 1% Increase 3.21% |
|---------------------------------|----------------------|----------------------------------|----------------------|
| Employer's Total OPEB Liability | \$ 1,566,158 | \$ 1,414,323 | \$ 1,277,302 |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate-The following presents the total OPEB liability of the employer calculated using the healthcare cost trend rate of 5.50%, as well as what the Plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (4.50%) or 1-percentage-point higher (6.50%) than the current rate:

| | 1% Decrease 4.50% | Healthcare Costs Trend Rates 5.50% | 1% Increase 6.50% |
|---------------------------------|----------------------|--|----------------------|
| Employer's Total OPEB Liability | \$ 1,224,379 | \$ 1,414,323 | \$ 1,642,738 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB-The total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

For the year ended June 30, 2020, the employer recognized OPEB expenses of \$123,695. At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--------------------------|-----------------------------------|----------------------------------|
| Changes of assumptions | \$ - | \$ 140,953 |
| Changes in proportion | 72,842 | 72,842 |
| Total | \$ 72,842 | \$ 213,795 |
| Governmental Activities | \$ 57,569 | \$ 110,948 |
| Business-Type Activities | 15,273 | 102,847 |
| | \$ 72,842 | \$ 213,795 |

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

| Year ended June 30: | |
|---------------------|--------------|
| 2021 | \$ (16,017) |
| 2022 | (16,017) |
| 2023 | (16,017) |
| 2024 | (16,017) |
| 2025 | (16,017) |
| Thereafter | (60,868) |
| Total | \$ (140,953) |

4.B. TAX ABATEMENTS

Hotel/Motel Tax Reimbursement Program – the City has entered into an agreement with Comfort Inn & Suites (Hotel) as of April 20, 2015 whereby the Hotel has agreed to construct a hotel facility in exchange for a reimbursement of 50% of the hotel/motel tax receipts generated by the Hotel. The reimbursements will be made until the fifth anniversary of the first reimbursement made or until a maximum aggregate reimbursement of \$150,000 is made. Reimbursements have been made by the City to the Hotel since April 2015 with final payments made June 2020. The reimbursements have not exceeded the \$150,000. Due to confidentiality provisions, the amount of actual reimbursements made cannot be disclosed.

4.C. 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.

4.D. COMMITMENTS AND CONTINGENCIES

Commitments:

Construction Commitments

The City had the following construction commitments outstanding at June 30, 2020 with balances left on the contract:

1. Contractors, Inc.; original contract -\$3,79,646; remaining contract Construction of Youth Sports Complex; Contractors (project management) – D C Bass & Sons Construction Company; original contract - \$1,199,553; Change Orders - \$623,314; remaining contract - \$116,858.
2. Construction on Wasterwater Treatment Plant Improvements; Contractors – Crossland Heavy; original contract \$3,759,646; remaining contract – \$3,654,103.
3. Construction of Frankoma Road Sanitary Sewer Improvements; Contractors – Cherokee Pride Construction, Inc.; original contract -\$1,448,261; remaining contract – \$1,036,499.
4. Construction of Canyon Road Improvements; Contractors – Cherokee Pride Construction, Inc.; original contract -\$1,739,810; remaining contract – \$1,335,994.
5. Construction of North Hickory Street Rehabilitation and Stormwater Improvements; Contractors – Cherokee Pride Construction, Inc.; original contract -\$771,697; changer orders - \$257,235; remaining contract – \$291,743.

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 2019-2020 totaled \$72,367. See Note 3.F. for further debt disclosures.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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).

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 1,582,709 | \$ 1,620,398 | \$1,572,125 | (\$48,273) |
| Resources (Inflows): | | | | |
| TAXES: | | | | |
| Sales tax | 12,749,240 | 13,949,240 | 13,862,297 | (86,943) |
| Use tax | 800,000 | 950,000 | 1,271,237 | 321,237 |
| Franchise tax | 750,000 | 750,000 | 600,551 | (149,449) |
| Payment in lieu of tax | 280,000 | 280,000 | 283,266 | 3,266 |
| Total Taxes | <u>14,579,240</u> | <u>15,929,240</u> | <u>16,017,351</u> | <u>88,111</u> |
| LICENSES AND PERMITS: | | | | |
| Building permits | 35,000 | 35,000 | 32,657 | (2,343) |
| Trade permits | 40,000 | 40,000 | 25,392 | (14,608) |
| Resident construction park/rec fees | 10,000 | 10,000 | 9,150 | (850) |
| Occupation/business | 75,000 | 75,000 | 71,963 | (3,037) |
| Other permits | 7,500 | 7,500 | 7,280 | (220) |
| Total License and Permits | <u>167,500</u> | <u>167,500</u> | <u>146,442</u> | <u>(21,058)</u> |
| INTERGOVERNMENTAL: | | | | |
| Alcoholic beverage tax | 150,000 | 150,000 | 195,459 | 45,459 |
| Cigarette/tobacco tax | 115,000 | 115,000 | 132,439 | 17,439 |
| Grant revenue | - | - | 50,938 | 50,938 |
| Total Intergovernmental | <u>265,000</u> | <u>265,000</u> | <u>378,836</u> | <u>113,836</u> |
| CHARGES FOR SERVICES: | | | | |
| Fire run fees | 438,000 | 438,000 | 464,920 | 26,920 |
| Fire run charges | 5,000 | 5,000 | 12,579 | 7,579 |
| Inspection fees | 50,000 | 50,000 | 43,825 | (6,175) |
| Special assessments | 3,000 | 3,000 | 680 | (2,320) |
| Other fees | 19,500 | 19,500 | 29,742 | 10,242 |
| Court collection fees | 68,000 | 68,000 | 55,280 | (12,720) |
| Shelter fees | 3,500 | 3,500 | 3,633 | 133 |
| Engineering fees | 7,000 | 7,000 | 5,500 | (1,500) |
| Weed abatement | 10,000 | 10,000 | 44,004 | 34,004 |
| Pet adoption | 2,000 | 2,000 | 2,577 | 577 |
| Total Charges for Services | <u>606,000</u> | <u>606,000</u> | <u>662,740</u> | <u>56,740</u> |
| FINES AND FORFEITURES | <u>501,300</u> | <u>501,300</u> | <u>349,486</u> | <u>(151,814)</u> |
| INVESTMENT INCOME | <u>6,175</u> | <u>6,175</u> | <u>10,603</u> | <u>4,428</u> |
| MISCELLANEOUS: | | | | |
| Antenna tower rental | 80,866 | 80,866 | 86,222 | 5,356 |
| Reimbursements | 30,000 | 249,164 | 290,475 | 41,311 |
| Donations | 14,000 | 14,000 | 12,513 | (1,487) |
| Rental income | 16,500 | 16,500 | 34,503 | 18,003 |
| Miscellaneous | 13,500 | 13,500 | 15,197 | 1,697 |
| Total Miscellaneous | <u>154,866</u> | <u>374,030</u> | <u>438,910</u> | <u>64,880</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers from other funds | <u>5,764,675</u> | <u>6,004,675</u> | <u>5,956,447</u> | <u>(48,228)</u> |
| Total Other Financing Sources | <u>5,764,675</u> | <u>6,004,675</u> | <u>5,956,447</u> | <u>(48,228)</u> |
| Total Resources (Inflows) | <u>22,044,756</u> | <u>23,853,920</u> | <u>23,960,815</u> | <u>106,895</u> |
| Amounts available for appropriation | <u>\$23,627,465</u> | <u>\$25,474,318</u> | <u>\$25,532,940</u> | <u>\$58,622</u> |

(Continued)

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2020

(Continued)

| Charges to Appropriations (Outflows): | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------|-------------------|--|
| | Original | Final | | |
| ADMINISTRATION: | | | | |
| City Council: | | | | |
| Materials and supplies | 200 | 425 | 421 | 4 |
| Other services and charges | 106,267 | 106,092 | 84,181 | 21,911 |
| Total City Council | 106,467 | 106,517 | 84,602 | 21,915 |
| City Manager: | | | | |
| Personal services | 232,840 | 234,340 | 234,189 | 151 |
| Materials and supplies | 5,850 | 4,350 | 1,254 | 3,096 |
| Other services and charges | 12,375 | 12,375 | 4,814 | 7,561 |
| Total City Manager | 251,065 | 251,065 | 240,257 | 10,808 |
| City Clerk: | | | | |
| Personal services | 203,300 | 203,300 | 197,455 | 5,845 |
| Materials and supplies | 5,375 | 5,375 | 4,927 | 448 |
| Other services and charges | 10,890 | 10,890 | 8,287 | 2,603 |
| Capital outlay | - | 0 | - | - |
| Total City Clerk | 219,565 | 219,565 | 210,669 | 8,896 |
| Finance: | | | | |
| Personal services | 359,200 | 344,200 | 332,742 | 11,458 |
| Materials and supplies | 5,500 | 5,500 | 2,167 | 3,333 |
| Other services and charges | 127,450 | 142,450 | 136,929 | 5,521 |
| Total Finance | 492,150 | 492,150 | 471,838 | 20,312 |
| Treasurer: | | | | |
| Personal services | 30,770 | 30,770 | 29,167 | 1,603 |
| Other services and charges | 240 | 240 | 100 | 140 |
| Total Treasurer | 31,010 | 31,010 | 29,267 | 1,743 |
| Personnel: | | | | |
| Personal services | 108,115 | 108,115 | 107,397 | 718 |
| Materials and supplies | 1,105 | 2,605 | 1,024 | 1,581 |
| Other services and charges | 22,090 | 20,590 | 8,478 | 12,112 |
| Total Personnel | 131,310 | 131,310 | 116,899 | 14,411 |
| Code Enforcement: | | | | |
| Personal services | 48,355 | 48,355 | 47,271 | 1,084 |
| Materials and supplies | 3,350 | 3,350 | 2,495 | 855 |
| Other services and charges | 18,800 | 23,800 | 8,942 | 14,858 |
| Total Central Purchasing | 70,505 | 75,505 | 58,708 | 16,797 |
| Central Purchasing: | | | | |
| Personal services | 70,833 | 71,933 | 71,884 | 49 |
| Materials and supplies | 1,100 | 1,100 | 760 | 340 |
| Other services and charges | 2,050 | 950 | 595 | 355 |
| Total Central Purchasing | 73,983 | 73,983 | 73,239 | 744 |
| Building Inspector: | | | | |
| Personal services | 123,953 | 123,953 | 116,883 | 7,070 |
| Materials and supplies | 3,300 | 3,300 | 1,286 | 2,014 |
| Other services and charges | 9,435 | 9,631 | 4,751 | 4,880 |
| Total Building Inspector | 136,688 | 136,884 | 122,920 | 13,964 |
| TOTAL ADMINISTRATION | 1,512,743 | 1,517,989 | 1,408,399 | 109,590 |

(Continued)

CITY OF SAPULPA, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
GENERAL FUND
For the fiscal year ended June 30, 2020

(Continued)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------|------------------|------------------|-------------------|--|
| | Original | Final | | |
| GENERAL GOVERNMENT: | | | | |
| Central Garage: | | | | |
| Personal services | 117,423 | 117,423 | 116,698 | 725 |
| Materials and supplies | 5,500 | 5,500 | 2,372 | 3,128 |
| Other services and charges | 14,200 | 14,200 | 6,549 | 7,651 |
| Total Central Garage | <u>137,123</u> | <u>137,123</u> | <u>125,619</u> | <u>11,504</u> |
| General Government: | | | | |
| Personal services | 51,105 | 63,605 | 55,795 | 7,810 |
| Materials and supplies | 30,150 | 30,150 | 21,342 | 8,808 |
| Other services and charges | 604,078 | 596,578 | 529,619 | 66,959 |
| Capital Outlay | 25,600 | 23,775 | 3,950 | 19,825 |
| Debt Service | 27,924 | 27,924 | 27,924 | - |
| Total General Government | <u>738,857</u> | <u>742,032</u> | <u>638,630</u> | <u>103,402</u> |
| Reserve: | | | | |
| Other services and charges | 100,000 | 474,414 | 377,285 | 97,129 |
| Capital Outlay | 60,500 | 60,500 | - | 60,500 |
| Total Reserve | <u>160,500</u> | <u>534,914</u> | <u>377,285</u> | <u>157,629</u> |
| TOTAL GENERAL GOVERNMENT | <u>1,036,480</u> | <u>1,414,069</u> | <u>1,141,534</u> | <u>272,535</u> |
| LEGAL AND JUDICIAL: | | | | |
| City Attorney: | | | | |
| Personal services | 214,560 | 214,560 | 209,301 | 5,259 |
| Materials and supplies | 3,100 | 3,100 | 1,639 | 1,461 |
| Other services and charges | 61,825 | 63,670 | 23,589 | 40,081 |
| Capital outlay | 25,000 | 25,000 | 8,291 | 16,709 |
| Total City Attorney | <u>304,485</u> | <u>306,330</u> | <u>242,820</u> | <u>63,510</u> |
| Municipal Court: | | | | |
| Personal services | 44,773 | 44,773 | 42,472 | 2,301 |
| Materials and supplies | 3,000 | 3,000 | 2,590 | 410 |
| Other services and charges | 81,050 | 81,050 | 71,898 | 9,152 |
| Total Municipal Court | <u>128,823</u> | <u>128,823</u> | <u>116,960</u> | <u>11,863</u> |
| TOTAL LEGAL AND JUDICIAL | <u>433,308</u> | <u>435,153</u> | <u>359,780</u> | <u>75,373</u> |

(Continued)

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2020

(Continued)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|--------------------|--|
| | Original | Final | | |
| PUBLIC SAFETY: | | | | |
| Police: | | | | |
| Personal services | 4,160,380 | 4,166,380 | 3,847,829 | 318,551 |
| Materials and supplies | 164,657 | 166,742 | 113,135 | 53,607 |
| Other services and charges | 275,100 | 282,374 | 205,671 | 76,703 |
| Total Police | 4,600,137 | 4,615,496 | 4,166,635 | 448,861 |
| Fire: | | | | |
| Personal services | 5,016,080 | 5,016,080 | 4,885,503 | 130,577 |
| Materials and supplies | 124,560 | 127,718 | 99,126 | 28,592 |
| Other services and charges | 217,408 | 221,064 | 197,838 | 23,226 |
| Debt Service | 1,800 | 1,800 | 1,800 | - |
| Total Fire | 5,359,848 | 5,366,662 | 5,184,267 | 182,395 |
| Animal Control: | | | | |
| Personal services | 127,800 | 162,020 | 161,905 | 115 |
| Materials and supplies | 9,600 | 10,265 | 9,681 | 584 |
| Other services and charges | 13,500 | 16,115 | 15,602 | 513 |
| Total Animal Control | 150,900 | 188,400 | 187,188 | 1,212 |
| Civil Defense: | | | | |
| Personal services | 15,460 | 15,460 | 14,302 | 1,158 |
| Other services and charges | 12,992 | 12,992 | 12,508 | 484 |
| Total Civil Defense | 28,452 | 28,452 | 26,810 | 1,642 |
| TOTAL PUBLIC SAFETY | 10,139,337 | 10,199,010 | 9,564,900 | 634,110 |
| URBAN DEVELOPMENT: | | | | |
| Personal services | 162,565 | 162,565 | 139,886 | 22,679 |
| Materials and supplies | 6,600 | 6,600 | 1,461 | 5,139 |
| Other services and charges | 47,840 | 48,840 | 14,533 | 34,307 |
| TOTAL URBAN DEVELOPMENT | 217,005 | 218,005 | 155,880 | 62,125 |
| OTHER FINANCING USES: | | | | |
| Transfers to other funds | 9,867,932 | 10,767,932 | 10,671,034 | 96,898 |
| Total Other Financing Uses | 9,867,932 | 10,767,932 | 10,671,034 | 96,898 |
| Total Charges to Appropriations | 23,206,805 | 24,552,158 | 23,301,527 | 1,250,631 |
| Ending Budgetary Fund Balance | \$420,660 | \$922,160 | \$2,231,413 | \$1,309,253 |

**CITY OF SAPULPA, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the fiscal year ended June 30, 2020**

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, 2020

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 | \$ 23,960,815 |
| Differences - budget to GAAP: | |
| Sales tax recognized as inflows of budgetary resources but are not revenues for financial reporting purposes. | (7,624,264) |
| State payments made on-behalf of police and fire pension not considered a budgetary resources | 1,294,313 |
| Revenues from combined accounts: | |
| Hunting & Fishing Account | 43,564 |
| Hunting & Fishing Account - Transfer In | 15,000 |
| Library Account | 193,186 |
| Library Account - Transfer In | 225,000 |
| Swimming Pool Account | 43,306 |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds | \$ 18,150,920 |
| Total Revenues - General Fund | \$ 11,954,473 |
| Transfer In - General Fund | 6,196,447 |
| Total revenues and transfers in - General Fund | \$ 18,150,920 |
| Uses/Outflows of appropriations | |
| Actual amounts (budgetary basis) "total appropriations" from the budgetary comparison schedule | \$ 23,301,527 |
| 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. | (7,624,264) |
| State payments made on-behalf of police and fire pension not considered a budgetary expenditure | 1,294,313 |
| Expenditures from combined accounts: | |
| Hunting & Fishing Account | 45,146 |
| Library Account | 400,421 |
| Swimming Pool Account | 65,506 |
| Total expenditures and transfers out as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds | \$ 17,482,649 |
| Total expenditures - General Fund | \$ 14,435,879 |
| Transfer out - General Fund | 3,046,770 |
| Total expenditures and transfers out - General Fund | \$ 17,482,649 |

**CITY OF SAPULPA, OKLAHOMA
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2020**

*OPEB Schedule of Changes in Total OPEB Liability and Related ratios – Last 10 Years**

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | |
| Service cost | \$ 80,259 | \$ 80,529 | \$ 77,521 |
| Interest | 59,453 | 52,957 | 52,911 |
| Change in assumptions | (156,970) | - | - |
| Benefit payments | <u>(40,907)</u> | <u>(51,729)</u> | <u>(51,729)</u> |
| Net change in total OPEB liability | (58,165) | 81,757 | 78,703 |
| | | | |
| Total OPEB liability - beginning | <u>1,472,488</u> | <u>1,390,731</u> | <u>1,312,028</u> |
| Total OPEB liability - ending | <u>\$ 1,414,323</u> | <u>\$ 1,472,488</u> | <u>\$ 1,390,731</u> |
| | | | |
| Covered employee payroll | \$ 8,059,649 | \$ 8,048,015 | \$ 7,045,261 |
| | | | |
| Total OPEB liability as a percentage of covered employee payroll | 17.55% | 18.30% | 19.74% |

Notes to Schedule:

*Only three years are presented because 10 year data is not yet available

CITY OF SAPULPA, OKLAHOMA
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2020

Schedules of Required Supplementary Information
 SCHEDULE OF THE CITY OF SAPULPA PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
 OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
 Last 10 Fiscal Years*

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|--------------|--------------|--------------|--------------|--------------|-------------|
| City's proportion of the net pension liability (asset) | 0.8341% | 0.8076% | 0.7622211% | 0.7224646% | 0.7520145% | 0.730370% |
| City's proportionate share of the net pension liability (asset) | \$ (280,848) | \$ 32,930 | \$ 1,167,296 | \$ 55,572 | \$ (358,222) | \$ (46,627) |
| City's covered-employee payroll | \$ 2,414,739 | \$ 2,279,608 | \$ 2,249,462 | \$ 2,151,923 | \$2,298,985 | \$2,383,608 |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 11.63% | 1.44% | 51.89% | 2.58% | 15.58% | 1.96% |
| Plan fiduciary net position as a percentage of the total pension liability | 101.53% | 99.82% | 93.50% | 99.68% | 101.89% | 100.24% |

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

Notes to Schedule:

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

CITY OF SAPULPA, OKLAHOMA
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2020

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

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Statutorially required contribution | \$ 296,349 | \$ 292,430 | \$ 279,750 | \$ 298,868 | \$ 309,869 | \$ 301,206 |
| Contributions in relation to the statutorially required contribution | <u>296,349</u> | <u>292,430</u> | <u>279,750</u> | <u>298,868</u> | <u>309,869</u> | <u>301,206</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| City's covered-employee payroll | \$ 2,279,608 | \$ 2,249,462 | \$ 2,151,923 | \$ 2,298,985 | \$ 2,383,608 | \$ 2,316,969 |
| Contributions as a percentage of covered-employee payroll | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% |

Notes to Schedule:

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

CITY OF SAPULPA, OKLAHOMA
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2020

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

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---------------|---------------|---------------|---------------|---------------|--------------|
| City's proportion of the net pension liability | 1.004270% | 0.988614% | 0.951429% | 0.984476% | 0.959416% | 0.966577% |
| City's proportionate share of the net pension liability | \$ 10,327,388 | \$ 10,493,224 | \$ 11,623,741 | \$ 12,381,986 | \$ 10,799,633 | ##### |
| City's covered-employee payroll | \$ 2,727,320 | \$ 2,697,814 | \$ 2,701,350 | \$ 2,759,207 | \$ 2,775,664 | \$ 2,992,914 |
| City's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 379% | 389% | 430% | 449% | 389% | 341% |
| Plan fiduciary net position as a percentage of the total pension liability | 68.12% | 68.27% | 64.87% | 66.61% | 70.73% | 72.85% |

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

Notes to Schedule:

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

CITY OF SAPULPA, OKLAHOMA
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2020

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

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Statutorially required contribution | \$ 377,694 | \$ 378,189 | \$ 386,289 | \$ 388,593 | \$ 419,008 | \$ 449,932 |
| Contributions in relation to the statutorially required contribution | <u>377,694</u> | <u>378,189</u> | <u>386,289</u> | <u>388,593</u> | <u>419,008</u> | <u>449,932</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| City's covered-employee payroll | \$ 2,697,814 | \$ 2,701,350 | \$ 2,759,207 | \$ 2,775,664 | \$2,992,914 | \$ 3,213,800 |
| Contributions as a percentage of coverd-employee payroll | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |

Notes to Schedule:

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

OTHER SUPPLEMENTARY INFORMATION

City of Sapulpa
Combining Balance Sheet - General Fund Accounts
June 30, 2020

| | <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 | \$ 1,213,550 | \$ 51,012 | \$ 99,392 | \$ 31,514 | \$ 1,395,468 |
| Investments | 230,371 | - | - | - | 230,371 |
| Deposits with insurance pool | 6,870 | - | - | - | 6,870 |
| Deposits with fiscal agent | - | - | - | - | - |
| Accrued interest receivable | 648 | - | - | - | 648 |
| Due from other funds | 150,000 | - | - | - | 150,000 |
| Due from other governments | 1,126,521 | - | 23,801 | - | 1,150,322 |
| Franchise tax receivable | 57,860 | - | - | - | 57,860 |
| Court fine receivable, net | 537,606 | - | - | - | 537,606 |
| Other receivables | 75 | 1,175 | - | 179 | 1,429 |
| Inventory | 8,753 | - | - | - | 8,753 |
| Total assets | <u>\$ 3,332,254</u> | <u>\$ 52,187</u> | <u>\$ 123,193</u> | <u>\$ 31,693</u> | <u>\$ 3,539,327</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 83,513 | \$ 2,654 | \$ 14,733 | \$ 583 | \$ 101,483 |
| Accrued payroll liabilities | 67,207 | - | 6,897 | - | 74,104 |
| Due to other governments | 3,439 | - | - | - | 3,439 |
| Escrow deposits | 34,847 | - | - | - | 34,847 |
| Refundable court bonds | 6,236 | - | - | - | 6,236 |
| Total liabilities | <u>195,242</u> | <u>2,654</u> | <u>21,630</u> | <u>583</u> | <u>220,109</u> |
| DEFERRED INFLOW OF RESOURCES | | | | | |
| Deferred revenue | <u>492,416</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>492,416</u> |
| Fund balances: | | | | | |
| Non-spendable | 8,753 | - | - | - | 8,753 |
| Assigned | 1,640,320 | 49,533 | 101,563 | 31,110 | 1,822,526 |
| Unassigned | 995,523 | - | - | - | 995,523 |
| Total fund balances | <u>2,644,596</u> | <u>49,533</u> | <u>101,563</u> | <u>31,110</u> | <u>2,826,802</u> |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 3,332,254</u> | <u>\$ 52,187</u> | <u>\$ 123,193</u> | <u>\$ 31,693</u> | <u>\$ 3,539,327</u> |

City of Sapulpa
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts
For the Year Ended June 30, 2020

| | General Fund | Hunting & Fishing Account | Library Account | Swimming Pool Account | Total General Fund Accounts |
|---|---------------------|--|------------------------|----------------------------------|--|
| REVENUES | | | | | |
| Taxes | \$ 8,393,087 | \$ - | \$ 173,279 | \$ - | \$ 8,566,366 |
| Intergovernmental | 1,673,149 | - | 13,147 | - | 1,686,296 |
| Charges for services | 662,740 | 24,400 | 120 | 43,071 | 730,331 |
| Fines and forfeitures | 349,486 | - | 1,059 | - | 350,545 |
| Licenses and permits | 146,442 | 18,897 | - | - | 165,339 |
| Investment income | 10,603 | 270 | 529 | 327 | 11,729 |
| Miscellaneous | 438,910 | (3) | 5,052 | (92) | 443,867 |
| Total revenues | <u>11,674,417</u> | <u>43,564</u> | <u>193,186</u> | <u>43,306</u> | <u>11,954,473</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Administration | 1,408,399 | - | - | - | 1,408,399 |
| General government | 1,109,660 | - | - | - | 1,109,660 |
| Legal and judicial | 351,489 | - | - | - | 351,489 |
| Public safety | 10,857,413 | - | - | - | 10,857,413 |
| Urban development | 155,880 | - | - | - | 155,880 |
| Culture and recreation | - | 31,397 | 379,275 | 65,506 | 476,178 |
| Capital Outlay | 12,241 | 13,749 | 21,146 | - | 47,136 |
| Debt Service: | | | | | |
| Principal | 26,953 | - | - | - | 26,953 |
| Interest | 2,771 | - | - | - | 2,771 |
| Total expenditures | <u>13,924,806</u> | <u>45,146</u> | <u>400,421</u> | <u>65,506</u> | <u>14,435,879</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,250,389)</u> | <u>(1,582)</u> | <u>(207,235)</u> | <u>(22,200)</u> | <u>(2,481,406)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 5,956,447 | 15,000 | 225,000 | - | 6,196,447 |
| Transfers out | (3,046,770) | - | - | - | (3,046,770) |
| Total other financing sources and uses | <u>2,909,677</u> | <u>15,000</u> | <u>225,000</u> | <u>-</u> | <u>3,149,677</u> |
| Net change in fund balances | 659,288 | 13,418 | 17,765 | (22,200) | 668,271 |
| Fund balances - beginning | 1,985,308 | 36,115 | 83,798 | 53,310 | 2,158,531 |
| Fund balances - ending | <u>\$ 2,644,596</u> | <u>\$ 49,533</u> | <u>\$ 101,563</u> | <u>\$ 31,110</u> | <u>\$ 2,826,802</u> |

City of Sapulpa
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

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 | Polson Apportionment Fund | Grants & Aid Fund |
|--|---------------------------------|--------------------------|-------------------------------|---------------------|-------------------------------|------------------------------------|-----------------------|------------|--------------------------|-------------------------|---------------------------------|----------------------|
| ASSETS | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 67,672 | \$ 77,747 | \$ 142,660 | \$ 193,594 | \$ 407,258 | \$ 270,464 | \$ 8,873 | \$ 135,678 | \$ 27,330 | \$ 196,842 | \$ 66,353 | \$ 39,247 |
| Investments | 35,706 | 5,000 | - | 33,260 | 230,659 | 13,000 | - | - | - | - | - | - |
| Deposits with fiscal agent | - | - | - | - | - | - | - | - | - | - | - | - |
| Due from other governments | 23,801 | 15,688 | 47,602 | - | 47,602 | 95,204 | - | 41,470 | - | - | - | - |
| Interest receivable | - | - | - | 216 | 978 | - | - | - | - | - | - | - |
| Court fines receivable, net of allowance | - | - | - | - | - | - | - | - | 15,095 | - | - | - |
| Other receivable | - | - | 136 | - | - | - | 100 | - | 1,571 | 23,957 | - | 156,550 |
| Inventory | - | - | - | - | 23,300 | 52,287 | - | - | - | - | - | - |
| Total assets | \$ 127,179 | \$ 98,435 | \$ 190,398 | \$ 227,070 | \$ 709,797 | \$ 430,955 | \$ 8,973 | \$ 177,148 | \$ 43,996 | \$ 220,799 | \$ 66,353 | \$ 195,797 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | |
| Accounts payable | \$ 16,479 | \$ 3,325 | \$ 11,551 | \$ - | \$ 29,018 | \$ 12,586 | \$ 855 | \$ 6,683 | \$ 15 | \$ 16,723 | \$ 66,330 | \$ 12,937 |
| Accrued payroll payable | 8,394 | 12,346 | 10,154 | - | - | 12,446 | - | 10,944 | 213 | 710 | - | - |
| Due to other funds | - | - | - | - | - | - | - | - | - | - | - | 100,000 |
| Due to other governments | - | - | - | - | - | - | - | - | 242 | - | - | - |
| Refundable court bonds | - | - | - | - | - | - | - | - | 135 | - | - | - |
| Accrued interest payable | - | - | - | - | - | - | - | - | - | - | - | - |
| Total liabilities | 24,873 | 15,671 | 21,705 | - | 29,018 | 25,032 | 855 | 17,627 | 605 | 17,433 | 66,330 | 112,937 |
| DEFERRED INFLOW OF RESOURCES | | | | | | | | | | | | |
| Deferred revenue | - | - | - | 155 | 739 | - | - | - | 13,296 | - | - | (1) |
| Fund balances: | | | | | | | | | | | | |
| Non-spendable | - | - | - | - | 23,300 | 52,287 | - | - | - | - | - | - |
| Restricted | - | - | - | 226,915 | 525,262 | - | 7,505 | - | 29,017 | 149,035 | 23 | 57,070 |
| Assigned | 102,306 | 82,764 | 168,693 | - | 131,478 | 353,636 | 613 | 159,521 | 1,078 | 54,331 | - | 25,791 |
| Unassigned | - | - | - | - | - | - | - | - | - | - | - | - |
| Total fund balances | 102,306 | 82,764 | 168,693 | 226,915 | 680,040 | 405,923 | 8,118 | 159,521 | 30,095 | 203,366 | 23 | 82,861 |
| Total liabilities, deferred inflows, and fund balances | \$ 127,179 | \$ 98,435 | \$ 190,398 | \$ 227,070 | \$ 709,797 | \$ 430,955 | \$ 8,973 | \$ 177,148 | \$ 43,996 | \$ 220,799 | \$ 66,353 | \$ 195,797 |

City of Sapulpa
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

| | Capital Project 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 | Economic Development Sales Tax Fund | Street Improvement Sales Tax Fund | Sewer Plant Sales Tax Fund | Series 2014 Str Cap Imp | ARTICLE X, SEC 35, GO BOND | | G.O. Sinking Fund |
| ASSETS | | | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 58,468 | \$ 88,375 | \$ 45,676 | \$ 58,425 | \$ 52,650 | \$ 561,503 | \$ 154,808 | \$ 294,887 | \$ 1,767,330 | \$ 23,643 | \$ 1,433,144 | \$ 1,953,605 | \$ 731,994 | \$ 8,858,226 |
| Investments | - | - | 440,359 | - | - | 103,405 | 203,908 | 578,962 | 1,161,658 | - | - | - | 372,547 | 3,178,464 |
| Deposits with fiscal agent | - | - | - | - | - | - | - | - | - | - | - | - | 188 | 188 |
| Due from other governments | - | - | 23,801 | 23,801 | - | 95,204 | 190,408 | 35,863 | 238,009 | 238,009 | - | - | 458,647 | 1,575,109 |
| Interest receivable | - | - | 216 | - | - | - | 864 | - | 3,692 | - | - | - | 1,952 | 7,918 |
| Court fines receivable, net of allowance | - | - | - | - | - | - | - | - | - | - | - | - | - | 15,095 |
| Other receivable | - | - | - | - | - | - | - | - | - | - | 78 | - | - | 182,392 |
| Inventory | - | - | - | - | - | - | 42,685 | - | - | - | - | - | - | 118,272 |
| Total assets | \$ 58,468 | \$ 88,375 | \$ 510,052 | \$ 82,226 | \$ 52,650 | \$ 760,112 | \$ 592,673 | \$ 909,712 | \$ 3,170,689 | \$ 261,652 | \$ 1,433,222 | \$ 1,953,605 | \$ 1,565,328 | \$ 13,935,664 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | | | |
| Accounts payable | \$ 7,000 | \$ - | \$ 42,887 | \$ - | \$ - | \$ 292,426 | \$ - | \$ - | \$ 219,442 | \$ - | \$ 388,501 | \$ - | \$ - | \$ 1,126,758 |
| Accrued payroll payable | - | - | - | - | - | - | - | - | - | - | - | - | - | 55,207 |
| Due to other funds | - | - | - | - | - | - | - | - | - | 50,000 | - | - | - | 150,000 |
| Due to other governments | - | - | - | - | - | - | - | - | - | - | - | - | - | 242 |
| Refundable court bonds | - | - | - | - | - | - | - | - | - | - | - | - | - | 135 |
| Accrued interest payable | - | - | - | - | - | - | - | - | - | - | - | - | 17,609 | 17,609 |
| Total liabilities | 7,000 | - | 42,887 | - | - | 292,426 | - | - | 219,442 | 50,000 | 388,501 | - | 17,609 | 1,349,951 |
| DEFERRED INFLOW OF RESOURCES | | | | | | | | | | | | | | |
| Deferred revenue | - | - | 163 | - | - | - | 653 | - | 942 | - | - | - | 430,508 | 446,455 |
| Fund balances: | | | | | | | | | | | | | | |
| Non-spendable | - | - | - | - | - | - | 42,685 | - | - | - | - | - | - | 118,272 |
| Restricted | - | - | 424,187 | 71,239 | - | 119,368 | 526,670 | 894,386 | 2,604,238 | 205,139 | 962,665 | 1,953,360 | 1,117,211 | 9,873,290 |
| Assigned | 51,468 | 88,375 | 42,815 | 10,987 | 52,650 | 348,318 | 22,665 | 15,326 | 346,067 | 6,513 | 82,056 | 245 | - | 2,147,696 |
| Unassigned | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total fund balances | 51,468 | 88,375 | 467,002 | 82,226 | 52,650 | 467,686 | 592,020 | 909,712 | 2,950,305 | 211,652 | 1,044,721 | 1,953,605 | 1,117,211 | 12,139,258 |
| Total liabilities, deferred inflows, and fund balances | \$ 58,468 | \$ 88,375 | \$ 510,052 | \$ 82,226 | \$ 52,650 | \$ 760,112 | \$ 592,673 | \$ 909,712 | \$ 3,170,689 | \$ 261,652 | \$ 1,433,222 | \$ 1,953,605 | \$ 1,565,328 | \$ 13,935,664 |

City of Sapulpa
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended June 30, 2020

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 | Poison Apportionment Fund | Grants & Aid Fund |
|---|---------------------------------|--------------------------|----------------------------|---------------------|-------------------------------|------------------------------------|-----------------------|-------------------|--------------------------|-------------------------|---------------------------------|----------------------|
| REVENUES | | | | | | | | | | | | |
| Taxes | \$ 173,279 | \$ - | \$ 346,557 | \$ - | \$ 346,557 | \$ 693,115 | \$ - | \$ - | \$ - | \$ 220,138 | \$ 198,531 | \$ - |
| Intergovernmental | - | 193,048 | - | 229,130 | - | - | - | - | - | - | - | 148,216 |
| Charges for services | 86,876 | - | 11,463 | - | - | - | 11,650 | 313,845 | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | 17,838 | - | - | - |
| Investment income | 831 | 879 | 788 | 1,235 | 6,571 | 1,282 | 60 | 496 | 174 | 1,093 | 115 | 86 |
| Miscellaneous | 395 | 289 | 8,415 | 3,773 | 18,134 | 11,655 | - | - | - | - | - | 156,550 |
| Total revenues | <u>261,381</u> | <u>194,216</u> | <u>367,223</u> | <u>234,138</u> | <u>371,262</u> | <u>706,052</u> | <u>11,710</u> | <u>314,341</u> | <u>18,012</u> | <u>221,231</u> | <u>198,646</u> | <u>304,852</u> |
| EXPENDITURES | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| General government | 431,004 | - | - | - | - | - | 9,609 | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | 474,468 | 18,218 | - | - | 89,127 |
| Streets | - | 671,028 | - | - | 296,966 | - | - | - | - | - | - | - |
| Culture and recreation | - | - | 617,811 | - | - | - | - | - | - | - | - | - |
| Urban development | - | - | - | - | - | - | - | - | - | 148,571 | - | - |
| Water | - | - | - | - | - | 768,980 | - | - | - | - | - | - |
| Wastewater | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital outlay | 31,522 | - | 2,896 | 107,070 | - | - | - | - | - | - | 193,900 | 158,569 |
| Debt service: | | | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | <u>462,526</u> | <u>671,028</u> | <u>620,707</u> | <u>107,070</u> | <u>296,966</u> | <u>768,980</u> | <u>9,609</u> | <u>474,468</u> | <u>18,218</u> | <u>148,571</u> | <u>193,900</u> | <u>247,696</u> |
| Excess (deficiency) of revenues over expenditures | <u>(201,145)</u> | <u>(476,812)</u> | <u>(253,484)</u> | <u>127,068</u> | <u>74,296</u> | <u>(62,928)</u> | <u>2,101</u> | <u>(160,127)</u> | <u>(206)</u> | <u>72,660</u> | <u>4,746</u> | <u>57,156</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | |
| Transfers in | 219,996 | 374,996 | 285,000 | - | - | 237,906 | - | 270,000 | - | - | - | - |
| Transfers out | (10,859) | - | - | - | - | - | - | - | - | (42,846) | (5,000) | - |
| Proceeds from long-term debt | - | - | - | - | - | - | - | - | - | - | - | - |
| Payment to escrow | - | - | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>209,137</u> | <u>374,996</u> | <u>285,000</u> | <u>-</u> | <u>-</u> | <u>237,906</u> | <u>-</u> | <u>270,000</u> | <u>-</u> | <u>(42,846)</u> | <u>(5,000)</u> | <u>-</u> |
| Net change in fund balances | 7,992 | (101,816) | 31,516 | 127,068 | 74,296 | 174,978 | 2,101 | 109,873 | (206) | 29,814 | (254) | 57,156 |
| Fund balances - beginning | 94,314 | 184,580 | 137,177 | 99,847 | 605,744 | 230,845 | 6,017 | 49,648 | 30,301 | 173,552 | 277 | 25,705 |
| Fund balances - ending | <u>\$ 102,306</u> | <u>\$ 82,764</u> | <u>\$ 168,693</u> | <u>\$ 226,915</u> | <u>\$ 680,040</u> | <u>\$ 405,823</u> | <u>\$ 8,118</u> | <u>\$ 159,521</u> | <u>\$ 30,095</u> | <u>\$ 203,366</u> | <u>\$ 23</u> | <u>\$ 82,861</u> |

City of Sapulpa
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended June 30, 2020

| | Capital Project 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 | Economic Development Sales Tax Fund | Street Improvement Sales Tax Fund | Sewer Plant Sales Tax Fund | Series 2014 Str Cap Imp | ARTICLE X, SEC 35, GO BOND | G.O. Sinking Fund | Total Governmental Funds |
| REVENUES | | | | | | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ 173,279 | \$ 173,279 | \$ - | \$ 693,115 | \$ 1,386,230 | \$ 284,113 | \$ 1,732,787 | \$ 1,732,787 | \$ - | \$ - | \$ 2,057,748 | \$ 10,211,515 |
| Intergovernmental | - | - | - | - | - | - | - | - | - | - | - | - | - | 570,394 |
| Charges for services | - | - | - | - | - | - | - | - | - | - | - | - | - | 423,834 |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - | - | - | - | - | 17,838 |
| Investment income | 345 | 453 | 6,880 | 621 | 288 | 3,635 | 3,836 | 11,655 | 26,991 | 447 | 23,519 | 245 | 9,726 | 102,251 |
| Miscellaneous | - | - | - | - | - | 1,701 | 2,170 | - | - | - | - | - | 4,942 | 208,024 |
| Total revenues | <u>345</u> | <u>453</u> | <u>180,159</u> | <u>173,900</u> | <u>288</u> | <u>698,451</u> | <u>1,392,236</u> | <u>295,768</u> | <u>1,759,778</u> | <u>1,733,234</u> | <u>23,519</u> | <u>245</u> | <u>2,072,416</u> | <u>11,533,856</u> |
| EXPENDITURES | | | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | | | |
| General government | - | - | 31,715 | - | - | - | - | - | - | - | - | 46,640 | 337,941 | 856,909 |
| Public safety | - | - | - | - | - | 18,226 | - | - | - | - | - | - | - | 600,039 |
| Streets | - | - | - | - | - | - | - | - | 13,792 | - | - | - | - | 981,786 |
| Culture and recreation | - | - | - | - | - | - | - | - | - | - | - | - | - | 617,811 |
| Urban development | - | - | - | - | - | - | - | - | - | - | - | - | - | 148,571 |
| Water | - | - | - | - | - | 4,200 | 50,000 | - | - | - | - | - | - | 823,180 |
| Wastewater | - | - | - | - | - | - | - | - | - | 93,683 | - | - | - | 93,683 |
| Capital outlay | 11,250 | 20,000 | 216,545 | 210,045 | - | 738,076 | 176,316 | - | 372,047 | - | 961,110 | - | - | 3,199,346 |
| Debt service: | | | | | | | | | | | | | | |
| Principal | - | - | - | - | - | 98,834 | 46,806 | - | 481,950 | - | - | - | 1,354,781 | 1,982,371 |
| Interest | - | - | - | - | - | 10,449 | 3,936 | - | 155,013 | - | - | - | 554,533 | 723,931 |
| Total expenditures | <u>11,250</u> | <u>20,000</u> | <u>248,260</u> | <u>210,045</u> | <u>-</u> | <u>869,785</u> | <u>277,058</u> | <u>-</u> | <u>1,022,802</u> | <u>93,683</u> | <u>961,110</u> | <u>46,640</u> | <u>2,247,255</u> | <u>10,027,627</u> |
| Excess (deficiency) of revenues over expenditures | (10,905) | (19,547) | (68,101) | (36,145) | 288 | (171,334) | 1,115,178 | 295,768 | 736,976 | 1,639,551 | (937,591) | (46,395) | (174,839) | 1,506,229 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | | | |
| Transfers in | 9,150 | 42,846 | - | - | 10,859 | 218,000 | - | - | - | - | - | - | - | 1,668,753 |
| Transfers out | - | - | - | - | - | - | (1,040,406) | - | - | (1,625,000) | - | - | (9,827) | (2,733,938) |
| Proceeds from long-term debt | - | - | - | - | - | - | - | - | - | - | - | 2,000,000 | 4,404,644 | 6,404,644 |
| Payment to escrow | - | - | - | - | - | - | - | - | - | - | - | - | (4,072,826) | (4,072,826) |
| Total other financing sources (uses) | <u>9,150</u> | <u>42,846</u> | <u>-</u> | <u>-</u> | <u>10,859</u> | <u>218,000</u> | <u>(1,040,406)</u> | <u>-</u> | <u>-</u> | <u>(1,625,000)</u> | <u>-</u> | <u>2,000,000</u> | <u>321,991</u> | <u>1,266,633</u> |
| Net change in fund balances | (1,755) | 23,299 | (68,101) | (36,145) | 11,147 | 46,666 | 74,772 | 295,768 | 736,976 | 14,551 | (937,591) | 1,953,605 | 147,152 | 2,772,862 |
| Fund balances - beginning | 53,223 | 65,076 | 535,103 | 118,371 | 41,503 | 421,020 | 517,248 | 613,944 | 2,213,329 | 197,101 | 1,982,312 | - | 970,059 | 9,366,396 |
| Fund balances - ending | <u>\$ 51,468</u> | <u>\$ 88,375</u> | <u>\$ 467,002</u> | <u>\$ 82,226</u> | <u>\$ 52,650</u> | <u>\$ 467,686</u> | <u>\$ 592,020</u> | <u>\$ 909,712</u> | <u>\$ 2,950,305</u> | <u>\$ 211,652</u> | <u>\$ 1,044,721</u> | <u>\$ 1,953,605</u> | <u>\$ 1,117,211</u> | <u>\$ 12,139,258</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, 2020

| | <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 | \$ - | \$ 173,279 | \$ 173,279 | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | 184,000 | 193,048 | 9,048 |
| Charges for services | 95,000 | 86,876 | (8,124) | - | - | - |
| Investment income | 750 | 831 | 81 | 1,200 | 879 | (321) |
| Miscellaneous | - | 395 | 395 | - | 289 | 289 |
| Total revenues | <u>95,750</u> | <u>261,381</u> | <u>165,631</u> | <u>185,200</u> | <u>194,216</u> | <u>9,016</u> |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| General government | 511,782 | 462,526 | 49,256 | - | - | - |
| Streets | - | - | - | 722,033 | 671,028 | 51,005 |
| Total Expenditures | <u>511,782</u> | <u>462,526</u> | <u>49,256</u> | <u>722,033</u> | <u>671,028</u> | <u>51,005</u> |
| Excess (deficiency) of revenues over expenditures | <u>(416,032)</u> | <u>(201,145)</u> | <u>214,887</u> | <u>(536,833)</u> | <u>(476,812)</u> | <u>60,021</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 394,366 | 219,996 | (174,370) | 375,000 | 374,996 | (4) |
| Transfers out | (11,875) | (10,859) | 1,016 | - | - | - |
| Total other financing sources and uses | <u>382,491</u> | <u>209,137</u> | <u>(173,354)</u> | <u>375,000</u> | <u>374,996</u> | <u>(4)</u> |
| Net change in fund balances | (33,541) | 7,992 | 41,533 | (161,833) | (101,816) | 60,017 |
| Fund balances - beginning | 84,086 | 94,314 | 10,228 | 170,591 | 184,580 | 13,989 |
| Fund balances - ending | <u>\$ 50,545</u> | <u>\$ 102,306</u> | <u>\$ 51,761</u> | <u>\$ 8,758</u> | <u>\$ 82,764</u> | <u>\$ 74,006</u> |

(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, 2020

(Continued)

| | Parks & Recreation Fund | | | Federal SAF 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 | \$ - | \$ 346,557 | \$ 346,557 | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | 206,714 | 229,130 | 22,416 |
| Charges for services | 15,000 | 11,463 | (3,537) | - | - | - |
| Investment income | 600 | 788 | 188 | 750 | 1,235 | 485 |
| Miscellaneous | 9,200 | 8,415 | (785) | 26,189 | 3,773 | (22,416) |
| Total revenues | <u>24,800</u> | <u>367,223</u> | <u>342,423</u> | <u>233,653</u> | <u>234,138</u> | <u>485</u> |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| Culture and recreation | 706,468 | 620,707 | 85,761 | - | - | - |
| Public Safety | - | - | - | 148,000 | 107,070 | 40,930 |
| Total Expenditures | <u>706,468</u> | <u>620,707</u> | <u>85,761</u> | <u>148,000</u> | <u>107,070</u> | <u>40,930</u> |
| Excess (deficiency) of revenues over expenditures | <u>(681,668)</u> | <u>(253,484)</u> | <u>428,184</u> | <u>85,653</u> | <u>127,068</u> | <u>41,415</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 633,731 | 285,000 | (348,731) | - | - | - |
| Transfers out | - | - | - | (3,200) | - | 3,200 |
| Total other financing sources and uses | <u>633,731</u> | <u>285,000</u> | <u>(348,731)</u> | <u>(3,200)</u> | <u>-</u> | <u>3,200</u> |
| Net change in fund balances | (47,937) | 31,516 | 79,453 | 82,453 | 127,068 | 44,615 |
| Fund balances - beginning | 99,089 | 137,177 | 38,088 | 99,846 | 99,847 | 1 |
| Fund balances - ending | <u>\$ 51,152</u> | <u>\$ 168,693</u> | <u>\$ 117,541</u> | <u>\$ 182,299</u> | <u>\$ 226,915</u> | <u>\$ 44,616</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, 2020

(Continued)

| | <u>Major Thoroughfare Fund</u> | | | <u>Water & Sewer Sales Tax 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 | \$ - | \$ 346,557 | \$ 346,557 | \$ - | \$ 693,115 | \$ 693,115 |
| Investment income | 3,000 | 6,571 | 3,571 | 1,000 | 1,282 | 282 |
| Miscellaneous | 17,950 | 18,134 | 184 | 13,184 | 11,655 | (1,529) |
| Total revenues | <u>20,950</u> | <u>371,262</u> | <u>350,312</u> | <u>14,184</u> | <u>706,052</u> | <u>691,868</u> |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| Streets | 396,175 | 296,966 | 99,209 | - | - | - |
| Water | - | - | - | 976,151 | 768,980 | 207,171 |
| Total Expenditures | <u>396,175</u> | <u>296,966</u> | <u>99,209</u> | <u>976,151</u> | <u>768,980</u> | <u>207,171</u> |
| Excess (deficiency) of revenues over expenditures | <u>(375,225)</u> | <u>74,296</u> | <u>449,521</u> | <u>(961,967)</u> | <u>(62,928)</u> | <u>899,039</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 348,731 | - | (348,731) | 937,462 | 237,906 | (699,556) |
| Total other financing sources and uses | <u>348,731</u> | <u>-</u> | <u>(348,731)</u> | <u>937,462</u> | <u>237,906</u> | <u>(699,556)</u> |
| Net change in fund balances | (26,494) | 74,296 | 100,790 | (24,505) | 174,978 | 199,483 |
| Fund balances - beginning | 577,823 | 605,744 | 27,921 | 105,429 | 230,945 | 125,516 |
| Fund balances - ending | <u>\$ 551,329</u> | <u>\$ 680,040</u> | <u>\$ 128,711</u> | <u>\$ 80,924</u> | <u>\$ 405,923</u> | <u>\$ 324,999</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, 2020

(Continued)

| | Spay & Neuter Fund | | | E911 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 | | | | | | |
| Charges for services | \$ 15,000 | \$ 11,650 | \$ (3,350) | \$ 280,000 | \$ 313,845 | \$ 33,845 |
| Investment income | 25 | 60 | 35 | 500 | 496 | (4) |
| Total revenues | <u>15,025</u> | <u>11,710</u> | <u>(3,315)</u> | <u>280,500</u> | <u>314,341</u> | <u>33,841</u> |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| General government | 13,000 | 9,609 | 3,391 | - | - | - |
| Public safety | - | - | - | 555,665 | 474,468 | 81,197 |
| Total Expenditures | <u>13,000</u> | <u>9,609</u> | <u>3,391</u> | <u>555,665</u> | <u>474,468</u> | <u>81,197</u> |
| Excess (deficiency) of revenues over expenditures | <u>2,025</u> | <u>2,101</u> | <u>76</u> | <u>(275,165)</u> | <u>(160,127)</u> | <u>115,038</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | 270,000 | 270,000 | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>270,000</u> | <u>270,000</u> | <u>-</u> |
| Net change in fund balances | 2,025 | 2,101 | 76 | (5,165) | 109,873 | 115,038 |
| Fund balances - beginning | 6,222 | 6,017 | (205) | 18,661 | 49,648 | 30,987 |
| Fund balances - ending | <u>\$ 8,247</u> | <u>\$ 8,118</u> | <u>\$ (129)</u> | <u>\$ 13,496</u> | <u>\$ 159,521</u> | <u>\$ 146,025</u> |

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2020**

(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 | \$ - | \$ - | \$ - | \$ 235,000 | \$ 220,138 | \$ (14,862) |
| Fines and forfeitures | 25,000 | 17,838 | (7,162) | - | - | - |
| Investment income | 225 | 174 | (51) | 1,000 | 1,093 | 93 |
| Total revenues | <u>25,225</u> | <u>18,012</u> | <u>(7,213)</u> | <u>236,000</u> | <u>221,231</u> | <u>(14,769)</u> |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| Public safety | 26,050 | 18,218 | 7,832 | - | - | - |
| Urban development | - | - | - | 230,455 | 148,571 | 81,884 |
| Total Expenditures | <u>26,050</u> | <u>18,218</u> | <u>7,832</u> | <u>230,455</u> | <u>148,571</u> | <u>81,884</u> |
| Excess (deficiency) of revenues over expenditures | <u>(825)</u> | <u>(206)</u> | <u>619</u> | <u>5,545</u> | <u>72,660</u> | <u>67,115</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | (44,063) | (42,846) | 1,217 |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>(44,063)</u> | <u>(42,846)</u> | <u>1,217</u> |
| Net change in fund balances | (825) | (206) | 619 | (38,518) | 29,814 | 68,332 |
| Fund balances - beginning | 27,323 | 30,301 | 2,978 | 133,635 | 173,552 | 39,917 |
| Fund balances - ending | <u>\$ 26,498</u> | <u>\$ 30,095</u> | <u>\$ 3,597</u> | <u>\$ 95,117</u> | <u>\$ 203,366</u> | <u>\$ 108,249</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, 2020

(Continued)

| | Polson Apportionment Fund | | | Economic Development Sales Tax | | |
|--|---------------------------|------------------------------------|---|--------------------------------|------------------------------------|---|
| | Final | Actual Amounts, Budgetary Basis | Variance with Final Budget - Positive (Negative) | Final | Actual Amounts, Budgetary Basis | Variance with Final Budget - Positive (Negative) |
| REVENUES | | | | | | |
| Taxes | \$ 400,000 | \$ 198,531 | \$ (201,469) | \$ 250,000 | \$ 284,113 | \$ 34,113 |
| Investment income | 250 | 115 | (135) | 3,500 | 11,655 | 8,155 |
| Total revenues | <u>400,250</u> | <u>198,646</u> | <u>(201,604)</u> | <u>253,500</u> | <u>295,768</u> | <u>42,268</u> |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| General government | 395,000 | 193,900 | 201,100 | - | - | - |
| Total Expenditures | <u>395,000</u> | <u>193,900</u> | <u>201,100</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>5,250</u> | <u>4,746</u> | <u>(504)</u> | <u>253,500</u> | <u>295,768</u> | <u>42,268</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers out | (5,000) | (5,000) | - | - | - | - |
| Total other financing sources and uses | <u>(5,000)</u> | <u>(5,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 250 | (254) | (504) | 253,500 | 295,768 | 42,268 |
| Fund balances - beginning | 101 | 277 | 176 | 605,782 | 613,944 | 8,162 |
| Fund balances - ending | <u>\$ 351</u> | <u>\$ 23</u> | <u>\$ (328)</u> | <u>\$ 859,282</u> | <u>\$ 909,712</u> | <u>\$ 50,430</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, 2020

(Continued)

| | <u>Restricted Construction Park/Rec Fund</u> | | | <u>Series 2014 Str Cap Imp</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 | | | | | | |
| Investment income | \$ 300 | \$ 345 | \$ 45 | \$ 1,000 | \$ 23,519 | \$ 22,519 |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | <u>300</u> | <u>345</u> | <u>45</u> | <u>1,000</u> | <u>23,519</u> | <u>22,519</u> |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| Culture and recreation | 40,000 | 11,250 | 28,750 | - | - | - |
| Streets | - | - | - | 1,941,778 | 961,110 | 980,668 |
| Total Expenditures | <u>40,000</u> | <u>11,250</u> | <u>28,750</u> | <u>1,941,778</u> | <u>961,110</u> | <u>980,668</u> |
| Excess (deficiency) of revenues over expenditures | <u>(39,700)</u> | <u>(10,905)</u> | <u>28,795</u> | <u>(1,940,778)</u> | <u>(937,591)</u> | <u>1,003,187</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 10,000 | 9,150 | (850) | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources and uses | <u>10,000</u> | <u>9,150</u> | <u>(850)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (29,700) | (1,755) | 27,945 | (1,940,778) | (937,591) | 1,003,187 |
| Fund balances - beginning | 52,876 | 53,223 | 347 | 1,977,599 | 1,982,312 | 4,713 |
| Fund balances - ending | <u>\$ 23,176</u> | <u>\$ 51,468</u> | <u>\$ 28,292</u> | <u>\$ 36,821</u> | <u>\$ 1,044,721</u> | <u>\$ 1,007,900</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, 2020

(Continued)

| | Park Development Fund | | | Fire Cash 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 | \$ - | \$ - | \$ - | \$ - | \$ 173,279 | \$ 173,279 |
| Investment income | 500 | 453 | (47) | 4,000 | 6,880 | 2,880 |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | <u>500</u> | <u>453</u> | <u>(47)</u> | <u>4,000</u> | <u>180,159</u> | <u>176,159</u> |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| Culture and recreation | 22,072 | 20,000 | 2,072 | - | - | - |
| Public safety | - | - | - | 296,758 | 248,260 | 48,498 |
| Total Expenditures | <u>22,072</u> | <u>20,000</u> | <u>2,072</u> | <u>296,758</u> | <u>248,260</u> | <u>48,498</u> |
| Excess (deficiency) of revenues over expenditures | <u>(21,572)</u> | <u>(19,547)</u> | <u>2,025</u> | <u>(292,758)</u> | <u>(68,101)</u> | <u>224,657</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 44,063 | 42,846 | (1,217) | 174,366 | - | (174,366) |
| Proceeds from sale capital assets | - | - | - | - | - | - |
| Total other financing sources and uses | <u>44,063</u> | <u>42,846</u> | <u>(1,217)</u> | <u>174,366</u> | <u>-</u> | <u>(174,366)</u> |
| Net change in fund balances | 22,491 | 23,299 | 808 | (118,392) | (68,101) | 50,291 |
| Fund balances - beginning | 66,823 | 65,076 | (1,747) | 526,710 | 535,103 | 8,393 |
| Fund balances - ending | <u>\$ 89,314</u> | <u>\$ 88,375</u> | <u>\$ (939)</u> | <u>\$ 408,318</u> | <u>\$ 467,002</u> | <u>\$ 58,684</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, 2020

(Continued)

| | 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 | \$ - | \$ 173,279 | \$ 173,279 | \$ - | \$ - | \$ - |
| Investment income | 750 | 621 | (129) | 250 | 288 | 38 |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | <u>750</u> | <u>173,900</u> | <u>173,150</u> | <u>250</u> | <u>288</u> | <u>38</u> |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| Public safety | 226,333 | 210,045 | 16,288 | - | - | - |
| Total Expenditures | <u>226,333</u> | <u>210,045</u> | <u>16,288</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(225,583)</u> | <u>(36,145)</u> | <u>189,438</u> | <u>250</u> | <u>288</u> | <u>38</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 174,366 | - | (174,366) | 11,875 | 10,859 | (1,016) |
| Total other financing sources and uses | <u>174,366</u> | <u>-</u> | <u>(174,366)</u> | <u>11,875</u> | <u>10,859</u> | <u>(1,016)</u> |
| Net change in fund balances | (51,217) | (36,145) | 15,072 | 12,125 | 11,147 | (978) |
| Fund balances - beginning | 114,290 | 118,371 | 4,081 | 31,131 | 41,503 | 10,372 |
| Fund balances - ending | <u>\$ 63,073</u> | <u>\$ 82,226</u> | <u>\$ 19,153</u> | <u>\$ 43,256</u> | <u>\$ 52,650</u> | <u>\$ 9,394</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, 2020

(Continued)

| | Capital Improvement Fund | | | Water Resources 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 | \$ - | \$ 693,115 | \$ 693,115 | \$ - | \$ 1,386,230 | \$ 1,386,230 |
| Investment income | 1,500 | 3,635 | 2,135 | 750 | 3,836 | 3,086 |
| Miscellaneous | - | 1,701 | 1,701 | - | 2,170 | 2,170 |
| Total revenues | <u>1,500</u> | <u>698,451</u> | <u>696,951</u> | <u>750</u> | <u>1,392,236</u> | <u>1,391,486</u> |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| General government | 188,208 | 123,582 | 64,626 | - | - | - |
| Culture and recreation | 170,662 | 126,634 | 44,028 | - | - | - |
| Public safety | 231,725 | 74,734 | 156,991 | - | - | - |
| Streets | 41,551 | 41,546 | 5 | - | - | - |
| Water | 556,534 | 478,170 | 78,364 | 548,139 | 277,058 | 271,081 |
| Wastewater | 25,559 | 25,119 | 440 | - | - | - |
| Total Expenditures | <u>1,214,239</u> | <u>869,785</u> | <u>344,454</u> | <u>548,139</u> | <u>277,058</u> | <u>271,081</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,212,739)</u> | <u>(171,334)</u> | <u>1,041,405</u> | <u>(547,389)</u> | <u>1,115,178</u> | <u>1,662,567</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 915,462 | 218,000 | (697,462) | 1,394,924 | - | (1,394,924) |
| Transfers out | - | - | - | (1,042,500) | (1,040,406) | 2,094 |
| Total other financing sources and uses | <u>915,462</u> | <u>218,000</u> | <u>(697,462)</u> | <u>352,424</u> | <u>(1,040,406)</u> | <u>(1,392,830)</u> |
| Net change in fund balances | (297,277) | 46,666 | 343,943 | (194,965) | 74,772 | 269,737 |
| Fund balances - beginning | 426,646 | 421,020 | (5,626) | 339,667 | 517,248 | 177,581 |
| Fund balances - ending | <u>\$ 129,369</u> | <u>\$ 467,686</u> | <u>\$ 338,317</u> | <u>\$ 144,702</u> | <u>\$ 592,020</u> | <u>\$ 447,318</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, 2020

(Continued)

| | <u>Street Improvement Sales Tax Fund</u> | | | <u>Sewer Plant Sales Tax 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 | \$ - | \$ 1,732,787 | \$ 1,732,787 | \$ - | \$ 1,732,787 | \$ 1,732,787 |
| Investment income | 20,000 | 26,991 | 6,991 | 250 | 447 | 197 |
| Total revenues | <u>20,000</u> | <u>1,759,778</u> | <u>1,739,778</u> | <u>250</u> | <u>1,733,234</u> | <u>1,732,984</u> |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| Streets | 2,654,293 | 1,022,802 | 1,631,491 | - | - | - |
| Total Expenditures | <u>2,654,293</u> | <u>1,022,802</u> | <u>1,631,491</u> | <u>100,000</u> | <u>93,683</u> | <u>6,317</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,634,293)</u> | <u>736,976</u> | <u>3,371,269</u> | <u>(99,750)</u> | <u>1,639,551</u> | <u>1,739,301</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 1,743,655 | - | (1,743,655) | 1,743,655 | - | (1,743,655) |
| Transfers out | - | - | - | (1,625,000) | (1,625,000) | - |
| Total other financing sources and uses | <u>1,743,655</u> | <u>-</u> | <u>(1,743,655)</u> | <u>118,655</u> | <u>(1,625,000)</u> | <u>(1,743,655)</u> |
| Net change in fund balances | (890,638) | 736,976 | 1,627,614 | 18,905 | 14,551 | (4,354) |
| Fund balances - beginning | 2,098,950 | 2,213,329 | 114,379 | 156,279 | 197,101 | 40,822 |
| Fund balances - ending | <u>\$ 1,208,312</u> | <u>\$ 2,950,305</u> | <u>\$ 1,741,993</u> | <u>\$ 175,184</u> | <u>\$ 211,652</u> | <u>\$ 36,468</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, 2020

| | Grants & Aid 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 | \$ - | \$ - | \$ - | \$ 2,045,098 | \$ 2,057,748 | \$ 12,650 |
| Intergovernmental | 2,091,665 | 148,216 | (1,943,449) | - | - | - |
| Investment income | 100 | 86 | (14) | 7,500 | 9,726 | 2,226 |
| Miscellaneous | 1,354,064 | 156,550 | (1,197,514) | 3,919,828 | 4,409,586 | 489,758 |
| Total revenues | 3,445,829 | 304,852 | (3,140,977) | 5,972,426 | 6,477,060 | 504,634 |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| General government | - | - | - | 6,302,445 | 6,320,081 | (17,636) |
| Parks and recreation | 102,767 | 14,625 | 88,142 | - | - | - |
| Public safety | 225,502 | 91,902 | 133,600 | - | - | - |
| Streets | 203,481 | 219 | 203,262 | - | - | - |
| Wastewater | 2,825,564 | 140,950 | 2,684,614 | - | - | - |
| Total Expenditures | 3,357,314 | 247,696 | 3,109,618 | 6,302,445 | 6,320,081 | (17,636) |
| Excess (deficiency) of revenues over expenditures | 88,515 | 57,156 | (31,359) | (330,019) | 156,979 | 486,998 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 3,200 | - | 3,200 | - | - | - |
| Transfers out | - | - | - | (9,827) | (9,827) | - |
| Total other financing sources and uses | 3,200 | - | 3,200 | (9,827) | (9,827) | - |
| Net change in fund balances | 91,715 | 57,156 | (34,559) | (339,846) | 147,152 | 486,998 |
| Fund balances - beginning | 147,788 | 25,705 | (122,083) | 954,062 | 970,059 | 15,997 |
| Fund balances - ending | \$ 239,503 | \$ 82,861 | \$ (156,642) | \$ 614,216 | \$ 1,117,211 | \$ 502,995 |

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Major and Nonmajor Governmental Funds
For the Year ended June 30, 2020

| | <u>Major Capital Project Fund</u> | | | <u>ARTICLE X, SEC 35, GO BOND</u> | | |
|---|------------------------------------|--|---|-----------------------------------|--|---|
| | <u>G.O. Bond Construction 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 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 102,700 | 102,700 | - | - | - | - |
| Investment income | 20,000 | 12,657 | (7,343) | - | 245 | 245 |
| Miscellaneous | 13,802,588 | 13,000,000 | (802,588) | 2,000,000 | 2,000,000 | - |
| Total revenues | <u>13,925,288</u> | <u>13,115,357</u> | <u>(809,931)</u> | <u>2,000,000</u> | <u>2,000,245</u> | <u>245</u> |
| EXPENDITURES | | | | | | |
| Departmental: | | | | | | |
| General government | 526,150 | 239,630 | 286,520 | 45,970 | 46,640 | (670) |
| Culture and recreation | 1,265,106 | 1,142,319 | 122,787 | - | - | - |
| Public safety | 296,328 | 29,301 | 267,027 | - | - | - |
| Wastewater | 918,716 | 405,895 | 512,821 | - | - | - |
| Total Expenditures | <u>3,006,300</u> | <u>1,817,145</u> | <u>1,189,155</u> | <u>45,970</u> | <u>46,640</u> | <u>(670)</u> |
| Excess (deficiency) of revenues over expenditures | <u>10,918,988</u> | <u>11,298,212</u> | <u>379,224</u> | <u>1,954,030</u> | <u>1,953,605</u> | <u>(425)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 10,918,988 | 11,298,212 | 379,224 | 1,954,030 | 1,953,605 | (425) |
| Fund balances - beginning | 2,349,122 | 2,265,486 | (83,636) | - | - | - |
| Fund balances - ending | <u>\$ 13,268,110</u> | <u>\$ 13,563,698</u> | <u>\$ 295,588</u> | <u>\$ 1,954,030</u> | <u>\$ 1,953,605</u> | <u>\$ (425)</u> |

City of Sapulpa
Combining Schedule of Net Position
SMA Utility Fund Accounts
June 30, 2020

| | 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 | \$ 147,432 | \$ 277,574 | \$ 60,202 | \$ - | \$ 485,208 |
| Restricted cash and cash equivalents | 694,629 | - | - | - | 694,629 |
| Investments | 50,000 | 1,335,219 | - | - | 1,385,219 |
| Interest receivable | 864 | 6,158 | - | - | 7,022 |
| Accounts receivable, net | 829,544 | 81,363 | - | - | 910,907 |
| Other receivables | 515,375 | - | 264 | - | 515,639 |
| Total current assets | <u>2,237,844</u> | <u>1,700,314</u> | <u>60,466</u> | <u>-</u> | <u>3,998,624</u> |
| Non-current assets: | | | | | |
| Restricted investments | 280,679 | - | - | - | 280,679 |
| Prepaid bond insurance | 505,333 | - | - | - | 505,333 |
| Capital Assets: | | | | | |
| Land and other non-depreciable assets | 8,000,884 | - | - | - | 8,000,884 |
| Other capital assets, net of depreciation | <u>52,863,571</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>52,863,571</u> |
| Total non-current assets | <u>61,650,467</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>61,650,467</u> |
| Total assets | <u>63,888,311</u> | <u>1,700,314</u> | <u>60,466</u> | <u>-</u> | <u>65,649,091</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Related to OPEB | 15,273 | - | - | - | 15,273 |
| Deferred amount on refunding | <u>3,182,678</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,182,678</u> |
| Total deferred outflows | <u>3,197,951</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,197,951</u> |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 345,007 | 230,644 | 442,627 | - | 1,018,278 |
| Accrued payroll liabilities | 35,899 | 4,338 | - | - | 40,237 |
| Accrued interest payable | 372,607 | - | - | - | 372,607 |
| Unearned revenue | - | - | - | - | - |
| Current portion of: | | | | | |
| Due to depositors | 65,623 | - | - | - | 65,623 |
| Notes payable | 115,000 | - | - | - | 115,000 |
| Water contract obligations | 37,162 | - | - | - | 37,162 |
| Revenue bonds payable | 1,670,000 | - | - | - | 1,670,000 |
| Accrued compensated absences | 17,411 | - | - | - | 17,411 |
| Total current liabilities | <u>2,658,709</u> | <u>234,982</u> | <u>442,627</u> | <u>-</u> | <u>3,336,318</u> |
| Non-current liabilities: | | | | | |
| Due to depositors | 262,494 | - | - | - | 262,494 |
| Notes payable | 1,035,600 | - | - | - | 1,035,600 |
| Water contract obligations | 643,170 | - | - | - | 643,170 |
| Revenue bonds payable, net | 58,564,604 | - | - | - | 58,564,604 |
| Accrued compensated absences | 156,899 | 4,119 | - | - | 160,818 |
| Total OPEB liability | <u>252,058</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>252,058</u> |
| Total non-current liabilities | <u>60,914,625</u> | <u>4,119</u> | <u>-</u> | <u>-</u> | <u>60,918,744</u> |
| Total liabilities | <u>63,573,334</u> | <u>239,101</u> | <u>442,627</u> | <u>-</u> | <u>64,255,062</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | |
| Related to OPEB | 25,120 | - | - | - | 25,120 |
| NET POSITION | | | | | |
| Net investment in capital assets | 3,132,197 | - | - | - | 3,132,197 |
| Restricted for debt service | 261,506 | - | - | - | 261,506 |
| Unrestricted (deficit) | 94,105 | 1,461,213 | (382,161) | - | 1,173,157 |
| Total net position | <u>\$ 3,487,808</u> | <u>\$ 1,461,213</u> | <u>\$ (382,161)</u> | <u>\$ -</u> | <u>\$ 4,566,860</u> |

City of Sapulpa
Combining Schedule of Revenues, Expenses and Changes in Net Position
SMA Utility Fund Accounts
For the Year Ended June 30, 2020

| | Enterprise Fund Accounts | | | | Total |
|--|---------------------------------|--------------------------------------|---|--|---------------------|
| | SMA Utility | Stormwater Management Account | Sewer System Development Account | Series 2012 Revenue Bond Construction Account | |
| REVENUES | | | | | |
| Water charges | \$ 4,665,414 | \$ - | \$ - | \$ - | \$ 4,665,414 |
| Sewer charges | 4,150,280 | - | - | - | 4,150,280 |
| Sanitation | 1,057,521 | - | - | - | 1,057,521 |
| Water taps | 29,000 | - | - | - | 29,000 |
| Sewer taps | 22,500 | - | 1,905 | - | 24,405 |
| Late charges | 130,872 | - | - | - | 130,872 |
| Trucked water | 160,401 | - | - | - | 160,401 |
| Stormwater | - | 870,016 | - | - | 870,016 |
| Miscellaneous | 145,803 | - | - | - | 145,803 |
| Total operating revenues | <u>10,361,791</u> | <u>870,016</u> | <u>1,905</u> | <u>-</u> | <u>11,233,712</u> |
| OPERATING EXPENSES | | | | | |
| General government | 169,691 | - | - | - | 169,691 |
| Administration | 199,030 | - | - | - | 199,030 |
| Utility collections | 328,908 | - | - | - | 328,908 |
| Water treatment plant | 1,678,608 | - | - | - | 1,678,608 |
| Industrial pretreatment | 68,936 | - | 887,964 | - | 956,900 |
| Wastewater treatment plant | 972,108 | - | - | - | 972,108 |
| Stormwater management | - | 653,340 | - | - | 653,340 |
| Sanitation | 702,990 | - | - | - | 702,990 |
| Depreciation expense | 1,948,569 | - | - | - | 1,948,569 |
| Total Operating Expenses | <u>6,068,840</u> | <u>653,340</u> | <u>887,964</u> | <u>-</u> | <u>7,610,144</u> |
| Operating income (loss) | <u>4,292,951</u> | <u>216,676</u> | <u>(886,059)</u> | <u>-</u> | <u>3,623,568</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Investment income | 30,127 | 24,400 | (124) | - | 54,403 |
| Miscellaneous | 122,969 | 23,514 | - | - | 146,483 |
| Interest expense and fiscal charges | (3,211,703) | - | - | - | (3,211,703) |
| Total non-operating revenue (expenses) | <u>(3,058,607)</u> | <u>47,914</u> | <u>(124)</u> | <u>-</u> | <u>(3,010,817)</u> |
| Income (loss) before contributions and transfers | <u>1,234,344</u> | <u>264,590</u> | <u>(886,183)</u> | <u>-</u> | <u>612,751</u> |
| Capital contributions | 1,858,942 | - | - | - | 1,858,942 |
| Interaccount transfers - net | (349,511) | (80,811) | 430,337 | (15) | - |
| Transfers in | 5,404,116 | - | - | - | 5,404,116 |
| Transfers out | (7,631,604) | (212,000) | - | - | (7,843,604) |
| Change in net position | <u>516,287</u> | <u>(28,221)</u> | <u>(455,846)</u> | <u>(15)</u> | <u>32,205</u> |
| Total net position - beginning | <u>2,971,521</u> | <u>1,489,434</u> | <u>73,685</u> | <u>15</u> | <u>4,534,655</u> |
| Total net position - ending | <u>\$ 3,487,808</u> | <u>\$ 1,461,213</u> | <u>\$ (382,161)</u> | <u>\$ -</u> | <u>\$ 4,566,860</u> |

CITY OF SAPULPA, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2020

| Federal Grantor/Pass through agency Grantor/Program Title | Federal CFDA Number | Grant # | Award Amount | Federal Expenditures |
|--|---------------------------|-------------------|---------------------|-------------------------|
| FEDERAL AWARDS: | | | | |
| <u>U.S. DEPARTMENT OF TRANSPORTATION:</u> | | | | |
| Passed through Oklahoma Highway Safety Office: | | | | |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | PT-19-03-06-18 | \$ 36,300 | \$ 10,375 |
| Highway Safety Grant | 20.600 | PT-19-03-06-18 | 2,800 | 2,800 |
| Highway Safety Grant | 20.600 | OP-18-03-08-17 | 35,000 | 15,372 |
| Subtotal 20.600 | | | 37,800 | 18,172 |
| Subtotal of Highway Safety | | | 74,100 | 28,547 |
| Passed through Oklahoma Tourism and Recreation Department: | | | | |
| Recreational Trails Program | 20.219 | NRT-RT 17(100) | 160,000 | 52,982 |
| Total Department of Transportation | | | 234,100 | 81,529 |
| <u>U.S. DEPARTMENT OF THE INTERIOR:</u> | | | | |
| Passed through Oklahoma Tourism and Recreation Department: | | | | |
| Land and Water Conservation Fund - Sapulpa Youth Sports Complex | 15.916 | 40-01224 | 102,700 | 102,700 |
| <u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES:</u> | | | | |
| State Aid | 45.310 | FY 20 State Aid | 13,147 | 13,147 |
| <u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u> | | | | |
| Passed through Tulsa County: | | | | |
| 2018 CDBG Urban County - Street Improvements | 14.218 | B-18-UC-40-0001 | 152,448 | 219 |
| 2017 CDBG Urban County - Street Improvements | 14.218 | B-17-UC-40-0001 | 130,955 | - |
| 2016 CDBG Urban County - Street Improvements | 14.218 | B-16-UC-40-0001 | 116,864 | - |
| Subtotal of Tulsa County | | | 400,267 | 219 |
| Total Department of Housing and Urban Development | | | 400,267 | 219 |
| <u>U.S. DEPARTMENT OF COMMERCE:</u> | | | | |
| Investments for Public Works and Economic Development Facilities | 11.300 | 08-01-05221 | 1,500,000 | - |
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u> | | | | |
| Passed through Oklahoma Department of Emergency Management: | | | | |
| Tornado and Flood Damage Disaster Assistance | 97.036 | 4438DR-OK | 50,938 | 50,938 |
| Assistance to Firefighters Grant | 97.044 | EMW-2017-FO-05930 | 293,191 | 72,764 |
| Total Department of Homeland Security | | | 344,129 | 123,702 |
| TOTAL FEDERAL AWARDS | | | \$ 2,594,343 | \$ 321,297 |

Notes to Schedule of Expenditures of Federal Awards

Note A - Significant Accounting Policies - The accompanying schedule of expenditures of federal awards is prepared on the basis of accounting consistent with the definition of federal awards expended in the Uniform Guidance.

CITY OF SAPULPA, OKLAHOMA
NET ASSETS/NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 June 30, 2020
TABLE 1

| | FISCAL YEAR | | | | | | | | | |
|--|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 25,253,598 | \$ 25,864,472 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net investment in capital assets | - | - | 24,658,364 | 28,299,654 | 34,911,581 | 37,695,132 | 39,647,053 | 42,314,122 | 41,159,105 | 41,197,880 |
| Restricted | 3,492,437 | 2,440,222 | 3,982,888 | 3,508,280 | 2,177,147 | 2,246,070 | 3,460,194 | 4,468,667 | 5,187,945 | 6,270,449 |
| Unrestricted | 1,710,363 | 908,507 | 14,733 | (525,971) | (11,149,035) * | (10,551,864) * | (9,865,680) * | (10,122,305) * | (8,008,802) * | (6,670,805) |
| Total governmental activities net assets | \$ 30,456,398 | \$ 29,213,201 | \$ 28,655,985 | \$ 31,281,963 | \$ 25,939,693 | \$ 29,389,338 | \$ 33,241,567 | \$ 36,660,484 | \$ 38,338,248 | \$ 40,797,524 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ (5,289,977) | \$ (5,593,983) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net investment in capital assets | - | - | (6,020,714) | (4,880,098) | (4,661,216) | (4,739,349) | (1,481,179) | (204,354) | 2,852,099 | 3,706,724 |
| Restricted | 3,198,295 | 2,852,635 | 383,690 | 764,732 | 1,250,754 | 694,330 | 697,854 | 721,995 | 915,268 | 993,315 |
| Unrestricted | 4,203,008 | 4,131,268 | 6,956,283 | 2,802,982 | 1,074,381 | 3,096,006 | 2,345,547 | 2,368,358 | 2,495,276 | 1,758,281 |
| Total business-type activities net assets | \$ 2,111,326 | \$ 1,389,920 | \$ 1,319,259 | \$ (1,312,384) | \$ (2,336,081) | \$ (949,013) | \$ 1,562,222 | \$ 2,885,999 | \$ 6,262,643 | \$ 6,458,320 |
| Primary government | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 19,963,621 | \$ 20,270,489 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net investment in capital assets | - | - | 18,637,650 | 23,419,556 | 30,250,365 | 32,955,783 | 38,165,874 | 42,109,768 | 44,011,204 | 44,904,604 |
| Restricted | 6,690,732 | 5,292,857 | 4,366,578 | 4,273,012 | 3,427,901 | 2,940,400 | 4,158,048 | 5,190,662 | 6,103,213 | 7,263,764 |
| Unrestricted | 5,913,371 | 5,039,775 | 6,971,016 | 2,277,011 | (10,074,654) | (7,455,858) | (7,520,133) | (7,753,947) | (5,513,526) | (4,912,524) |
| Total primary government net assets | \$ 32,567,724 | \$ 30,603,121 | \$ 29,975,244 | \$ 29,969,579 | \$ 23,603,612 | \$ 28,440,325 | \$ 34,803,789 | \$ 39,546,483 | \$ 44,600,891 | \$ 47,255,844 |

* 2015 and after 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, 2020
 TABLE 2

| Expenses | FISCAL YEAR | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Governmental activities: | | | | | | | | | | |
| Administration | \$ 1,070,144 | \$ 1,111,318 | \$ 1,176,999 | \$ 1,161,305 | \$ 1,147,479 | \$ 1,222,715 | \$ 1,351,137 | \$ 1,306,270 | \$ 1,392,780 | \$ 1,772,609 |
| General government | 1,251,192 | 1,408,140 | 1,389,891 | 1,355,737 | 1,498,532 | 1,310,220 | 1,206,167 | 1,364,855 | 1,461,436 | 1,963,610 |
| Legal and judicial | 289,703 | 311,262 | 326,787 | 356,413 | 360,529 | 351,084 | 345,408 | 310,484 | 385,385 | 369,390 |
| Public safety | 10,075,409 | 10,504,023 | 10,848,677 | 10,949,137 | 10,313,168 | 10,138,938 | 10,465,597 | 11,096,287 | 10,226,923 | 12,029,227 |
| Urban development | 420,914 | 435,616 | 485,346 | 502,722 | 487,448 | 412,479 | 307,727 | 240,837 | 768,945 | 496,708 |
| Streets | 2,174,486 | 2,703,737 | 1,745,231 | 1,271,007 | 2,555,471 | 1,754,903 | 1,306,127 | 1,769,022 | 1,760,452 | 2,077,081 |
| Culture and recreation | 1,383,426 | 1,395,653 | 1,483,769 | 1,479,655 | 1,541,965 | 1,463,855 | 1,437,105 | 1,524,113 | 1,521,404 | 1,476,389 |
| Interest on long-term debt | 661,342 | 627,376 | 628,875 | 500,720 | 645,615 | 670,007 | 725,486 | 600,320 | 649,405 | 543,310 |
| Total governmental activities expenses | <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> | <u>17,324,201</u> | <u>17,144,754</u> | <u>18,212,188</u> | <u>18,166,730</u> | <u>20,728,324</u> |
| Business-type activities: | | | | | | | | | | |
| Water operations | 4,200,477 | 4,304,460 | 4,920,543 | 4,353,733 | 4,065,753 | 4,061,194 | 3,967,948 | 4,206,034 | 4,284,903 | 4,397,586 |
| Wastewater operations | 6,520,715 | 6,783,694 | 6,013,722 | 5,496,979 | 5,457,768 | 5,056,817 | 5,061,205 | 4,931,561 | 4,837,348 | 4,980,514 |
| Sanitation operations | 1,254,592 | 1,318,230 | 1,326,338 | 1,320,618 | 1,402,766 | 1,398,335 | 1,485,048 | 1,546,076 | 1,584,119 | 816,601 |
| Stormwater maintenance | 389,019 | 363,981 | 307,344 | 382,874 | 471,518 | 407,900 | 479,443 | 458,541 | 559,553 | 722,966 |
| Golf course operations | 728,809 | 777,581 | 763,120 | 766,627 | 845,914 | 795,604 | 816,663 | 808,562 | 746,335 | 760,332 |
| Interest charges - governmental activities | 159,201 | 135,689 | 3,320 | 1,910 | - | - | - | - | - | - |
| Total business-type activities expenses | <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> | <u>11,719,850</u> | <u>11,810,307</u> | <u>11,950,774</u> | <u>12,012,258</u> | <u>11,677,999</u> |
| Total primary government expenses | <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> | <u>\$ 29,044,051</u> | <u>\$ 28,955,061</u> | <u>\$ 30,162,962</u> | <u>\$ 30,178,988</u> | <u>\$ 32,406,323</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Administration | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| General government | 243,474 | 305,011 | 351,610 | 346,197 | 383,677 | 416,739 | 370,386 | 413,385 | 438,957 | 431,281 |
| Legal and judicial | - | - | - | - | - | - | - | - | - | - |
| Public safety | 1,280,684 | 1,296,598 | 1,336,141 | 1,562,331 | 1,566,859 | 1,313,925 | 1,277,984 | 1,212,768 | 868,830 | 715,823 |
| Urban development | - | - | - | - | - | - | - | - | - | - |
| Streets | 1,410 | 2,200 | 2,025 | 2,160 | 2,985 | 3,950 | 4,295 | 4,210 | 2,537 | 680 |
| Culture and recreation | 195,097 | 231,450 | 251,688 | 231,384 | 249,950 | 236,603 | 219,787 | 224,696 | 215,526 | 114,291 |
| Operating grants and contributions | 1,381,450 | 1,480,098 | 1,755,551 | 1,454,026 | 1,367,842 | 1,507,551 | 1,482,451 | 1,394,624 | 1,680,814 | 1,819,058 |
| Capital grants and contributions | 279,978 | 247,842 | 653,744 | 3,013,628 | 5,940,352 | 2,504,535 | 2,628,693 | 888,960 | 110,323 | 156,219 |
| Total governmental activities program revenues | <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> | <u>5,983,303</u> | <u>5,983,596</u> | <u>4,138,643</u> | <u>3,316,987</u> | <u>3,237,352</u> |

TABLE 2
(Continued)

| | FISCAL YEAR | | | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water operations | 4,355,677 | 4,489,675 | 4,567,882 | 4,550,607 | 4,269,833 | 4,857,419 | 4,944,803 | 5,085,638 | 4,897,220 | 4,971,089 |
| Wastewater operations | 3,230,851 | 3,227,839 | 3,519,075 | 3,367,955 | 3,557,465 | 3,701,235 | 3,628,741 | 3,772,659 | 3,979,941 | 4,174,685 |
| Sanitation operations | 1,340,120 | 1,375,304 | 1,433,791 | 1,446,311 | 1,605,453 | 1,658,509 | 1,737,669 | 1,848,351 | 1,917,216 | 1,217,922 |
| Stormwater operations | 824,475 | 850,247 | 904,277 | 925,114 | 861,917 | 860,229 | 860,819 | 866,218 | 864,438 | 870,016 |
| Golf course operations | 420,077 | 339,711 | 374,750 | 465,583 | 356,469 | 377,844 | 352,376 | 362,914 | 341,908 | 301,596 |
| Capital grants and contributions | - | - | 82,868 | - | 65,587 | - | 709,501 | 904,740 | - | - |
| Total business-type activities program revenues | 10,171,200 | 10,282,776 | 10,882,643 | 10,755,570 | 10,716,724 | 11,455,236 | 12,233,909 | 12,840,520 | 12,000,723 | 11,535,308 |
| Total primary government program revenues | \$ 13,553,293 | \$ 13,845,975 | \$ 15,233,402 | \$ 17,365,296 | \$ 20,228,389 | \$ 17,438,539 | \$ 18,217,505 | \$ 16,979,163 | \$ 15,317,710 | \$ 14,772,660 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities: | \$ (14,933,926) | \$ (13,734,816) | \$ (10,966,970) | \$ (10,966,970) | \$ (9,038,542) | \$ (11,340,898) | \$ (11,161,158) | \$ (14,073,545) | \$ (14,849,743) | \$ (17,490,972) |
| Business-type activities: | (3,512,435) | (3,051,611) | (1,440,098) | (1,567,171) | (1,526,995) | (264,614) | 423,602 | 889,746 | (11,535) | (142,691) |
| Total primary government net expense | \$ (18,446,361) | \$ (16,786,427) | \$ (12,407,068) | \$ (12,534,141) | \$ (10,565,537) | \$ (11,605,512) | \$ (10,737,556) | \$ (13,183,799) | \$ (14,861,278) | \$ (17,633,663) |
| General Revenues and Other Changes in Net Assets/Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Sales and use taxes | \$ 11,726,417 | \$ 12,526,584 | \$ 11,819,642 | \$ 12,283,297 | \$ 12,700,633 | \$ 12,574,124 | \$ 12,738,375 | \$ 13,551,549 | \$ 14,656,635 | \$ 15,417,647 |
| Ad valorem property taxes | 1,754,809 | 1,708,703 | 1,630,259 | 1,281,765 | 1,880,483 | 1,299,375 | 2,001,667 | 1,870,647 | 2,120,808 | 2,057,748 |
| Franchise and public service taxes | 518,026 | 566,894 | 536,362 | 543,345 | 559,510 | 654,804 | 537,161 | 760,254 | 730,599 | 600,551 |
| Payment in lieu of taxes | 439,422 | 428,810 | 489,500 | 471,073 | 550,090 | 515,291 | 657,214 | 251,431 | 420,288 | 272,625 |
| Hotel/motel taxes | 189,002 | 191,443 | 215,883 | 196,538 | 233,668 | 233,289 | 226,145 | 238,006 | 264,140 | 220,138 |
| Tax apportionment revenue | - | - | - | - | - | - | 61,120 | 125,004 | 204,860 | 198,531 |
| E-911 taxes | 215,068 | 201,751 | 212,641 | 218,150 | 194,726 | 178,383 | 239,336 | 302,246 | 299,922 | 313,845 |
| Intergovernmental revenue not restricted to specific programs | 269,260 | 275,705 | 256,192 | 243,731 | 260,352 | 259,548 | 270,648 | 272,745 | 278,062 | 327,898 |
| Investment income | 88,060 | 57,462 | 34,713 | 21,745 | 19,857 | 41,612 | 62,587 | 98,796 | 144,570 | 119,840 |
| Miscellaneous | 325,436 | 250,669 | 181,936 | 335,570 | 150,704 | 339,546 | 139,931 | 137,061 | 581,060 | 537,273 |
| Transfers-Internal activity | (3,232,145) | (2,517,292) | (879,543) | (1,316,581) | (346,991) | (1,305,429) | (1,920,797) | (590,258) | (3,173,437) | (115,848) |
| Total governmental activities | 12,293,355 | 13,690,729 | 14,497,585 | 14,278,633 | 16,203,032 | 14,790,543 | 15,013,387 | 17,017,481 | 16,527,507 | 19,950,248 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 34,294 | 13,163 | 29,845 | 25,728 | 15,902 | 8,173 | 10,328 | 20,108 | 62,710 | 62,212 |
| Miscellaneous | 141,573 | 148,998 | 151,710 | 154,862 | 140,405 | 338,080 | 156,508 | 160,082 | 152,032 | 160,308 |
| Transfers - Internal activity | 3,232,145 | 2,517,292 | 879,543 | 1,316,581 | 346,991 | 1,305,429 | 1,920,797 | 590,258 | 3,173,437 | 115,848 |
| Total business-type activities | 3,408,012 | 2,679,453 | 1,061,098 | 1,497,171 | 503,298 | 1,651,682 | 2,087,633 | 770,448 | 3,388,179 | 338,368 |
| Total primary government | \$ 15,701,367 | \$ 16,370,182 | \$ 15,558,683 | \$ 15,775,804 | \$ 16,706,330 | \$ 16,442,225 | \$ 17,101,020 | \$ 17,787,929 | \$ 19,915,686 | \$ 20,288,616 |
| Change in Net Assets/Position | | | | | | | | | | |
| Governmental activities | \$ (2,640,571) | \$ (44,087) | \$ 3,530,615 | \$ 3,311,663 | \$ 7,164,490 | \$ 3,449,645 | \$ 3,852,229 | \$ 2,943,936 | \$ 1,677,764 | \$ 2,459,276 |
| Business-type activities | (104,423) | (372,158) | (379,000) | (70,000) | (1,023,697) | 1,387,068 | 2,511,235 | 1,660,194 | 3,376,644 | 195,677 |
| Total primary government | \$ (2,744,994) | \$ (416,245) | \$ 3,151,615 | \$ 3,241,663 | \$ 6,140,793 | \$ 4,836,713 | \$ 6,363,464 | \$ 4,604,130 | \$ 5,054,408 | \$ 2,654,953 |

CITY OF SAPULPA, OKLAHOMA
FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 June 30, 2020
TABLE 3

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Fund | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | | | | | | | | | | |
| Nonspendable | 28,044 | 28,251 | 10,187 | 8,903 | 8,790 | 8,772 | 8,757 | 8,753 | 8,753 | 8,753 |
| Committed | 9,151 | - | 7,753 | 7,074 | 8,912 | 12,467 | - | - | - | - |
| Assigned | 1,396,679 | 1,327,870 | 476,068 | 642,999 | 1,527,532 | 1,275,512 | 1,061,401 | 951,579 | 1,335,272 | 1,822,526 |
| Unassigned | <u>766,562</u> | <u>530,398</u> | <u>632,889</u> | <u>873,660</u> | <u>680,328</u> | <u>385,543</u> | <u>661,453</u> | <u>714,052</u> | <u>814,506</u> | <u>995,523</u> |
| Total general fund | <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> | <u>\$ 1,682,294</u> | <u>\$ 1,731,611</u> | <u>\$ 1,674,384</u> | <u>\$ 2,158,531</u> | <u>\$ 2,826,802</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | - | - | - | - | - |
| Debt service funds | - | - | - | - | - | - | - | - | - | - |
| Capital project funds | - | - | - | - | - | - | - | - | - | - |
| Nonspendable | 104,823 | 102,348 | 71,860 | 72,754 | 75,111 | 78,884 | 91,939 | 82,509 | 124,605 | 118,272 |
| Restricted | 7,319,538 | 4,605,853 | 4,733,237 | 3,389,744 | 11,623,625 | 11,982,145 | 11,777,932 | 11,337,476 | 9,946,966 | 23,436,988 |
| Assigned | 890,861 | 954,633 | 539,397 | 576,895 | 897,512 | 1,141,779 | 1,283,031 | 1,532,310 | 1,534,606 | 2,147,696 |
| Unassigned | - | - | (80,945) | (278,756) | (260,993) | (43,051) | (492) | (143,493) | 25,705 | - |
| Total all other governmental funds | <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> | <u>\$ 13,159,757</u> | <u>\$ 13,152,410</u> | <u>\$ 12,808,802</u> | <u>\$ 11,631,882</u> | <u>\$ 25,702,956</u> |
| GRAND TOTAL | <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> | <u>\$ 14,842,051</u> | <u>\$ 14,884,021</u> | <u>\$ 14,483,186</u> | <u>\$ 13,790,413</u> | <u>\$ 28,529,758</u> |

CITY OF SAPULPA, OKLAHOMA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
June 30, 2020
TABLE 4

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|-------------------|-------------------|---------------------|---------------------|----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenues | | | | | | | | | | |
| Sales and use taxes | \$ 11,726,417 | \$ 12,526,584 | \$ 11,819,642 | \$ 12,283,297 | \$ 12,700,633 | \$ 12,574,124 | \$ 12,738,375 | \$ 13,551,549 | \$ 14,656,635 | \$ 15,417,647 |
| Franchise and public service taxes | 519,306 | 568,534 | 543,696 | 543,345 | 559,510 | 654,804 | 537,161 | 760,254 | 730,599 | 600,551 |
| Ad valorem taxes | 1,754,809 | 1,708,703 | 1,630,259 | 1,279,523 | 1,880,483 | 1,669,375 | 2,062,787 | 1,995,651 | 2,325,668 | 2,256,279 |
| Payment in lieu of tax | 433,956 | 432,744 | 457,178 | 471,073 | 465,666 | 327,694 | 509,743 | 326,330 | 290,124 | 283,266 |
| Hotel/motel taxes | 189,002 | 191,443 | 215,883 | 196,538 | 233,668 | 233,289 | 226,145 | 238,006 | 264,140 | 220,138 |
| Intergovernmental | 1,605,417 | 1,856,450 | 1,875,191 | 2,496,953 | 2,779,875 | 4,535,982 | 2,223,951 | 1,931,682 | 2,110,914 | 2,359,390 |
| Charges for services | 957,381 | 1,031,133 | 1,075,463 | 1,069,476 | 1,082,318 | 1,062,759 | 1,118,387 | 1,177,610 | 1,203,387 | 1,154,165 |
| Fines and forfeitures | 854,646 | 792,458 | 819,632 | 1,005,125 | 825,191 | 702,745 | 699,366 | 548,370 | 525,568 | 368,383 |
| Licenses and permits | 103,452 | 144,708 | 170,794 | 171,406 | 201,452 | 224,647 | 178,401 | 200,685 | 222,183 | 165,339 |
| Investment income | 94,987 | 57,562 | 36,161 | 21,284 | 20,611 | 36,837 | 61,256 | 95,513 | 156,233 | 126,637 |
| Miscellaneous | 458,196 | 442,424 | 348,064 | 435,900 | 307,719 | 551,099 | 295,327 | 238,084 | 1,173,917 | 651,891 |
| Total Revenues | 18,697,569 | 19,752,743 | 18,991,963 | 19,973,920 | 21,057,126 | 22,573,355 | 20,650,899 | 21,063,734 | 23,659,368 | 23,603,686 |
| Expenditures: | | | | | | | | | | |
| Administration | 1,053,102 | 1,101,748 | 1,142,548 | 1,171,955 | 1,146,026 | 1,200,718 | 1,271,459 | 1,284,305 | 1,287,628 | 1,408,399 |
| General government | 1,082,186 | 1,196,497 | 1,587,391 | 1,138,947 | 1,416,531 | 1,391,966 | 1,188,280 | 1,224,546 | 1,317,933 | 2,154,763 |
| Legal and judicial | 259,345 | 283,797 | 295,223 | 324,632 | 330,599 | 313,227 | 308,989 | 308,234 | 358,609 | 351,489 |
| Public safety | 9,536,063 | 10,262,800 | 10,464,141 | 10,301,401 | 10,212,606 | 10,392,436 | 10,176,360 | 10,563,840 | 11,176,840 | 11,457,452 |
| Urban development | 564,694 | 430,531 | 481,545 | 502,286 | 658,295 | 430,378 | 337,512 | 231,899 | 378,953 | 304,451 |
| Streets | 1,076,534 | 837,637 | 989,421 | 856,310 | 1,759,652 | 921,631 | 675,147 | 801,925 | 817,806 | 981,786 |
| Culture and recreation | 1,108,269 | 1,115,128 | 1,123,818 | 1,094,492 | 1,167,813 | 1,254,560 | 1,201,433 | 1,238,370 | 1,182,568 | 1,109,800 |
| Water | 657,752 | 762,727 | 807,385 | 852,745 | 840,011 | 824,241 | 887,295 | 830,353 | 832,954 | 818,980 |
| Wastewater | 294,054 | - | 379 | 111,708 | - | - | - | 26,000 | 134,704 | 107,133 |
| Capital outlay | 4,027,730 | 4,806,244 | 3,059,420 | 3,801,541 | 3,710,229 | 6,319,488 | 3,312,081 | 4,101,086 | 5,984,619 | 4,803,732 |
| Debt service: | | | | | | | | | | |
| Principal | 1,049,457 | 1,424,883 | 1,908,668 | 2,149,087 | 2,660,090 | 2,973,312 | 1,783,508 | 1,872,172 | 1,929,981 | 2,055,964 |
| Interest and fiscal charges | 661,522 | 623,224 | 660,062 | 510,795 | 644,865 | 666,696 | 765,209 | 633,839 | 895,419 | 726,702 |
| Total Expenditures | 21,370,708 | 22,845,216 | 22,520,001 | 22,815,899 | 24,546,717 | 26,688,653 | 21,907,273 | 23,116,569 | 26,298,014 | 26,280,651 |
| Excess of revenues over(under) expenditures | (2,673,139) | (3,092,473) | (3,528,038) | (2,841,979) | (3,489,591) | (4,115,298) | (1,256,374) | (2,052,835) | (2,638,646) | (2,676,965) |
| Other financing sources(uses) and special item: | | | | | | | | | | |
| Transfers in | 6,780,870 | 6,425,466 | 6,795,543 | 7,530,391 | 7,348,812 | 5,981,157 | 6,145,938 | 6,124,230 | 7,022,232 | 7,865,200 |
| Transfers out | (6,218,191) | (6,715,298) | (5,905,112) | (6,270,528) | (5,786,493) | (5,756,942) | (5,130,338) | (5,272,230) | (5,664,542) | (5,780,708) |
| Payment to escrow | - | - | (6,002,824) | - | - | - | - | - | - | (4,072,826) |
| Debt proceeds | 528,866 | - | 6,450,534 | 153,643 | 11,160,000 | 4,172,317 | 133,712 | - | 588,183 | 19,404,644 |
| Bond premium | - | - | - | - | 34,816 | - | - | - | - | - |
| Judgements | - | 416,000 | 24,312 | 331,300 | - | - | 129,000 | 800,000 | - | - |
| Special item - proceeds from sale of capital assets | - | - | 8,881 | - | - | - | 20,032 | - | - | - |
| Total other financing sources(uses) and special item | 1,091,545 | 126,168 | 1,371,334 | 1,744,806 | 12,757,135 | 4,396,532 | 1,298,344 | 1,652,000 | 1,945,873 | 17,416,310 |
| Net change in fund balances | \$ (1,581,594) | \$ (2,966,305) | \$ (2,156,704) | \$ (1,097,173) | \$ 9,267,544 | \$ 281,234 | \$ 41,970 | \$ (400,835) | \$ (692,773) | \$ 14,739,345 |
| Debt service as a percentage of noncapital expenditures | 9.9% | 11.4% | 13.2% | 16.3% | 15.9% | 17.9% | 13.7% | 15.5% | 14.3% | 13.8% |

CITY OF SAPULPA, OKLAHOMA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
June 30, 2020
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 |
|--------------------|-----------------------|------------------|----------------|----------------------|-------------------------------|------------------------|------------------|---------------|
| 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 |
| 2016 | 1,669,375 | 12,080,526 | 493,598 | 654,804 | 327,694 | 233,289 | 178,383 | 15,637,669 |
| 2017 | 2,062,787 | 12,178,833 | 559,542 | 537,161 | 509,743 | 226,145 | 239,336 | 16,313,547 |
| 2018 | 1,995,651 | 12,877,535 | 674,014 | 760,254 | 326,330 | 238,006 | 302,246 | 17,174,036 |
| 2019 | 2,325,668 | 13,490,546 | 1,166,089 | 730,599 | 290,124 | 264,140 | 299,922 | 18,567,088 |
| 2020 | 2,256,279 | 14,146,410 | 1,271,237 | 600,551 | 283,266 | 220,138 | 313,845 | 19,091,726 |

CITY OF SAPULPA, OKLAHOMA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
June 30, 2020
TABLE 6

| Fiscal Year | Real Property | Personal Property | Public Service Property | Total Assessed Value | Homestead Exemption | Net Assessed Value | Estimated Actual Value |
|--------------------|----------------------|--------------------------|--------------------------------|-----------------------------|----------------------------|---------------------------|-------------------------------|
| 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 |
| 2016 | 121,505,565 | 19,116,798 | 6,436,969 | 147,059,332 | 5,363,384 | 141,695,948 | 1,180,799,567 |
| 2017 | 125,527,260 | 20,068,645 | 6,210,808 | 151,806,713 | 5,395,672 | 146,411,041 | 1,220,092,008 |
| 2018 | 121,831,628 | 21,044,890 | 6,452,728 | 149,329,246 | 5,534,604 | 143,794,642 | 1,198,288,683 |
| 2019 | 127,563,572 | 23,354,204 | 6,494,676 | 157,412,452 | 5,579,948 | 151,832,504 | 1,265,270,867 |
| 2020 | 125,893,482 | 25,560,129 | 6,499,910 | 157,953,521 | 5,805,513 | 152,148,008 | 1,267,900,067 |

Note: 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, 2020
TABLE 7

| Fiscal Year | City Direct Rate | | (1) Overlapping Rates | | Total Levy |
|-------------|------------------|-------------------------|-----------------------|-------------------------|------------|
| | Sinking Fund | Sapulpa School District | County | Vo Tech School District | |
| 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 |
| 2016 | 13.11 | 66.28 | 21.00 | 13.26 | 113.65 |
| 2017 | 14.89 | 66.29 | 20.01 | 13.26 | 114.45 |
| 2018 | 13.45 | 73.66 | 20.01 | 13.26 | 120.38 |
| 2019 | 14.35 | 73.40 | 20.01 | 13.26 | 121.02 |
| 2020 | 13.61 | 71.66 | 20.01 | 13.26 | 118.54 |

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, 2020
 TABLE 8

| Taxpayer | Type of Business | Rank | 2020 | |
|---------------------------------|--|------|------------------------|--|
| | | | Taxable Assessed Value | Percentage of Net Total Assessed Value |
| Nov Process & Flow Technologies | Oil | 1 | 4,306,718 | 2.831% |
| Solaray Corp | Distribution/Sunglasses | 2 | 3,161,029 | 2.078% |
| Oklahoma Gas & Electric | Utility | 3 | 3,157,020 | 2.075% |
| Timbers Apartments LLC | Real Estate/Rentals | 4 | 2,077,708 | 1.366% |
| Sulzer Chemtech, Inc. | Chemical Engineering/ Manufacturing | 5 | 1,830,352 | 1.203% |
| Rolled Alloys LP | Stainless Steel/ Manufacturing | 6 | 1,820,351 | 1.196% |
| Sagebrush Pipeline Equip., Inc. | Pipeline | 7 | 1,549,647 | 1.019% |
| Coxcom LLC | Leased Equipment | 8 | 1,502,519 | 0.988% |
| Oklahoma Natural Gas ONEOK | Gas/Pipeline | 9 | 1,148,256 | 0.755% |
| Pinehurst Properties LLC | Real Estate/Rentals | 10 | 1,115,324 | 0.733% |
| Totals | | | <u>\$ 21,668,924</u> | <u>14.24%</u> |

Source: County Assessors Office - Marie Stevens - 918-224-4508

CITY OF SAPULPA, OKLAHOMA
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years
 June 30, 2020
TABLE 9

| Fiscal Year | Total Tax Levy | Current Tax Collections | Percentage of Levy Collected | Delinquent Tax Collections | Total Tax Collections | Percentage of Total Collected to Total Levy | Net Assessed Value | Mill Levy |
|--------------------|-----------------------|--------------------------------|-------------------------------------|-----------------------------------|------------------------------|--|---------------------------|------------------|
| 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 |
| 2016 | 1,856,971 | 1,597,337 | 86% | 73,208 | 1,670,545 | 90.0% | 141,695,948 | 13.11 |
| 2017 | 2,180,147 | 1,921,206 | 88% | 141,735 | 2,062,941 | 94.6% | 146,411,041 | 13.45 |
| 2018 | 1,933,983 | 1,909,674 | 99% | 73,495 | 1,983,169 | 102.5% | 143,794,642 | 13.45 |
| 2019 | 2,178,249 | 1,992,664 | 91% | 91,511 | 2,084,175 | 95.7% | 151,832,504 | 14.35 |
| 2020 | 2,070,473 | 1,956,525 | 94% | 67,431 | 2,023,956 | 97.8% | 152,148,008 | 13.61 |

Estimate of Needs, County Report

CITY OF SAPULPA, OKLAHOMA
SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
June 30, 2020
TABLE 10

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</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% |

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| City | 4.000% | 4.000% | 4.000% | 4.000% | 4.000% | 4.000% | 4.500% | 4.500% | 4.500% | 4.500% |
| Tulsa County | 1.017% | 0.850% | 0.850% | 0.917% | 0.917% | 0.917% | 0.367% | 0.367% | 0.367% | 0.367% |
| 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% | 9.350% | 9.350% | 9.417% | 9.417% | 9.417% | 9.367% | 9.367% | 9.367% | 9.367% |

Oklahoma Tax Commission

CITY OF SAPULPA, OKLAHOMA
TAXABLE SALES BY CATEGORY
Last Ten Fiscal Years
June 30, 2020
TABLE 11

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Agriculture, forestry, and fishing | \$ 1,489 | \$ 944 | \$ 287 | \$ (11) | \$ 2 | \$ 12 | \$ 63 | \$ 22 | \$ 224 | \$ 10,019 |
| Mining | 215,917 | 362,179 | 87,504 | 72,905 | 99,305 | 58,055 | 56,750 | 51,380 | 2,240 | 5,157 |
| Construction | 4,765 | 18,846 | 24,992 | 32,766 | 22,196 | 5,583 | 16,947 | (2,013) | 17,866 | 10,446 |
| Manufacturing | 124,884 | 176,357 | 198,718 | 191,519 | 191,415 | 182,869 | 245,049 | 186,922 | 204,878 | 176,811 |
| Transportation | 5,572 | 5,074 | 130,867 | 211,423 | 200,910 | 235,295 | 252,317 | 261,441 | 261,884 | 238,601 |
| Communications and utilities: | | | | | | | | | | |
| Communications | 448,798 | 478,749 | 364,050 | 264,794 | 281,842 | 286,571 | 357,230 | 342,486 | 253,926 | 246,370 |
| Electric, gas, and sanitary services | 899,809 | 934,241 | 904,052 | 912,652 | 914,509 | 855692 | 873,048 | 875,324 | 903,233 | 882,548 |
| Wholesale trade | 798,444 | 1,041,494 | 1,008,727 | 1,031,499 | 1,180,595 | 1161478 | 1,187,704 | 1,423,865 | 1,651,388 | 1,598,397 |
| Retail trade: | | | | | | | | | | |
| Building materials, hardware, garden supply and mobile home dealer | 432,603 | 415,583 | 455,622 | 468,238 | 510,290 | 510416 | 650,171 | 722,616 | 827,498 | 874,856 |
| General merchandise stores | 2,730,322 | 2,779,177 | 2,734,168 | 2,730,900 | 2,986,164 | 2936387 | 2,976,458 | 3,041,583 | 3,179,313 | 3,395,968 |
| Food stores | 1,436,346 | 1,441,341 | 1,148,175 | 1,104,023 | 1,291,229 | 1317747 | 1,043,474 | 965,874 | 824,575 | 808,023 |
| Automotive dealers and gasoline service stations | 606,846 | 643,713 | 703,990 | 731,878 | 747,507 | 752321 | 745,614 | 757,065 | 769,683 | 826,602 |
| Apparel and accessory stores | 153,207 | 161,950 | 155,788 | 147,636 | 139,801 | 148863 | 147,220 | 148,593 | 139,065 | 136,815 |
| Furniture, home furnishings and equipment stores | 328,787 | 335,028 | 450,360 | 175,198 | 193,479 | 157939 | 139,403 | 163,277 | 179,050 | 133,987 |
| Eating and drinking places | 1,551,048 | 1,597,674 | 1,580,635 | 1,572,118 | 1,680,998 | 1685045 | 1,737,414 | 1,834,286 | 1,858,664 | 1,925,502 |
| Miscellaneous retail | 570,924 | 588,785 | 642,640 | 1,021,678 | 910,867 | 1044786 | 1,139,562 | 1,284,497 | 1,596,919 | 1,889,011 |
| Finance, insurance, and real estate | 15,396 | 19,559 | 26,121 | 174,950 | 168,302 | 177994 | 200,296 | 190,877 | 202,629 | 203,915 |
| Services: | | | | | | | | | | |
| Hotels and motels | 141,417 | 128,824 | 173,262 | 257,499 | 200,200 | 229848 | 175,919 | 228,797 | 260,960 | 213,599 |
| Personal services | 35,748 | 29,263 | 54,574 | 50,175 | 79,379 | 99646 | 53,082 | 51,006 | 31,944 | 17,128 |
| Business services | 202,161 | 207,055 | 175,085 | 29,697 | 37,775 | 39154 | 74,717 | 86,412 | 103,216 | 118,298 |
| Automotive repair services and garages | 187,408 | 81,241 | 51,634 | 47,919 | 53,676 | 53766 | 70,751 | 76,371 | 83,484 | 86,853 |
| Miscellaneous repair services | 10,291 | 10,905 | 13,919 | 7,936 | 7,629 | 14131 | 12,441 | 18,117 | 20,104 | 18,529 |
| Motion pictures | 67,459 | 58,141 | 18,203 | 38,868 | 35,062 | 32460 | 27,098 | 37,869 | 49,451 | 35,023 |
| Other services | 337,146 | 372,786 | 217,979 | 116,619 | 60,567 | 27289 | 21,575 | 11,175 | 27,168 | 32,049 |
| Nonclassifiable establishments | 44,686 | 55,412 | 122,392 | 379,110 | 219,190 | 109585 | 89604 | 37,218 | 46,500 | 159,978 |
| | <u>\$11,351,471</u> | <u>\$11,944,321</u> | <u>\$ 11,443,743</u> | <u>\$11,771,988</u> | <u>\$ 12,212,889</u> | <u>\$ 12,122,933</u> | <u>\$ 12,293,906</u> | <u>\$ 12,795,060</u> | <u>\$ 13,495,861</u> | <u>\$ 14,044,485</u> |

CITY OF SAPULPA, OKLAHOMA
RATIO FOR OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
June 30, 2020
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 | | |
| 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 | 4,166 |
| 2013 | 13,130,000 | - | 1,920,000 | 343,534 | 301,645 | 69,995,000 | - | 137,079 | 2,361,740 | 88,188,998 | 4,271 |
| 2014 | 11,905,000 | - | 1,315,000 | 343,109 | 484,397 | 69,335,000 | - | 201,663 | 2,064,317 | 85,648,486 | 4,119 |
| 2015 | 14,450,000 | - | 7,605,000 | 225,130 | 228,081 | 67,940,000 | - | 118,880 | 1,754,960 | 92,322,051 | 4,431 |
| 2016 | 16,365,000 | - | 6,700,000 | 474,466 | 110,433 | 65,870,000 | - | 76,321 | 1,433,192 | 91,029,412 | 4,423 |
| 2017 | 15,300,000 | - | 6,255,000 | 445,824 | 85,000 | 64,345,000 | - | 32,965 | 1,098,515 | 87,562,304 | 4,184 |
| 2018 | 14,025,000 | - | 5,795,000 | 351,154 | 842,500 | 62,780,000 | - | 172,313 | 750,412 | 84,716,379 | 4,065 |
| 2019 | 12,745,000 | - | 5,325,000 | 809,488 | 533,334 | 61,170,000 | - | 720,263 | 716,061 | 82,019,146 | 3,943 |
| 2020 | 25,955,000 | - | 4,850,000 | 629,945 | 266,667 | 59,530,000 | - | 1,150,599 | 680,334 | 93,062,545 | 4,399 |

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, 2020
TABLE 13

| Fiscal Year | Population (1) | Net Assessed Value | Gross Bonded Debt | Less Debt Service Funds | Net Bonded Debt | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt Per Capita |
|--------------------|-----------------------|---------------------------|--------------------------|--------------------------------|------------------------|---|-----------------------------------|
| 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 |
| 2016 | 20,579 | 141,695,948 | 16,365,000 | 525,880 | 15,839,120 | 11.18% | 770 |
| 2017 | 20,928 | 146,411,041 | 15,300,000 | 792,264 | 14,507,736 | 9.91% | 693 |
| 2018 | 20,843 | 143,794,642 | 14,025,000 | 896,692 | 13,128,308 | 9.13% | 630 |
| 2019 | 20,802 | 151,832,504 | 12,745,000 | 970,059 | 11,774,941 | 7.76% | 566 |
| 2020 | 21,156 | 152,148,008 | 25,955,000 | 1,117,211 | 24,837,789 | 16.32% | 1,174 |

(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, 2020
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 | \$ 25,145,433 | 100.00% | \$25,145,433 |
| Overlapping: Sapulpa School District | 9,755,579 | 67.19% | 6,554,958 |
| Overlapping: Sapulpa School District | 660,253 | 52.11% | 344,057 |
| Overlapping: Sapulpa School District | 191,535,958 | 0.27% | 509,639 |
| Total | <u>\$227,097,223</u> | | <u>\$32,554,087</u> |

Outstanding bond debt-06-30-20

- (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, 2020
TABLE 15

| | Fiscal Year | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Debt limit | \$ 12,104,667 | \$ 12,021,350 | \$ 12,391,281 | \$ 12,517,773 | \$ 12,902,163 | \$ 14,169,595 | \$ 14,641,104 | \$ 14,379,464 | \$ 15,183,250 | \$ 15,214,801 |
| Total net debt applicable to limit | <u>4,362,650</u> | <u>3,982,350</u> | <u>8,465,000</u> | <u>7,765,000</u> | <u>8,995,000</u> | <u>9,355,000</u> | <u>8,810,000</u> | <u>8,115,000</u> | <u>7,415,000</u> | - |
| Legal debt margin | <u>\$ 7,742,017</u> | <u>\$ 8,039,000</u> | <u>\$ 3,926,281</u> | <u>\$ 4,752,773</u> | <u>\$ 3,907,163</u> | <u>\$ 4,814,595</u> | <u>\$ 5,831,104</u> | <u>\$ 6,264,464</u> | <u>\$ 7,768,250</u> | <u>\$ 15,214,801</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 36.04% | 33.13% | 68.31% | 62.03% | 69.72% | 66.02% | 60.17% | 56.43% | 48.84% | 0.00% |

Legal Debt Margin Calculation for Fiscal Year 2020

| | |
|---|----------------------|
| Net assessed valuation | \$ 152,148,008 |
| Debt limit (10% of total assessed value) | 15,214,801 |
| Debt applicable to limit: | |
| General obligation bonds | 25,955,000 |
| Less: bonds issued without debt limit in accordance with Article 10, Section 27 | 23,955,000 |
| Less: bonds issued without debt limit in accordance with Article 10, Section 35 | <u>2,000,000</u> |
| Total net debt applicable to limit | - |
| Legal debt margin | <u>\$ 15,214,801</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 various purposes based upon City ownership of property that are excluded from the 10% debt limit.
Article 10, Section 35 of the Constitution of the State of Oklahoma excludes economic development purposes from the 10% debt limit.

Note 2: During fiscal year 2020 a further understanding of Article 10, Section 27 was obtained, and it was determined that all current general obligation debt is exempt from the 10% debt limit of total assessed value. As such, the debt limit margin remaining in previous fiscal years likely should have been greater than reflected above.

CITY OF SAPULPA, OKLAHOMA
THE SAPULPA MUNICIPAL AUTHORITY
UTILITY SYSTEMS DIVISION
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
June 30, 2020
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> |
|------|--------------------------------|------------------------------|----------------------------------|---|--|----------------------------------|
| 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 |
| 2016 | Series 2012 and 2013 Refunding | 15,106,791 | 4,964,475 | 10,142,316 | 4,095,687 | 2.48 |
| 2017 | Series 2012 and 2013 Refunding | 15,068,058 | 5,423,023 | 9,645,035 | 4,095,687 | 2.35 |
| 2018 | Series 2012 and 2013 Refunding | 15,615,611 | 5,620,951 | 9,994,660 | 4,103,235 | 2.44 |
| 2019 | Series 2012 and 2013 Refunding | 15,959,581 | 5,728,300 | 10,231,281 | 4,102,794 | 2.49 |
| 2020 | Series 2012 and 2013 Refunding | 16,721,370 | 5,661,575 | 11,059,795 | 4,113,715 | 2.69 |

(1) Excludes depreciation and amortization expense.

CITY OF SAPULPA, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
June 30, 2020
TABLE 17

| Calendar Year | Population (1) | Personal Income (in thousands) | Per Capita Personal Income (2) | Median Age of Population (3) | School Enrollment (4) | Unemployment Rate (5) |
|----------------------|-----------------------|---------------------------------------|---------------------------------------|-------------------------------------|------------------------------|------------------------------|
| 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% |
| 2016 | 20,579 | 1,132,997 | 55,056 | 39.4 | 5,612 | 5.4% |
| 2017 | 20,928 | 1,208,111 | 57,727 | 38.3 | 5,449 | 4.6% |
| 2018 | 20,843 | 1,080,521 | 51,841 | 37.7 | 5,410 | 3.6% |
| 2019 | 20,802 | 1,141,322 | 54,866 | 37.3 | 5,311 | 3.4% |
| 2020 | 21,156 | 1,196,160 | 56,540 | 37.7 | 5,089 | 2.1% |

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, 2020
 TABLE 18

| 2020 | | | |
|-------------------------|-------------------------------------|------|-----------|
| Employer | Product/Business | Rank | Employees |
| BIOS Corporation | Health Care and Social Assistance | 1 | 1,300 |
| Sapulpa Public Schools | Education Services | 2 | 554 |
| TD Williamson | Manufacturing/Engineering Equipment | 3 | 450 |
| Ardagh | Manufacturing/Engineering Equipment | 4 | 370 |
| Paragon Industries | Pipe Manufacturing | 5 | 350 |
| Walmart Supercenter | Retail | 6 | 332 |
| American Heritage Bank | Industrial - Metal Tanks | 7 | 289 |
| John Christner Trucking | Financial Institution | 8 | 230 |
| Mid America Automotive | Transportation | 9 | 168 |
| St. John Sapulpa | Local Government | 10 | 160 |
| Bennett Steel | Automotive Services | 11 | 150 |
| Totals | | | 4,353 |

Obtained from Sapulpa Chamber of Commerce

CITY OF SAPULPA, OKLAHOMA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 June 30, 2020
TABLE 19

| Function/Program | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government: | | | | | | | | | | |
| Management Services | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Finance | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Planning | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Building | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Community Image | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Court | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Treasurer | | | | | | | | | | |
| Human Resources | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| MIS | | | | | | | | | | |
| Legal | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Cemetery | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Other (FM, VM, Tort, FM, DCC) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Utility Accounting | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Total General Government | 39 |
| Public Safety and Judiciary: | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 47 | 47 | 43 | 43 | 43 | 43 | 47 | 46 | 47 | 47 |
| Civilians | 12 | 12 | 11 | 11 | 11 | 11 | 11 | 12 | 12 | 11 |
| Animal Welfare | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 |
| Fire: | | | | | | | | | | |
| Firefighters & Officers | 48 | 49 | 49 | 49 | 47 | 47 | 49 | 50 | 50 | 53 |
| Civilians | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Central Communications/EM | | | | | | | | | | |
| Total Public Safety and Judiciary | 111 | 111 | 106 | 106 | 104 | 104 | 110 | 111 | 113 | 115 |
| Transportation: | | | | | | | | | | |
| Streets | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Total Transportation | 12 |
| Cultural, Parks and Recreation: | | | | | | | | | | |
| Parks and Recreations | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 8 |
| Library | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Golf Course | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 5 | 7 | 8 |
| Total Cultural, Parks and Recreation | 17 | 17 | 17 | 17 | 17 | 17 | 18 | 17 | 19 | 21 |
| Public Works: | | | | | | | | | | |
| Solid Waste Collection | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utility Maintenance | 11 | 11 | 11 | 11 | 12 | 12 | 11 | 11 | 11 | 11 |
| Water Treatment | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Wastewater Treatment | 12 | 12 | 12 | 13 | 13 | 13 | 12 | 12 | 12 | 12 |
| Industrial Pretreatment/Stormwater Management | 5 | 4 | 3 | 4 | 4 | 4 | 3 | 3 | 4 | 4 |
| Total Public Works | 36 | 35 | 34 | 36 | 37 | 37 | 34 | 34 | 35 | 35 |
| Total Full-Time Employees by Function/Program | 215 | 214 | 208 | 210 | 209 | 209 | 213 | 213 | 218 | 222 |

CITY OF SAPULPA, OKLAHOMA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
June 30, 2020
TABLE 20

| <u>Function/Program</u> | <u>FY</u> <u>2011</u> | <u>FY</u> <u>2012</u> | <u>FY</u> <u>2013</u> | <u>FY</u> <u>2014</u> | <u>FY</u> <u>2015</u> | <u>FY</u> <u>2016</u> | <u>FY</u> <u>2017</u> | <u>FY</u> <u>2018</u> | <u>FY</u> <u>2019</u> | <u>FY</u> <u>2020</u> |
|--------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| General Government | | | | | | | | | | |
| Buildings | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Zone Offices | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 35 | 35 | 35 | 33 | 32 | 32 | 32 | 35 | 44 | 44 |
| Fire | | | | | | | | | | |
| Stations | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Trucks | 14 | 14 | 13 | 12 | 12 | 12 | 11 | 14 | 14 | 15 |
| Vehicles | 9 | 8 | 8 | 8 | 10 | 10 | 11 | 9 | 11 | 12 |
| Trailer Vans | | | | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Boats | | | | 2 | 2 | 2 | 2 | 1 | 2 | 2 |
| Refuse Collection | | | | | | | | | | |
| Collection trucks | - | - | - | - | - | - | - | - | - | - |
| Streets | | | | | | | | | | |
| Street miles | 209 | 209 | 209 | 209 | 209 | 209 | 209 | 209 | 209 | 209 |
| Streetlights | 1,410 | 1,410 | 1,410 | 1,410 | 1,410 | 1,410 | 1,410 | 1,410 | 1,410 | 1,410 |
| Traffic signals | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 487 | 487 | 487 | 487 | 487 | 487 | 487 | 487 | 487 | 487 |
| Playgrounds | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Baseball/softball diamonds | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 16 |
| Soccer/football fields | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 14 |
| Community Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pool | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Golf course | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Library | | | | | | | | | | |
| Buildings | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Transportation | | | | | | | | | | |
| Buses | N/A |
| Trolley | N/A |
| Cemetery | | | | | | | | | | |
| Plots | 31,550 | 46,725 | 52,850 | 35,750 | 34,150 | 34,150 | 46,925 | 27,225 | 100 | 102 |
| Vehicles & Machinery | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Water | | | | | | | | | | |
| Water mains (miles) | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 |
| Fire hydrants | 822 | 822 | 888 | 860 | 547 | 547 | 547 | 570 | 578 | 578 |
| Storage capacity (thousands of | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 |
| Storm sewers (feet) | 159,679 | 159,679 | 159,679 | 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 | 7,000 |

CITY OF SAPULPA, OKLAHOMA
 Operating Indicators by Function/Program
 Last Ten Fiscal Years
 June 30, 2020
 TABLE 21

| Function/Program | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---------|--------|---------|------|--------|--------|--------|--------|--------|--------|
| Police | | | | | | | | | | |
| Physical Arrests | 1002 | 917 | 1106 | 863 | 1078 | 1021 | 1135 | 990 | 899 | 748 |
| *Parking Violations | 9 | 48 | 42 | 17 | 12 | 7 | 4 | 6 | 2 | 4 |
| Traffic Violations | 8392 | 8137 | 8159 | 8728 | 5830 | 4350 | 4340 | 4180 | 3425 | 2251 |
| Fire | | | | | | | | | | |
| Emergency Responses | 2789 | 2741 | 2901 | 3137 | 2924 | 2587 | 3475 | 3537 | 3873 | 4329 |
| Fires Extinguished | 280 | 287 | 295 | 206 | 224 | 143 | 234 | 154 | 147 | 172 |
| Inspections | 209 | 130 | 210 | 310 | 175 | 44 | 140 | 189 | 125 | 78 |
| 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 | N/A | N/A | N/A |
| Other Public Works | | | | | | | | | | |
| Potholes Repaired: | | | | | | | | | | |
| Asphalt Patching (Tons) | 400 | 597 | 640 | 452 | 485 | 404 | 572 | 420 | 226 | 356 |
| Concrete Patching (Cubic Yards) | 26 | 4 | 10 | 10 | 10 | 10 | 0 | 6 | 5 | 0 |
| Parks & Recreation | | | | | | | | | | |
| Athletic Field-Agreements | | | | | | | | | | |
| Sapulpa Little League (# of Fields Used) | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Sapulpa Youth Soccer (# of Fields Used) | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 14 |
| Sapulpa Girls Softball (# of Fields Used) | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 14 |
| Community Center/Park Rentals | | 81 | 83 | 97 | 143 | 140 | 140 | 163 | 193 | 79 |
| Senior Citizen- Meals Served | 7417 | 7500 | 4780 | 4000 | 5750 | 5769 | 1476 | 1100 | 2131 | 1602 |
| -Sr. Center Lunch Program | | | | | | | | | | |
| Water | | | | | | | | | | |
| Connections | 6478 | 6486 | 6498 | 6552 | 6557 | 6537 | 6544 | 6504 | 6541 | 6609 |
| Water Main Breaks | 100-150 | 50-100 | 100-150 | 50 | 50-100 | 50-100 | 50-100 | 50-100 | 50-100 | 50-100 |
| Average Daily Consumption (Thousands of Gallons) | 3169 | 3062 | 2991 | 3036 | 2612 | 3014 | 2666 | 2482 | 2452 | 2221 |
| Peak Daily Consumption (Thousands of Gallons) | 5234 | 5932 | 5063 | 4643 | 3974 | 4795 | 4068 | 3634 | 3587 | 3498 |
| 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

INTERNAL CONTROL AND COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sapulpa, Oklahoma (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 27, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Arledge & Associates, P.C.

January 27, 2021