



CITY OF
SAPULPA
OKLAHOMA



ANNUAL COMPREHENSIVE FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORTS

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

CITY OF SAPULPA, OKLAHOMA
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May 23, 2023

To the Honorable Mayor Craig Henderson, City Councilors, and Citizens:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Sapulpa for the fiscal year ended June 30, 2022. This 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 (GAAP).

City Management is responsible for establishing and maintaining an internal control structure. This internal control structure is designed to ensure the assets of Sapulpa are protected from theft, loss, or misuse. It is also designed to ensure that sufficient accounting data is compiled to allow for preparation of the financial statements in accordance with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

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 provides 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 ACFR is divided into the following sections:

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

Governmental Structure

The City of Sapulpa, the County seat of Creek County, Oklahoma, is located in the extreme northeast corner of the County, only twelve miles from the City of Tulsa, Oklahoma. The City lies astride Interstate Highway 44 (Turner Turnpike) connecting the cities of Tulsa and Oklahoma City. First incorporated prior to Oklahoma statehood, its first City Charter was adopted in 1910, with major revisions thereto in 1922, 1970, 2002, 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. The City operates on a fiscal year basis which begins on July 1st and ends the following June 30th. All funds with revenue and expenditures, including the Sapulpa Municipal Authority and the Sapulpa Development Authority, require an annual budget which shall present a complete financial plan for the City. At least thirty (30) days prior to the beginning of the fiscal year this annual budget is submitted to the City Council by the City Manager. A public hearing is held to obtain citizen comments. After the public hearing but no later than June 23rd the budget is adopted by resolution of the City Council.

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 9.2% over the prior fiscal year and continues to increase slightly.

The other major revenue is the Sapulpa Municipal Authority (SMA) charges for service, which include water, sewer, and refuse revenue. The FY 2021/2022 charges for service increased 5.2% over prior year.

In preparing the FY 2022/2023 budget City officials believe that the overall outlook for the City remains stable. A conservative approach to projecting sales tax resulted in a budget of \$15,550,901, a 6.4% decrease from FY 2021-2022 actual receipts.

Overall, the economic outlook for the City continues to be positive. The City is experiencing new job growth, housing, industrial growth, and expansion, along with renovations to existing buildings.

The City continues to draw down and spend the 2020 GO Bond funds totaling just over \$40 million. With half of the funds issued, several of the projects are completed or nearing completion. The remaining funds will be pulled down ahead of schedule, between 2024 and 2025, even though the expectation was for the year 2030 for the ability to draw the final amount. This too, shows growth and sustainability of Sapulpa's growing housing market and the valuation of property tax-acknowledgements.

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


Ella Fast
Finance Director

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Sapulpa
Oklahoma**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF SAPULPA
LIST OF CITY OFFICIALS
FOR THE FISCAL YEAR
JULY 1, 2021 – JUNE 30, 2022

HONORABLE CRAIG HENDERSON, MAYOR
HONORABLE CARLA GUNN, VICE-MAYOR

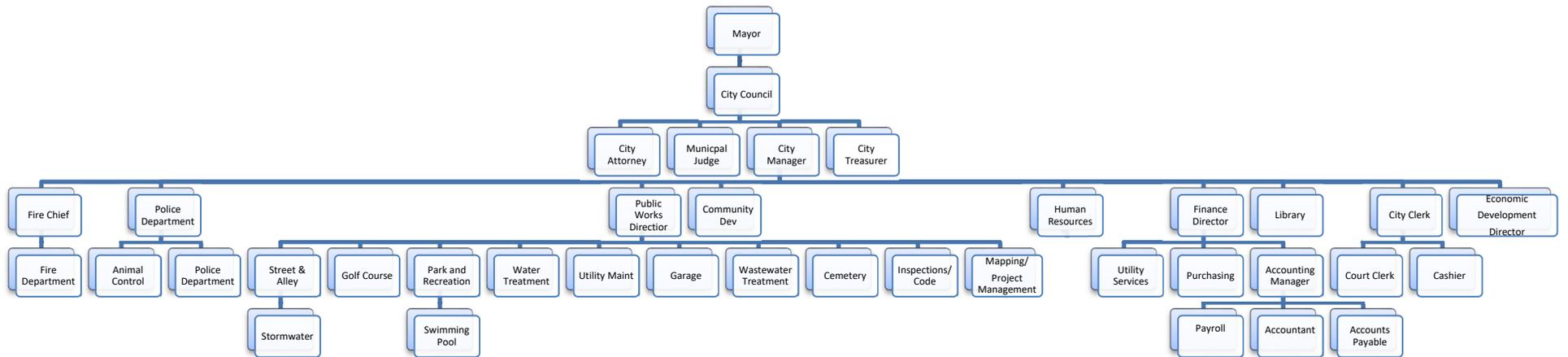
COUNCIL:

MARTY CUMMINS
RICHARD HUDSON
DAVID MORTAZAVI
BRIAN STEPHENS

ALEXANDER HAMILTON
JEFF MOLINA
HUGO NAIFEH
JOHN SUGGS

Joan Riley, City Manager
David Widdoes, City Attorney
Shirley Burzio, City Clerk
Pamela Vann, Finance Director
Ella Fast, Finance Director

City of Sapulpa Organizational Chart



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sapulpa, Oklahoma (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 1.H. to the financial statements, in 2022 the City adopted new accounting guidance, GASB No. 87 Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements, debt service, debt reserve schedule as listed in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2023, 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 solely 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 the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

Arledge & Associates PC

Edmond, Oklahoma
May 19, 2023



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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, 2022. 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 2022 and 2021 for governmental activities was \$48.5 million and \$44.1 million respectively.
- The total net position at the end of fiscal years 2022 and 2021 for business-type activities was \$9.0 million and \$6.7 million, respectively.
- During the year, the City's expenses for governmental activities were \$21.3 million and were funded by program revenues of \$3.5 million and further funded with taxes, other general revenues and transfers that totaled \$22.2 million.
- In the City's business-type activities, such as utilities and golf course, total program revenues were under total program expenses by \$0.4 million, while general revenues and transfers totaled \$2.6 million.
- At June 30, 2022, the General Fund reported an unassigned fund balance of \$2.2 million.
- For budgetary reporting purposes, the General Fund reported revenues and transfers over estimates by \$425 thousand or 1.6%, while expenditures and transfers were less than final appropriations by \$1.2 million or 4.3%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Sapulpa (the "City") and its component units using the integrated approach as prescribed by GASB Statement No. 34. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type. The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets) as well as all liabilities (including all long-term debt), 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 considered 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, 2022 was \$57.5 million, which was \$6.6 million more than the fiscal year ended June 30, 2021. The most significant contributing factors to this change were an increase in other non-current assets of \$3.3 million, a decrease in non-current liabilities of \$11.6 million an increase of \$2.1 million in restricted net position, and a decrease in the negative unrestricted net position of \$1.8 million.

Current assets for business activities increased by \$2.1 million, mainly due to an increase in cash & cash equivalents of \$1.8 million.

Other-non current assets for governmental activities increased by \$3.3 million due to an increase in the net pension asset of \$3.3 million.

Current liabilities for governmental activities increased by \$3.0 million primarily due to an increase in accounts payable of \$1.2 million, and an increase in unearned revenue of \$1.7 million that represents the unspent portion of American Rescue Plan Act (ARPA) grant money.

Deferred inflows of resources for governmental activities increased by \$9.3 million due activity related to the increase in the net pension asset.

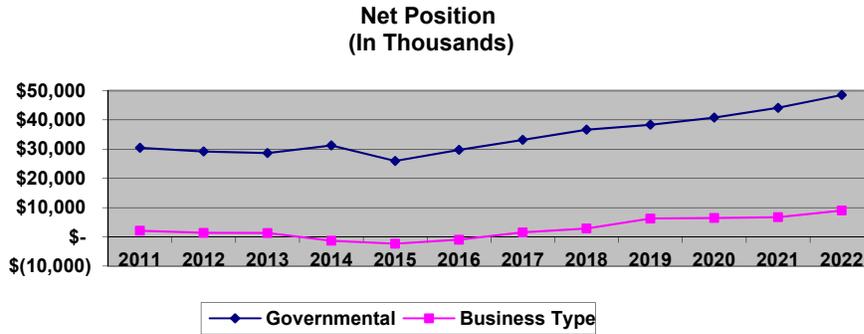
The restricted net position of governmental activities increased by \$2.1 million, with the largest contributing factors being the increases in restrictions for streets from the Street Improvement Sales Tax Fund of \$936 thousand and capital projects of \$591 thousand.

A comparative, condensed presentation of net positions follows.

TABLE 1
NET POSITION (In Thousands)
JUNE 30, 2022 AND 2021

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2022	2021		2022	2021		2022	2021	
Current assets	\$36,800	\$35,102	5%	\$ 8,018	\$ 5,948	35%	\$44,818	\$41,050	9%
Capital assets, net	61,516	59,374	4%	65,898	65,664	0%	127,414	125,038	2%
Other non-current assets	3,294	-	100%	-	-	0%	3,294	-	100%
Total assets	<u>101,610</u>	<u>94,476</u>	8%	<u>73,916</u>	<u>71,612</u>	3%	<u>175,526</u>	<u>166,088</u>	6%
Deferred outflows of resources	3,674	4,138	-11%	6,232	7,299	-15%	9,906	11,437	-13%
Total assets and deferred outflows of resources	<u>105,284</u>	<u>98,614</u>	7%	<u>80,148</u>	<u>78,911</u>	2%	<u>185,432</u>	<u>177,525</u>	4%
Current liabilities	6,808	3,775	80%	4,142	3,677	13%	10,950	7,452	47%
Non-current liabilities	39,757	49,755	-20%	66,758	68,390	-2%	106,515	118,145	-10%
Total liabilities	<u>46,565</u>	<u>53,530</u>	-13%	<u>70,900</u>	<u>72,067</u>	-2%	<u>117,465</u>	<u>125,597</u>	-6%
Deferring inflows of resources	10,204	941	984%	241	109	121%	10,445	1,050	895%
Net position									
Net investment in capital assets	42,544	41,471	3%	9,075	7,460	22%	51,619	48,931	5%
Restricted	9,776	7,638	28%	1,839	1,857	-1%	11,615	9,495	22%
Unrestricted (deficit)	(3,805)	(4,966)	-23%	(1,907)	(2,582)	-26%	(5,712)	(7,548)	-24%
Total net position	<u>\$48,515</u>	<u>\$44,143</u>	10%	<u>\$ 9,007</u>	<u>\$ 6,735</u>	34%	<u>\$57,522</u>	<u>\$50,878</u>	13%

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 \$40.6 million and \$40.1 million during the fiscal years ended June 30, 2022 and 2021, respectively. For the year ending June 30, 2022, charges for services made up \$13.9 million or 34.2%, and taxes made up \$23.6 million or 58.2%. For the year ending June 30, 2021, charges for services made up \$13.3 million or 33.1%, and taxes made up \$22.1 million or 55.2%.

The City's total expenses amounted to \$33.9 million and \$36.5 million during the fiscal years ended June 30, 2022 and 2021, respectively. For the year ending June 30, 2022, public safety totaled \$10.8 million or 31.8%, water totaled \$4.8 million or 14.1%, and wastewater totaled \$5.3 million or 15.7%. For the year ending June 30, 2021, public safety totaled \$14.5 million or 39.7%, water totaled \$5 million or 13.7%, and wastewater totaled \$5.4 million or 14.7%.

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

TABLE 2
CHANGES IN NET POSITION (In Thousands)
JUNE 30, 2022 AND 2021

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2022	2021		2022	2021		2022	2021	
Revenues									
Charges for service	\$ 1,571	\$ 1,502	5%	\$ 12,307	\$ 11,797	4%	\$ 13,878	\$ 13,299	4%
Operating grants and contributions	1,211	2,044	-41%	1	1	0%	1,212	2,045	-41%
Capital grants and contributions	715	1,764	-59%	-	-	0%	715	1,764	-59%
Taxes	23,643	22,135	7%	-	-	0%	23,643	22,135	7%
Intergovernmental revenue	586	356	65%	-	-	0%	586	356	65%
Investment income	112	83	35%	14	24	-42%	126	107	18%
Miscellaneous	248	274	-9%	183	143	28%	431	417	3%
Total revenues	28,086	28,158	0%	12,505	11,965	5%	40,591	40,123	1%
Expenses									
Administration	1,594	1,426	12%	-	-	-	1,594	1,426	12%
General government	3,138	1,823	72%	-	-	-	3,138	1,823	72%
Legal and judicial	359	351	2%	-	-	-	359	351	2%
Public safety	10,788	14,488	-26%	-	-	-	10,788	14,488	-26%
Urban development	515	1,053	-51%	-	-	-	515	1,053	-51%
Streets	2,387	2,171	10%	-	-	-	2,387	2,171	10%
Culture, parks and recreation	1,660	1,425	16%	-	-	-	1,660	1,425	16%
Interest on long-term debt	844	839	1%	-	-	-	844	839	1%
Water	-	-	-	4,795	4,987	-4%	4,795	4,987	-4%
Wastewater	-	-	-	5,320	5,363	-1%	5,320	5,363	-1%
Sanitation	-	-	-	944	1,069	-12%	944	1,069	-12%
Stormwater	-	-	-	801	736	9%	801	736	9%
Golf operations	-	-	-	802	771	4%	802	771	4%
Total expenses	21,285	23,576	-10%	12,662	12,926	-2%	33,947	36,502	-7%
Excess (deficiency) before transfers	6,801	4,582	48%	(157)	(961)	-84%	6,644	3,621	83%
Transfers	(2,429)	(1,238)	-96%	2,429	1,238	96%	-	-	-
Increase in net position	\$ 4,372	\$ 3,344	31%	\$ 2,272	\$ 277	720%	\$ 6,644	\$ 3,621	83%

Explanations for the more significant changes include:

Governmental general government - \$1.3 million or 72% increase due mainly to a loss on a disposal of capital assets of \$1.1 million.

Transfers - \$1.2 million or 96% change primarily due to transfers from the General fund to the SMA.

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 2022 and 2021 total Governmental Activities expenses and net revenue (expense) of services:

TABLE 3
Net Revenue (Expense) of Governmental Activities (In Thousands)
June 30, 2022 and 2021

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2022	2021		2022	2021	
	Administration	\$ 1,594		\$ 1,426	12%	
General government	3,138	1,823	72%	(2,506)	(1,279)	96%
Legal and judicial	359	351	2%	(359)	(351)	2%
Public safety	10,788	14,488	-26%	(8,531)	(11,952)	-29%
Urban development	515	1,054	-51%	(515)	(1,053)	-51%
Streets	2,387	2,171	10%	(2,006)	(214)	837%
Culture and recreation	1,660	1,425	16%	(1,432)	(1,153)	24%
Interest on long-term debt	844	838	1%	(844)	(838)	1%
Total	<u>\$21,285</u>	<u>\$23,576</u>	-10%	<u>(\$17,787)</u>	<u>(\$18,266)</u>	-3%

Business-type Activities

The following table compares fiscal year 2022 and 2021 total Business-type Activities expenses and net revenue (expense) of services:

Net Revenue (Expense) of Business-Type Activities (In Thousands)
June 30, 2022 and 2021

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	2022	2021		2022	2021	
	Water	\$ 4,795		\$ 4,987	-4%	
Wastewater	5,320	5,363	-1%	(976)	(1,073)	-9%
Sanitation	944	1,069	-12%	399	187	113%
Stormwater	801	736	9%	67	134	-50%
Golf operations	802	771	4%	(354)	(331)	7%
Total	<u>\$ 12,662</u>	<u>\$ 12,926</u>	-2%	<u>\$ (354)</u>	<u>\$ (1,129)</u>	-69%

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2022 fiscal year, the governmental funds reported a combined fund balance of \$32.7 million and \$35.2 million in fiscal years 2022 and 2021, respectively. The enterprise funds reported a combined net position of \$7.2 million and \$5 million in fiscal years 2022 and 2021, respectively.

FUND BALANCE/NET POSITION
(In thousands of dollars)
June 30, 2022 and 2021

Governmental Funds			Enterprise Funds		
	2022	2021		2022	2021
Nonspendable	\$ 126	\$ 126	Net Investment in Capital Assets	\$ 9,075	\$ 7,460
Restricted	23,774	26,952	Restricted for debt service	572	616
Assigned	6,613	4,891	Unrestricted (deficit)	(2,468)	(3,091)
Unassigned	2,224	3,202			
Total Fund Balance	\$ 32,737	\$ 35,171	Total Net Position	\$ 7,179	\$ 4,985

Other fund highlights include:

- The General Fund’s total fund balance remained fairly consistent between fiscal years 2022 and 2021 as the total net position increased by \$357 thousand or 6.4%, due to various increases in assets of \$1.7 million (primarily due to the implementation of GASB 87 and the related Lease receivables) which were largely offset by increases in the deferred inflows of resources due to Leases and GASB 87. The other significant reason for the year-over-year increase was an increase in cash and cash equivalents of \$198 thousand due to revenues and transfers in for the year slightly outpacing related expenditures and transfers out.
- The G.O. Bond Construction Fund’s total fund balance decreased \$4.4 million or 27.1% due to a decrease of \$3.6 million in cash and cash equivalents and an \$840 thousand increase in accounts payable related to capital outlay expenses.
- The Sapulpa Municipal Authority Utility enterprise fund increased \$1.4 million or 33.8% due to a \$1.7 million or 318% increase in cash and cash equivalents derived from increases in water charges of \$410 thousand and slight decreases in several operating expense categories that totaled \$1.2 million. This was partly offset by a \$338 thousand increase in accounts payable.

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 15.6% or approximately \$3.6 million, mainly related to increased sales tax collections over original estimates of 21.4% or \$3 million, and an increase in transfers from other funds of \$600 thousand or 11.8%, with most of the increase relating to the required sales tax transfers.

For budgetary reporting purposes, the General Fund reported revenues over final estimates by \$444 thousand or 1.6%, while expenditures were less than the final appropriations by \$567 thousand or 2.1%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2022, the City had approximately \$127.4 million invested in capital assets, net of depreciation, including but not limited to police and fire equipment, buildings, park facilities, water and sewer lines, and other improvements. This represents a net increase of \$2.4 million or 1.9% over the prior year.

TABLE 5
Primary Government Capital Assets (In Thousands)
(Net of accumulated depreciation)
June 30, 2022 and 2021

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 5,314	\$ 5,134	\$ 71	\$ 71	\$ 5,385	\$ 5,205
Intangible water rights	-	-	4,915	4,915	4,915	4,915
Construction in progress	9,278	9,043	5,481	8,578	14,759	17,621
Buildings	8,806	8,881	2,065	2,143	10,871	11,024
Other improvements	1,537	1,649	223	223	1,760	1,872
Utility property	-	-	46,211	43,161	46,211	43,161
Machinery, furniture and equipment	7,859	6,352	1,688	1,638	9,547	7,990
Infrastructure	28,718	28,315	5,238	4,934	33,956	33,249
Other assets - leased equipment	5	7	5	7	10	14
Totals	<u>\$ 61,517</u>	<u>\$ 59,381</u>	<u>\$ 65,897</u>	<u>\$ 65,670</u>	<u>\$ 127,414</u>	<u>\$ 125,051</u>

This year's more significant capital asset additions include:

- \$4,713,219 – Waste Water Treatment Plant Improvements
- \$1,075,082 – North Hickory Street Rehab Project
- \$775,423 – Pierce Enforcer Fire Truck
- \$604,274 – Liberty Park Inclusive Playground

This year's more significant additions to construction in progress include:

- \$1,375,107– Fire Station #3
- \$914,391 – Sports Complex (Wickham Road)
- \$810,947 – Golf Course Irrigation System

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 \$104 million and \$108.1 million in outstanding debt at the end of fiscal years 2022 and 2021, respectively. Governmental Activities decreased by \$2.5 million due to the city continuing to make scheduled debt payments and not issuing any significant amounts of debt, like the Series 2021A G.O. Bonds that were issued in the prior year. Business-type Activities decreased by \$1.5 million largely due to the regular retirement of debt that was partially offset by additional draws of available balance for the Notes Payable of \$1.3 million.

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

TABLE 6
Primary Government Long-Term Debt (In Thousands)
June 30, 2022 and 2021

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accrued absences	\$ 1,854	\$ 1,872	\$ 201	\$ 231	\$ 2,055	\$ 2,103
Revenue bonds	3,870	4,365	62,405	64,845	66,275	69,210
Due to depositors	-	-	337	334	337	334
Water contract obligations	-	-	605	643	605	643
Notes payable	426	537	5,815	4,823	6,241	5,360
General obligation bonds	28,500	30,415	-	-	28,500	30,415
Totals	<u>\$ 34,650</u>	<u>\$ 37,189</u>	<u>\$ 69,363</u>	<u>\$ 70,876</u>	<u>\$ 104,013</u>	<u>\$ 108,065</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

The current fiscal year has represented a continued recovery from the impact of the COVID-19 pandemic. Sapulpa's overall economic performance and outlook appears to be stable and will continue on this trajectory into the future.

Total sales tax collections, which are the major revenue for the General Fund, had a 9.2% increase from fiscal year 2020-2021(\$15,211,627) to fiscal year 2021-2022(\$16,615,424). A conservative approach was used in projecting sales tax for fiscal year 2022-2023, with sales tax budgeted at \$15,550,901 or 6.4% less than the fiscal year 2021-2022 actual. Total assessed valuation of property went up 3.7% from 2021 to 2022.

The Sapulpa Municipal Authority (SMA) charges for service, which include water, sewer, and refuse revenues, shows an increase of 5.2% for fiscal year 2021-2022 (\$10,798,902) from 2020-2021 actual (\$10,260,456). Revenues for these services for fiscal year 2021-2022 were projected down 5.2%, or \$564,817, lower than fiscal year 2021-2022 actual. This slight decrease reflects a presumption of fairly stagnant charges for service revenue during fiscal year 2021-2022 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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 18,827,174	\$ 4,800,116	\$ 23,627,290
Investments	12,086,108	1,864,255	13,950,363
Deposits with insurance pool	16,760	-	16,760
Internal balances	1,282,000	(1,282,000)	-
Interest receivable	16,099	2,475	18,574
Accounts receivable, net of allowance	100	876,936	877,036
Franchise tax receivable	221,207	-	221,207
Court fines receivable	431,972	-	431,972
Due from other governments	2,377,566	598,741	2,976,307
Other receivables	101,158	757,348	858,506
Lease receivables	1,407,389	-	1,407,389
Inventory	32,070	110,931	143,001
Prepaid expenses	-	289,255	289,255
Net pension asset	3,293,696	-	3,293,696
Capital assets:			
Land and construction in progress	14,591,762	10,467,490	25,059,252
Other capital assets, net of depreciation/amortization	46,924,843	55,430,502	102,355,345
Total assets	101,609,904	73,916,049	175,525,953
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	37,770	6,191,766	6,229,536
Deferred amounts related to OPEB	66,318	40,683	107,001
Deferred amounts related to pensions	3,569,633	-	3,569,633
Total deferred outflows	3,673,721	6,232,449	9,906,170
LIABILITIES			
Accounts payable	1,839,728	830,906	2,670,634
Accrued payroll liabilities	151,555	86,765	238,320
Accrued interest payable	74,473	413,156	487,629
Due to other governments	2,738	-	2,738
Escrow deposits	51,242	-	51,242
Due to bondholders	3,511	-	3,511
Unearned revenue	1,688,475	3,173	1,691,648
Long-term liabilities:			
Due within one year	2,996,427	2,808,707	5,805,134
Due in more than one year	32,618,371	66,558,682	99,177,053
Net pension liabilities- due in more than one year	6,422,285	-	6,422,285
Total OPEB liability - due in more than one year	715,414	199,229	914,643
Total liabilities	46,564,219	70,900,618	117,464,837
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to Leases	1,378,926	-	1,378,926
Deferred amounts related to OPEB	629,827	241,111	870,938
Deferred amounts related to pensions	8,195,666	-	8,195,666
Total deferred inflows	10,204,419	241,111	10,445,530
NET POSITION			
Net investment in capital assets	42,543,872	9,075,161	51,619,033
Restricted for:			
Capital projects	1,213,174	-	1,213,174
Debt service	1,730,294	571,469	2,301,763
Streets	4,425,899	-	4,425,899
Public safety	788,469	-	788,469
Grant projects	76,252	-	76,252
Economic development	1,541,977	-	1,541,977
Water capital projects	-	740,520	740,520
Sewer capital projects	-	526,519	526,519
Unrestricted (deficit)	(3,804,950)	(1,906,900)	(5,711,850)
Total net position	\$ 48,514,987	\$ 9,006,769	\$ 57,521,756

**City of Sapulpa
Statement of Activities
For the Year Ended June 30, 2022**

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	\$ 1,594,141	\$ -	\$ -	\$ -	\$ (1,594,141)	\$ -	\$ (1,594,141)
General government	3,137,944	582,358	26,368	23,669	(2,505,549)	-	(2,505,549)
Legal and judicial	358,571	-	-	-	(358,571)	-	(358,571)
Public safety	10,787,913	835,678	912,294	508,541	(8,531,400)	-	(8,531,400)
Urban development	514,917	-	-	-	(514,917)	-	(514,917)
Streets	2,386,986	966	211,788	167,990	(2,006,242)	-	(2,006,242)
Culture and recreation	1,659,915	151,692	60,788	15,000	(1,432,435)	-	(1,432,435)
Interest on long-term debt	843,743	-	-	-	(843,743)	-	(843,743)
Total governmental activities	<u>21,284,130</u>	<u>1,570,694</u>	<u>1,211,238</u>	<u>715,200</u>	<u>(17,786,998)</u>	<u>-</u>	<u>(17,786,998)</u>
Business-type activities							
Water	4,794,864	5,305,207	-	-	-	510,343	510,343
Wastewater	5,319,592	4,343,059	-	-	-	(976,533)	(976,533)
Sanitation	944,581	1,343,259	-	-	-	398,678	398,678
Stormwater	801,229	868,512	-	-	-	67,283	67,283
Golf operations	801,632	446,808	980	-	-	(353,844)	(353,844)
Total business-type activities	<u>12,661,898</u>	<u>12,306,845</u>	<u>980</u>	<u>-</u>	<u>-</u>	<u>(354,073)</u>	<u>(354,073)</u>
Total primary government	<u>\$ 33,946,028</u>	<u>\$ 13,877,539</u>	<u>\$ 1,212,218</u>	<u>\$ 715,200</u>	<u>(17,786,998)</u>	<u>(354,073)</u>	<u>(18,141,071)</u>
General revenues:							
Taxes:							
Sales and use taxes					18,911,529	-	18,911,529
Property taxes					2,778,914	-	2,778,914
Franchise and public service taxes					915,321	-	915,321
Payment in lieu of tax					263,445	-	263,445
Hotel/motel taxes					347,501	-	347,501
Tax apportionment revenue					101,833	-	101,833
E-911 taxes					323,577	-	323,577
Intergovernmental revenue not restricted to specific programs					585,632	-	585,632
Investment income					112,166	14,572	126,738
Miscellaneous					247,767	182,922	430,689
Transfers - Internal activity					(2,428,592)	2,428,592	-
Total general revenues and transfers					<u>22,159,093</u>	<u>2,626,086</u>	<u>24,785,179</u>
Change in net position					<u>4,372,095</u>	<u>2,272,013</u>	<u>6,644,108</u>
Net position - beginning					<u>44,142,892</u>	<u>6,734,756</u>	<u>50,877,648</u>
Net position - ending					<u>\$ 48,514,987</u>	<u>\$ 9,006,769</u>	<u>\$ 57,521,756</u>

See accompanying notes to the basic financial statements.

**City of Sapulpa
Balance Sheet
Governmental Funds
June 30, 2022**

	General Fund	G.O. Bond Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,742,454	\$ 6,370,539	\$ 11,694,646	\$ 19,807,639
Investments	1,539,238	6,532,339	4,235,018	12,306,595
Deposits with insurance pool	16,760	-	-	16,760
Deposits with fiscal agent	-	-	188	188
Accrued interest receivable	1,230	8,342	6,831	16,403
Due from other funds	1,382,000	-	-	1,382,000
Due from other governments	1,269,587	-	1,674,064	2,943,651
Franchise tax receivable	221,207	-	-	221,207
Court fines receivable	416,799	-	15,173	431,972
Other receivables	74,775	-	33,600	108,375
Lease receivables	1,407,389	-	-	1,407,389
Inventory	8,753	-	117,012	125,765
Total assets	<u>\$ 8,080,192</u>	<u>\$ 12,911,220</u>	<u>\$ 17,776,532</u>	<u>\$ 38,767,944</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 260,337	\$ 1,078,996	\$ 526,963	\$ 1,866,296
Accrued payroll liabilities	97,353	-	73,346	170,699
Due to other funds	-	-	150,000	150,000
Due to other governments	3,854	-	392	4,246
Escrow deposit	51,242	-	-	51,242
Refundable court bonds	2,946	-	565	3,511
Unearned revenue	-	-	1,624,952	1,624,952
Total liabilities	<u>415,732</u>	<u>1,078,996</u>	<u>2,376,218</u>	<u>3,870,946</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	384,446	4,644	391,603	780,693
Leases	1,378,926	-	-	1,378,926
Total deferred inflow of resources	<u>1,763,372</u>	<u>4,644</u>	<u>391,603</u>	<u>2,159,619</u>
Fund balances:				
Non-spendable	8,753	-	117,012	125,765
Restricted	-	11,827,580	11,946,773	23,774,353
Assigned	3,668,635	-	2,944,926	6,613,561
Unassigned	2,223,700	-	-	2,223,700
Total fund balances	<u>5,901,088</u>	<u>11,827,580</u>	<u>15,008,711</u>	<u>32,737,379</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,080,192</u>	<u>\$ 12,911,220</u>	<u>\$ 17,776,532</u>	<u>\$ 38,767,944</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, 2022

Fund Balance - Net Position Reconciliation:	\$ 32,737,379
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 \$35,877,058	61,516,605
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	59,529
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	(487,358)
Water resources fund	(806,648)
Sewer plant sales tax fund	(534,144)
	(1,828,150)
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	3,293,696
Pension related deferred outflows of resources	3,569,633
Deferred amount on general obligation bond refunding	37,770
Unavailable revenue	717,170
OPEB related deferred outflows of resources	66,318
	7,684,587
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	(76,973)
Capital notes payable obligation	(368,208)
Notes payable	(57,793)
Revenue bonds	(3,870,000)
General obligation bond	(28,500,000)
Unamortized premium on general obligation bonds	(959,576)
Lease liability	(5,080)
Net pension liability	(6,422,285)
OPEB related deferred inflows of resources	(629,827)
Pension related deferred inflows of resources	(8,195,666)
Total OPEB liability	(715,414)
Accrued compensated absences	(1,854,141)
	(51,654,963)
Net Position of Governmental Activities in the Statement of Net Position	\$ 48,514,987

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, 2022

	General Fund	G.O. Bond Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 10,814,089	\$ -	\$ 12,502,474	\$ 23,316,563
Intergovernmental	1,642,156	-	621,525	2,263,681
Charges for services	862,614	-	478,997	1,341,611
Fines and forfeitures	241,675	-	17,684	259,359
Licenses and permits	241,381	-	-	241,381
Investment income	35,899	42,292	36,608	114,799
Miscellaneous	194,432	15,000	298,991	508,423
Total revenues	<u>14,032,246</u>	<u>57,292</u>	<u>13,956,279</u>	<u>28,045,817</u>
EXPENDITURES				
Current:				
Administration	1,903,822	-	-	1,903,822
General government	1,183,115	35,221	483,925	1,702,261
Legal and judicial	348,458	-	-	348,458
Public safety	11,606,839	-	674,276	12,281,115
Urban development	155,651	-	186,941	342,592
Streets	-	-	1,018,050	1,018,050
Culture and recreation	546,310	41,467	740,885	1,328,662
Water	-	-	1,386,767	1,386,767
Wastewater	-	-	269,736	269,736
Capital Outlay	283,250	4,383,496	2,436,170	7,102,916
Debt Service:				
Principal	25,413	-	2,591,586	2,616,999
Interest	2,598	-	943,915	946,513
Total expenditures	<u>16,055,456</u>	<u>4,460,184</u>	<u>10,732,251</u>	<u>31,247,891</u>
Excess (deficiency) of revenues over expenditures	<u>(2,023,210)</u>	<u>(4,402,892)</u>	<u>3,224,028</u>	<u>(3,202,074)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,808,959	-	1,410,979	7,219,938
Transfers out	(3,536,870)	-	(3,059,188)	(6,596,058)
Proceeds from long-term debt	108,413	-	-	108,413
Total other financing sources (uses)	<u>2,380,502</u>	<u>-</u>	<u>(1,611,533)</u>	<u>768,969</u>
Net change in fund balances	357,292	(4,402,892)	1,612,495	(2,433,105)
Fund balances - beginning	5,543,796	16,230,472	13,396,216	35,170,484
Fund balances - ending	<u>\$ 5,901,088</u>	<u>\$ 11,827,580</u>	<u>\$ 15,008,711</u>	<u>\$ 32,737,379</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, 2022

Changes in Fund Balance - Changes in Net Position Reconciliation: \$ (2,433,105)

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	5,571,949
Land acquisitions	180,846
Book value of disposed capital assets	(1,098,264)
Capital assets transferred to business-type activities	(199,184)
Depreciation/amortization expense	(2,319,146)
	2,136,201

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	(43,189)
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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.

2,184,664

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	(54,791)
Water Resources Fund	(71,995)
Sewer Plant Sales Tax Fund	48,211
	(78,575)

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 notes payable obligation	192,372
Principal payment on G.O. bonds payable	1,915,000
Principal payment on Revenue bonds payable	495,000
Principal payment on notes payable	28,430
Bond refunding amortization	(12,945)
Bond premium amortization	80,588
Proceeds from notes payable	(108,413)
	2,590,032

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	34,096
Change in total OPEB liability	(39,185)
Change in accrued compensated absences	17,241
Change in lease liability	3,343
	15,495

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	2,257
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Change in net position of governmental activities	\$ 4,372,095
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See accompanying notes to the basic financial statements.

**City of Sapulpa
Statement of Net Position
Proprietary Funds
June 30, 2022**

	Enterprise Funds			Internal Service Fund
	SMA Utility Fund	Non-major Golf Course Fund	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,217,443	\$ 488,624	\$ 2,706,067	\$ 59,475
Restricted cash and cash equivalents	1,053,921	-	1,053,921	-
Investments	1,358,786	-	1,358,786	-
Interest receivable	2,171	-	2,171	-
Accounts receivable, net	873,762	3,174	876,936	-
Other receivables	751,685	-	751,685	54
Inventory	-	17,236	17,236	-
Total current assets	<u>6,257,768</u>	<u>509,034</u>	<u>6,766,802</u>	<u>59,529</u>
Non-current assets:				
Restricted investments	284,982	-	284,982	-
Prepaid bond insurance	289,255	-	289,255	-
Capital assets:				
Land and other non-depreciable assets	9,615,383	852,107	10,467,490	-
Other capital assets, net of depreciation	55,054,071	371,378	55,425,449	-
Lease assets	5,053	-	5,053	-
Total non-current assets	<u>65,248,744</u>	<u>1,223,485</u>	<u>66,472,229</u>	<u>-</u>
Total assets	<u>71,506,512</u>	<u>1,732,519</u>	<u>73,239,031</u>	<u>59,529</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	38,304	2,379	40,683	-
Deferred amount on refunding	6,191,766	-	6,191,766	-
Total deferred outflows	<u>6,230,070</u>	<u>2,379</u>	<u>6,232,449</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	749,375	18,866	768,241	-
Accrued payroll liabilities	52,924	15,638	68,562	-
Due to other funds	1,232,000	-	1,232,000	-
Accrued interest payable	413,156	-	413,156	-
Unearned revenue	-	3,173	3,173	-
Due to depositors	67,340	-	67,340	-
Notes payable	220,000	-	220,000	-
Capital lease obligation payable	1,658	-	1,658	-
Water contract obligations	40,203	-	40,203	-
Revenue bonds payable	2,460,000	-	2,460,000	-
Accrued compensated absences	15,186	4,320	19,506	-
Total current liabilities	<u>5,251,842</u>	<u>41,997</u>	<u>5,293,839</u>	<u>-</u>
Non-current liabilities:				
Due to depositors	269,358	-	269,358	-
Notes payable	5,594,637	-	5,594,637	-
Water contract obligations	564,313	-	564,313	-
Revenue bonds payable, net	59,945,001	-	59,945,001	-
Lease liability	3,422	-	3,422	-
Accrued compensated absences	143,076	38,875	181,951	-
Total OPEB liability	167,533	31,696	199,229	-
Total non-current liabilities	<u>66,687,340</u>	<u>70,571</u>	<u>66,757,911</u>	<u>-</u>
Total liabilities	<u>71,939,182</u>	<u>112,568</u>	<u>72,051,750</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB	156,311	84,800	241,111	-
NET POSITION				
Net investment in capital assets	7,851,676	1,223,485	9,075,161	-
Restricted for debt service	571,469	-	571,469	-
Unrestricted (deficit)	<u>(2,782,056)</u>	<u>314,045</u>	<u>(2,468,011)</u>	<u>59,529</u>
Total net position	<u>\$ 5,641,089</u>	<u>\$ 1,537,530</u>	<u>\$ 7,178,619</u>	<u>\$ 59,529</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.

1,828,150

Net Position of business-type activities

\$ 9,006,769

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, 2022

	<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	\$ 4,988,168	\$ -	\$ 4,988,168	\$ -
Sewer charges	4,284,605	-	4,284,605	-
Sanitation	1,186,557	-	1,186,557	-
Water taps	28,250	-	28,250	-
Sewer taps	58,454	-	58,454	-
Late charges	183,570	-	183,570	-
Recycling center	700	-	700	-
Trucked water	156,002	-	156,002	-
Stormwater	868,512	-	868,512	-
Golf course	-	446,323	446,323	-
Self insurance charges	-	-	-	2,824,231
Donations	-	980	980	-
Miscellaneous	105,219	485	105,704	-
Total operating revenues	<u>11,860,037</u>	<u>447,788</u>	<u>12,307,825</u>	<u>2,824,231</u>
OPERATING EXPENSES				
General government	388,893	-	388,893	-
Administration	226,303	-	226,303	-
Utility collections	394,468	-	394,468	-
Water treatment plant	1,927,440	-	1,927,440	-
Industrial pretreatment	501,671	-	501,671	-
Wastewater treatment plant	1,068,349	-	1,068,349	-
Stormwater management	859,622	-	859,622	-
Sanitation	820,274	-	820,274	-
Golf course operations	-	690,879	690,879	-
Depreciation/amortization expense	2,130,949	110,753	2,241,702	-
Claims expense	-	-	-	2,822,067
Total operating expenses	<u>8,317,969</u>	<u>801,632</u>	<u>9,119,601</u>	<u>2,822,067</u>
Operating income (loss)	<u>3,542,068</u>	<u>(353,844)</u>	<u>3,188,224</u>	<u>2,164</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	11,505	539	12,044	93
Miscellaneous	157,838	-	157,838	-
Gain (loss) on disposal of capital assets	(2,093)	(2,209)	(4,302)	-
Transfer capital assets to governmental activities	(5,603)	-	(5,603)	-
Interest expense and fiscal charges	(2,812,828)	-	(2,812,828)	-
Total non-operating revenue (expenses)	<u>(2,651,181)</u>	<u>(1,670)</u>	<u>(2,652,851)</u>	<u>93</u>
Income (loss) before contributions and transfers	890,887	(355,514)	535,373	2,257
Capital contributions	1,459,527	822,647	2,282,174	-
Transfers in	6,223,290	300,000	6,523,290	-
Transfers out	(7,147,170)	-	(7,147,170)	-
Change in net position	1,426,534	767,133	2,193,667	2,257
Total net position - beginning	4,214,555	770,397	4,984,952	57,272
Total net position - ending	<u>\$ 5,641,089</u>	<u>\$ 1,537,530</u>	<u>\$ 7,178,619</u>	<u>\$ 59,529</u>
Change in net position			\$ 2,193,667	

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	54,791
Water resources fund	71,995
Sewer plant sales tax fund	(48,211)
Deferred interest revenue in governmental fund reversed for accrual basis	(229)
Change in net position of the business-type activities	<u>\$ 2,272,013</u>

See accompanying notes to the basic financial statements.

**City of Sapulpa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022**

	SMA Utility Fund	Golf Course Fund	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 11,819,830	\$ 447,148	\$ 12,266,978	\$ -
Payments to suppliers	(3,446,195)	(187,431)	(3,633,626)	(2,822,067)
Payments to employees	(2,420,819)	(500,214)	(2,921,033)	-
Receipts of customer meter deposits	99,205	-	99,205	-
Refunds of customer meter deposits	(96,338)	-	(96,338)	-
Receipts from others	-	-	-	2,824,231
Net cash provided by (used in) operating activities	5,955,683	(240,497)	5,715,186	2,164
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	6,223,290	300,000	6,523,290	-
Transfers to other funds	(7,147,170)	-	(7,147,170)	-
Net cash provided by (used in) noncapital financing activities	(923,880)	300,000	(623,880)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(197,046)	-	(197,046)	-
Proceeds from issuance of capital debt	1,293,443	-	1,293,443	-
Principal paid on capital debt	(2,782,234)	-	(2,782,234)	-
Refunding proceeds in excess of retired capital debt paid to escrow	(4,335,051)	-	(4,335,051)	-
Interest and fiscal agent fees paid on capital debt	2,670,248	-	2,670,248	-
Net cash provided by (used in) capital and related financing activities	(3,350,640)	-	(3,350,640)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	(7,273)	-	(7,273)	-
Interest and dividends	11,499	538	12,037	93
Net cash provided by investing activities	4,226	538	4,764	93
Net increase in cash and cash equivalents	1,685,389	60,041	1,745,430	2,257
Balances - beginning of year	1,585,975	428,583	2,014,558	57,218
Balances - end of year	\$ 3,271,364	\$ 488,624	\$ 3,759,988	\$ 59,475
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 2,217,443	\$ 488,624	\$ 2,706,067	\$ 59,475
Restricted cash and cash equivalents - current	1,053,921	-	1,053,921	-
Total cash and cash equivalents, end of year	\$ 3,271,364	\$ 488,624	\$ 3,759,988	\$ 59,475

(Continued)

See accompanying notes to the financial statements.

**City of Sapulpa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022**

	SMA Utility Fund	Golf Course Fund	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided				
by (used in) operating activities:				
Operating income (loss)	\$ 3,542,068	\$ (353,844)	\$ 3,188,224	\$ 2,164
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization expense	2,130,949	110,753	2,241,702	-
Miscellaneous income	157,838	-	157,838	-
Change in assets, liabilities and deferrals:				
Total OPEB liability	(84,189)	(18,648)	(102,837)	-
Net inflows related to OPEB	94,715	11,873	106,588	-
Accounts receivable	23,888	(2,057)	21,831	-
Other receivables	(220,468)	-	(220,468)	-
Accounts payable	337,547	1,667	339,214	-
Accrued payroll payable	7,147	2,568	9,715	-
Due to other funds	-	-	-	-
Unearned revenue	(1,465)	1,417	(48)	-
Deposits subject to refund	2,867	-	2,867	-
Accrued compensated absences	(35,214)	5,774	(29,440)	-
Net cash provided by (used in) operating activities	\$ 5,955,683	\$ (240,497)	\$ 5,715,186	\$ 2,164
Noncash activities:				
Contributed capital assets	\$ 1,459,527	\$ 822,647	\$ 2,282,174	\$ -

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 provided through agreement 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:

<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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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.	Sapulpa Development Authority Fund - Special Revenue Fund
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1.B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

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

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

Fund Financial Statements:

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

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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.
Stabilization Account	Accounts for reserves to be used to mitigate instability due to the disruption of revenue which prevent normal operations of the City, or to provide funds in case of emergency declarations.

Other Major Fund

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

Special Revenue Funds (Nonmajor Funds)

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

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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.
Sapulpa Development Authority	Accounts for expenditures for economic development capital outlay.
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.

Capital Project Fund (Nonmajor Funds)

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

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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.
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:

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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 expenses made for stormwater maintenance and operations.

Nonmajor Fund

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

Insurance Fund	Accounts for revenues and expenses of insurance costs for employees with the City, including police and fire retirees.
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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 notes payable are reported as other financial sources.

1.D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND EQUITY

Cash and Cash Equivalents

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

Investments

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

Receivables

Material receivables in governmental funds and governmental activities include revenue accruals such as sales tax, franchise tax, lease receivables, 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.

CITY OF SAPULPA
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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, 2022. 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.

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.

Intangible leased assets are amortized over the life of the associated contract.

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, notes payable, judgments payable, water contract obligations, revenue bonds payable, leases, 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.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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.

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 2020 sales tax agreements of their respective bond indentures, sales tax has been pledged for the payment of principal and interest on the indebtedness. The 2020 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.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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
2021A General Obligation Bonds

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

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

For the year ended June 30, 2022, the City's net assessed valuation of taxable property was \$163,750,634. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2022, was \$16.87.

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.

1.H. NEW ACCOUNTING STANDARD

During the fiscal year the City and its related component units implemented GASB Statement No. 87 – Leases. This statement increases the usefulness of a governments’ financial statements by requiring, among other things, recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Although this implementation resulted in a restatement of capital assets to reflect the applicable leased assets, it did not result in an impact on net position since a corresponding lease liability was also recorded.

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, 2022.

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

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

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, 2022, 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, 2022:

<u>Requirement</u>	<u>Level of Compliance</u>
<p>a. Flow of Funds 2020 Refunding Utility System Revenue Bonds: - Revenue Fund - Bond Fund</p>	<p>The Authority maintained all required accounts and made the required payments into such accounts.</p>
<p>b. Revenue Bond Coverage: Net operating revenue plus transferred sales tax must equal 1.25 times avg. annual debt service on the 2020 Refunding Utility System Revenue Bonds.</p>	<p>Net revenues available amounted to \$10,727,707. The avg. annual debt service was \$5,038,182. Actual coverage was 2.13 times.</p>
<p>c. Insurance Guarantee Requirements: 2020 Refunding Utility System Revenue Bonds required a municipal bond insurance policy to guarantee the scheduled debt payments.</p>	<p>The Authority paid the required bond insurance premium of \$318,446 as previously required.</p>

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.J. 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 the State Auditor and Inspector.

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

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

In accordance with Title 60 of the Oklahoma State Statutes, the Sapulpa Municipal Authority and the Sapulpa Development Authority, accounted for as blended enterprise funds in this report, are required to prepare annual budgets 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, 2022:

CITY OF SAPULPA
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Type	Maturities	Credit Rating	Carrying Value
Deposits:			
Demand deposits		N/A	\$ 23,587,530
Cash on hand		N/A	5,001
Time deposits (Certificates of Deposit)	Due within one year	N/A	13,372,828
Time deposits (Certificate of Deposit)	Due in 1 - 5 years	N/A	542,535
			<u>\$ 37,507,894</u>
Investments:			
Federated Hermes Government Obligations Tax-Managed Fund		AAAm ⁽¹⁾	\$ 34,759
U.S. Treasury HH Savings Bonds	7/1/2022	N/A	35,000
			<u>69,759</u>
Total deposits and investments			<u>\$ 37,577,653</u>

(1) Standard & Poor's

Reconciliation to Statement of Net Position:

	Governmental	Business-type	Total
	Activities	Activities	
Cash and cash equivalents	18,827,174	4,800,116	23,627,290
Investments	12,086,108	1,864,255	13,950,363
	<u>\$ 30,913,282</u>	<u>\$ 6,664,371</u>	<u>\$ 37,577,653</u>

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
Certificates of Deposit	13,915,363	-	13,915,363
Federated Hermes Government Obligations Tax-Managed Fund	34,759	34,759	-
U.S. Treasury HH Savings Bonds	35,000	35,000	-

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, 2022, the City was not exposed to custodial credit risk as defined above.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
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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, 2022, 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, 2022, the City had no concentration of credit risk as defined above.

3. B. RESTRICTED ASSETS

The amounts reported as restricted assets on the Proprietary Funds Statement of Net Position are comprised of cash and investments held by the trustee bank on behalf of the 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, 2022 were as follows:

	Current Cash and cash Equivalents	Noncurrent Investments
Utility Deposits	\$ 69,296	\$ 284,982
Trustee Accounts: 2020 Bond Fund	984,625	-
Total	<u>\$ 1,053,921</u>	<u>\$ 284,982</u>

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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>			
Other	\$ 100	\$ -	\$ 100
	100	-	100
<u>Franchise tax receivable</u>	221,207	-	221,207
<u>Court fine receivable</u>	3,502,740	(3,070,768)	431,972
<u>Due from other governments</u>			
Property tax	867,467	(537,945)	329,522
Sales tax	1,907,062	-	1,907,062
Other	140,982	-	140,982
	2,915,511	(537,945)	2,377,566
<u>Other receivables</u>	101,158	-	101,158
<u>Lease receivables</u>	1,407,389	-	1,407,389
Business-type Activities:			
<u>Accounts receivable</u>			
Utilities receivable	3,429,066	(2,555,304)	873,762
Golf	3,174	-	3,174
	3,432,240	(2,555,304)	876,936
<u>Due from other governments (sales tax)</u>	598,741	-	598,741
<u>Other receivables</u>			
Water/sewer related	756,848	-	756,848
Other	500	-	500
	\$ 757,348	\$ -	\$ 757,348

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

3. D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance at July 1, 2021, Restated	Additions	Transfers	Disposals	Balance at June 30, 2022
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 5,134,274	\$ 180,846	\$ -	\$ (1,230)	\$ 5,313,890
Construction in progress	9,042,932	4,068,190	(3,671,357)	(161,893)	9,277,872
Total capital assets not being depreciated	<u>14,177,206</u>	<u>4,249,036</u>	<u>(3,671,357)</u>	<u>(163,123)</u>	<u>14,591,762</u>
Depreciable capital assets:					
Buildings	14,060,959	210,191	51,598	(110,760)	14,211,988
Other improvements	4,109,810	45,569	-	(161,493)	3,993,886
Machinery and equipment	17,057,106	895,135	2,359,667	(2,137,129)	18,174,779
Infrastructure	45,079,655	352,864	1,075,082	(93,092)	46,414,509
Total depreciable capital assets at historical cost	<u>80,307,530</u>	<u>1,503,759</u>	<u>3,486,347</u>	<u>(2,502,474)</u>	<u>82,795,162</u>
Less accumulated depreciation for:					
Buildings	(5,179,934)	(265,377)	-	39,074	(5,406,237)
Other improvements	(2,460,605)	(157,774)	-	161,493	(2,456,886)
Machinery and equipment	(10,705,478)	(881,953)	(14,174)	1,286,114	(10,315,491)
Infrastructure	(16,765,053)	(1,012,357)	-	80,652	(17,696,758)
Total accumulated depreciation	<u>(35,111,070)</u>	<u>(2,317,461)</u>	<u>(14,174)</u>	<u>1,567,333</u>	<u>(35,875,372)</u>
Other assets:					
Leased assets - equipment	6,738	-	-	-	6,738
Total other assets	<u>6,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,738</u>
Less accumulated amortization					
Leased assets - equipment	-	(1,685)	-	-	(1,685)
Total accumulated amortization	<u>-</u>	<u>(1,685)</u>	<u>-</u>	<u>-</u>	<u>(1,685)</u>
Depreciable and other capital assets, net	<u>45,203,198</u>	<u>(815,387)</u>	<u>3,472,173</u>	<u>(935,141)</u>	<u>46,924,843</u>
Governmental activities capital assets, net	<u>\$ 59,380,404</u>	<u>\$ 3,433,649</u>	<u>\$ (199,184)</u>	<u>\$ (1,098,264)</u>	<u>\$ 61,516,605</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	8,577,860	2,132,710	(5,229,287)	-	5,481,283
Total capital assets not being depreciated	<u>13,564,067</u>	<u>2,132,710</u>	<u>(5,229,287)</u>	<u>-</u>	<u>10,467,490</u>
Depreciable capital assets:					
Buildings	3,903,823	-	-	-	3,903,823
Other improvements	1,696,189	24,620	-	-	1,720,809
Utility property	77,765,663	-	4,644,644	(7,029)	82,403,278
Machinery and equipment	5,754,328	321,890	78,657	(202,278)	5,952,597
Infrastructure	6,289,400	-	486,209	-	6,775,609
Total depreciable capital assets at historical cost	<u>95,409,403</u>	<u>346,510</u>	<u>5,209,510</u>	<u>(209,307)</u>	<u>100,756,116</u>
Less accumulated depreciation for:					
Buildings	(1,760,604)	(78,241)	-	-	(1,838,845)
Other improvements	(1,473,164)	(24,298)	-	-	(1,497,462)
Utility property	(34,604,292)	(1,594,631)	-	7,029	(36,191,894)
Machinery and equipment	(4,116,202)	(360,864)	14,174	197,976	(4,264,916)
Infrastructure	(1,355,566)	(181,984)	-	-	(1,537,550)
Total accumulated depreciation	<u>(43,309,828)</u>	<u>(2,240,018)</u>	<u>14,174</u>	<u>205,005</u>	<u>(45,330,667)</u>
Other assets:					
Leased assets - equipment	6,738	-	-	-	6,738
Total other assets	<u>6,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,738</u>
Less accumulated amortization					
Leased assets - equipment	-	(1,685)	-	-	(1,685)
Total accumulated amortization	<u>-</u>	<u>(1,685)</u>	<u>-</u>	<u>-</u>	<u>(1,685)</u>
Depreciable and other capital assets, net	<u>52,106,313</u>	<u>(1,895,193)</u>	<u>5,223,684</u>	<u>(4,302)</u>	<u>55,430,502</u>
Business-type activities capital assets, net	<u>\$ 65,670,380</u>	<u>\$ 237,517</u>	<u>\$ (5,603)</u>	<u>\$ (4,302)</u>	<u>\$ 65,897,992</u>

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

Depreciation expense charged to governmental activities:

General government	\$	150,308
Legal and judicial		468
Public safety		736,620
Urban development		768
Streets		1,161,638
Culture and recreation		267,659
Total governmental activities depreciation expense		2,317,461

Depreciation expense charged to business-type activities:

Water	\$	675,777
Wastewater		1,187,452
Sanitation		26,030
Stormwater		240,006
Golf course		110,753
Total business-type activities depreciation expense		2,240,018

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.

Amortization expense was charged to functions in the statement of activities with the \$1,685 of governmental activities to general government, and the \$1,685 of business-type activities to water.

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, 2022), 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, 2022 is \$604,517. 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, 2022, the governmental activities long-term debt consisted of the following:

CITY OF SAPULPA
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General Obligation Bonds:

<p>\$5,750,000 General Obligation Bonds of 2021A, due in annual installments of \$235,000 with a final installment of \$345,000 due June 1, 2046, and with interest rates at 1.0% to 2.0%. The purpose of issuance was for the following: 1) Streets & Bridges \$4,620,000; 2) Public Safety Facilities and Equipment \$720,000; Community Park Enhancements \$410,000.</p>	\$ 5,750,000
<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>	1,920,000
<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, 2045, 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>	12,460,000
<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>	2,490,000
<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>	325,000
<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>	2,115,000
<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>	2,600,000
<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>	620,000
<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>	\$ 220,000
<p style="padding-left: 40px;">Total General Obligation Bonds</p>	\$28,500,000
<p style="padding-left: 40px;">Plus: Unamortized Premium</p>	<u>959,576</u>
<p style="padding-left: 80px;">Total General Obligation Bonds, net</p>	<u>\$29,459,576</u>
<p style="padding-left: 40px;">Current portion</p>	\$ 2,160,000
<p style="padding-left: 40px;">Non-current portion, net</p>	<u>27,299,576</u>
<p style="padding-left: 80px;">Total General Obligation Bonds</p>	<u>\$29,459,576</u>

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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.	<u>\$3,870,000</u>
Total Revenue Bonds Payable	<u>\$3,870,000</u>
Current portion	\$ 505,000
Non-current portion	<u>3,365,000</u>
Total Revenue Bonds	<u>\$3,870,000</u>

Capital Notes Payable Obligations (direct borrowings):

\$175,000 capital note payable with American Heritage Bank for 50 Yamaha Golf carts payable in quarterly installments of \$11,696, and with the final payment due August 2022 with an interest rate at 3.50%. In the event of default, the lender may: 1) cause the equipment to be surrendered upon demand; 2) enter the building or place where equipment is located and take possession without notice; and 3) cause the agreement to terminate upon default.	\$ 11,595
\$325,000 capital note payable with American Heritage 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%. In the event of default, the lender may: 1) cause the equipment to be surrendered upon demand; 2) enter the building or Place where equipment is located and take possession without notice; and 3) cause the agreement to terminate upon default.	24,046
\$413,183 capital note payable 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%. In the event of default, the lender may suspend performance of Spillman's services until the past due amounts are paid.	241,190
\$108,413 capital note payable with De Lage Landen Public Finance for Xerox multifunction Printers payable in monthly installments of \$1,938 with an interest rate of 2.79% and the final payment due August 2026. In the event of default, the lender may: 1) declare the entire unpaid principal balance due along with all accrued unpaid interest; 2) charge interest at 18% until paid; 3) charge non-sufficient funds fees as applicable; 4) require the equipment be returned; 5) charge the City for any remaining balances after selling and/or re-renting the equipment; and 6) require the payment of all expenses incurred with the enforcement of any remedies including attorney fees.	<u>91,377</u>
Total Capital Notes Payable Obligations	<u>\$ 368,208</u>
Current portion	\$ 115,615
Non-current portion	<u>252,593</u>
Total Capital Note Obligations	<u>\$ 368,208</u>

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Note Payable (direct borrowing):

\$86,223 note payable direct borrowing debt with American Heritage Bank used for the purchase of property, payable in annual installments unless the lender demands payment in full prior to that point at any time, final payment due December 2023, and it is unsecured. In the event of default, the lender may: 1) declare the entire unpaid principal balance due along with all accrued unpaid interest, 2) hire another entity to help collect payment, with the cost to be paid by the borrower, and 3) right to set off the balance due with balances in other accounts held by the lender.

	<u>\$ 57,793</u>
Total Note Payable	<u>\$ 57,793</u>
Current portion	\$ 28,740
Non-current portion	<u>29,053</u>
Total Notes Payable	<u>\$ 57,793</u>

Accrued Compensated Absences:

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

Current portion	\$ 185,414
Non-current portion	<u>1,668,727</u>
Total Accrued Compensated Absences	<u>\$1,854,141</u>

Over 90% of governmental compensated absences will be liquidated by the general fund. Other funds that will be used include the following: Cemetery Maintenance, Street and Alley, Hotel/Motel Tax, Parks & Recreation, and E911.

Business-Type Activities Long-Term Debt

At June 30, 2022, the long-term debt payable from enterprise fund resources consisted of the following:

Revenue Bonds Payable:

2020 Refunding Series Utility System Revenue Bonds with an original issue amount of \$66,325,000, dated September 1, 2020, issued by Sapulpa Municipal Authority, and it is secured by utility revenue and pledged sales tax, interest rate from 3.024% to 0.745%, and the final maturity on April 1, 2043. The bonds were issued to refund the Refunding Series Revenue Bonds (Series 2012 and Series 2013), and to fund the issuance costs, the underwriter's discount, and the bond insurance premium.

	<u>\$62,405,000</u>
Current portion	\$ 2,460,000
Non-current portion, net	<u>59,945,000</u>
Total Revenue Bonds Payable, net	<u>\$62,405,000</u>

Note Payable (direct borrowing):

\$7,850,000 note payable direct borrowing debt with Oklahoma Water Resources Board used for wastewater system improvements, payable in semi-annual installments, final payment due September 2046, and it is secured by water, sewer, and sanitation net revenues, and 1.3% sales tax, interest rate of 2.59%. 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

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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. \$5,814,636

Current portion	\$ 220,000
Non-current portion	<u>5,594,636</u>
Total Notes Payable	<u>\$5,814,636</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	\$ 19,506
Non-current portion	<u>181,952</u>
Total Accrued Compensated Absences	<u>\$201,458</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%.	<u>\$285,983</u>
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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>318,534</u>
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Total Water Contract Obligations	<u>\$604,517</u>
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Current portion	\$ 40,203
Non-current portion	<u>564,314</u>
Total Water Contract Obligations	<u>\$604,517</u>

Due to Depositors:

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

Current portion	\$67,340
Non-current portion	<u>269,358</u>
Total Due to Depositors	<u>\$336,698</u>

CITY OF SAPULPA
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Defeased Bonds Outstanding

The City, through its various public trusts, has in substance defeased a number of outstanding bond issues by placing deposits in irrevocable trusts, escrow accounts, for the purchase of U.S. Government Securities to pay principal and interest on the refunded bonds as they are due and payable. During the prior fiscal year, the issuance of the 2020 Refunding Series Utility System Revenue Bonds resulted in the defeasance in substance of the 2012 and 2013 Refunding Series Revenue Bonds as funds were placed in an escrow trust agreement that will result in calls for the defeased balances on July 1, 2022 for the 2012 Refunding Series Revenue Bonds and April 1, 2023 for the 2012 Refunding Series Revenue Bonds. The accounting loss of \$8,194,985 as recorded in fiscal year 2021 was recorded as a deferred outflow of resources which will be amortized through fiscal year 2028.

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:

2003A Series Revenue Bonds	4,700,000
2012 Refunding Series Revenue Bonds	22,620,000
2013 Refunding Series Revenue Bonds	<u>34,240,000</u>
Total Defeased Bonds Outstanding	<u>\$61,560,000</u>

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

<u>Type of Debt</u>	<u>Balance</u> <u>January 00, 1900</u>	<u>Additions</u>	<u>Refunded</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:						
General obligation bonds	\$ 30,415,000	\$ -	\$ -	\$ 1,915,000	\$ 28,500,000	\$ 2,160,000
Revenue bonds payable	4,365,000	-	-	495,000	3,870,000	505,000
Notes payable	538,391	108,413	-	220,803	426,001	144,355
Lease obligations	6,738	-	-	1,658	5,080	1,658
Accrued compensated absences	1,871,383	1,310,418	-	1,327,660	1,854,141	185,414
Unamortized bond premiums/discounts	1,040,164	-	-	80,588	959,576	80,588
Total Governmental Activities	<u>\$ 38,236,676</u>	<u>\$ 1,418,831</u>	<u>\$ -</u>	<u>\$ 4,040,709</u>	35,614,798	<u>\$ 3,077,015</u>
Total OPEB Liability					715,414	
Net Pension Liability					<u>6,422,285</u>	
Net Long-term Debt					<u>\$ 42,752,497</u>	
<i>Reconciliation to Government-Wide Statement of Net Position:</i>						
Due in One Year					\$ 2,996,427	
Due in More than One Year					32,618,371	
Net Pension Liabilities					6,422,285	
Total OPEB Liability					<u>715,414</u>	
					<u>\$ 42,752,497</u>	
Business-Type Activities:						
Due to depositors	\$ 333,831	\$ 99,205	\$ -	\$ 96,338	\$ 336,698	\$ 67,340
Water contract obligations	643,170	-	-	38,653	604,517	40,203
Notes payable (direct borrowing)	4,823,117	1,293,442	-	301,923	5,814,636	220,000
Revenue bonds payable	64,845,000	-	-	2,440,000	62,405,000	2,460,000
Lease Obligations	6,738	-	-	1,658	5,080	1,658
Accrued compensated absences	230,897	142,381	-	171,820	201,458	19,506
Total Business-Type Activities	<u>\$ 70,882,753</u>	<u>\$ 1,535,028</u>	<u>\$ -</u>	<u>\$ 3,050,392</u>	69,367,389	<u>\$ 2,808,707</u>
Total OPEB Liability					199,229	
Net Long-term Debt					<u>\$ 69,566,618</u>	
<i>Reconciliation to Government-Wide Statement of Net Position:</i>						
Due in One Year					2,808,707	
Due in More than One Year					66,558,682	
Total OPEB Liability					<u>199,229</u>	
					<u>\$ 69,566,618</u>	

CITY OF SAPULPA
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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, 2022 are as follows:

<u>Year Ending June 30.</u>	GOVERNMENTAL ACTIVITY DEBT					
	General Obligation Bonds		Revenue Bonds		Direct Borrowing Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	2,160,000	756,812	505,000	119,665	144,355	6,712
2024	1,935,000	699,003	515,000	104,515	110,454	4,626
2025	1,650,000	646,472	535,000	89,065	82,911	2,855
2026	1,520,000	602,223	550,000	73,015	88,281	1,361
2027	1,515,000	557,897	570,000	56,515	-	-
2028-2038	6,925,000	2,138,100	1,195,000	58,810	-	-
2033-2037	5,490,000	1,308,635	-	-	-	-
2038-2042	4,275,000	702,406	-	-	-	-
2043-2047	3,030,000	171,000	-	-	-	-
Totals	\$ 28,500,000	\$ 7,582,548	\$ 3,870,000	\$ 501,585	\$ 426,001	\$ 15,554

<u>Year Ending June 30.</u>	BUSINESS-TYPE ACTIVITY DEBT					
	Revenue Bonds Payable		Direct Borrowing Notes Payable		Direct Borrowing Water Contract Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	2,460,000	1,473,766	220,000	195,153	40,203	24,253
2024	2,480,000	1,450,838	230,000	189,848	41,817	22,640
2025	2,510,000	1,423,583	230,000	183,317	43,494	20,963
2026	2,540,000	1,393,990	240,000	177,236	45,239	19,218
2027	2,570,000	1,355,585	250,000	170,893	47,054	17,403
2028-2032	13,590,000	6,049,030	1,330,000	754,312	265,150	57,135
2033-2037	15,200,000	4,417,940	1,515,000	569,113	121,560	7,365
2038-2042	17,290,000	2,147,336	1,735,000	358,260	-	-
2043-2047	3,765,000	113,854	1,647,115	117,576	-	-
Totals	\$ 62,405,000	\$ 19,825,922	\$ 7,397,115	\$ 2,715,708	\$ 604,517	\$ 168,977
Amount left to draw			(1,582,479)			
			\$ 5,814,636			

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 \$66,325,000 2020 Refunding Utility System Revenue Bonds. Proceeds from the original bonds, which have since been refunded, 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 \$82,230,922. Pledged sales taxes received in the current year were \$5,044,870 and net utility revenues were \$5,682,837 for total pledged revenues of \$10,727,707. Debt service payments of \$5,038,182 for the current fiscal year were 47.0% of total pledged revenues for these bonds.

3. G. LEASES

Leases Payable

The City as a lessee, both on a governmental activity and business-type activity level, periodically enters into lease agreements involving various equipment.

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The lease of this equipment, such as copiers, etc., consists of annual installments that change as agreements mature. The applicable interest rate for these leases is 2.12%, and the dates of maturity are in March 2025. Future principal and interest terms of these lease agreements are as follows:

Year Ending June 30,	GOVERNMENTAL ACTIVITY		Year Ending June 30,	BUSINESS-TYPE ACTIVITY DEBT	
	Lease Obligations			Lease Obligations	
	Principal	Interest		Principal	Interest
2023	1,658	95	2023	1,658	95
2024	1,693	59	2024	1,693	59
2025	1,729	23	2025	1,729	23
2026	-	-	2026	-	-
2027	-	-	2027	-	-
2028-2038	-	-	2028-2032	-	-
2033-2037	-	-	2033-2037	-	-
2038-2042	-	-	2038-2042	-	-
2043-2047	-	-	2043-2047	-	-
Totals	\$ 5,080	\$ 177	Totals	\$ 5,080	\$ 177

Leases Receivable

The City as a lessor, has entered into lease agreements involving rental space related land associated with towers. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$98,342. Remaining lease receivable balances at June 30, 2022 totaled \$1,407,389.

3.H. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables at June 31, 2022, 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
General Fund	SMA Utility Fund	1,232,000	Temporary loan of cash
		<u>\$ 1,382,000</u>	

Reconciliation to Fund Financial Statements:

	Due From	Due to	Net Interfund Balances
Governmental Funds	\$ 1,382,000	\$ -	\$ 1,382,000
Proprietary Funds	-	(1,232,000)	(1,232,000)
	<u>\$ 1,382,000</u>	<u>\$ (1,232,000)</u>	<u>\$ 150,000</u>

Reconciliation to Statement of Net Position:

Net Interfund Balances	\$ (1,232,000)
BTA- Special Revenue Funds	<u>(50,000)</u>
Internal Balances	<u>\$ (1,282,000)</u>

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Interfund transfers for the year ended June 30, 2022 were as follows:

Transfer In	Transfer From												
	General	Cemetery Maintenance	Hotel/Motel Tax	Polson Apportionment	Fire Cash	Police Cash	Water Resources	Sewer Plant Sales Tax	G.O Sinking	SMA Utility			
Governmental Funds:													
General Fund	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 9,089	\$ 5,794,870	\$ 5,808,959		
Non-major funds													
Cemetery Maintenance	-	-	-	-	-	-	-	-	-	150,000	150,000		
Development Authority	-	-	-	-	-	-	-	-	-	30,000	30,000		
Street and Alley	-	-	-	-	-	-	-	-	-	472,300	472,300		
Parks & Recreation	-	-	-	-	-	-	-	-	-	250,000	250,000		
Water & Sewer Sales Tax	-	-	-	-	-	-	-	-	-	150,000	150,000		
E911	190,000	-	-	-	-	-	-	-	-	-	190,000		
Restricted Construction Park/Rec	13,000	-	-	-	-	-	-	-	-	-	13,000		
Park Development	-	-	60,938	-	-	-	-	-	-	-	60,938		
Cemetery Care	-	15,741	-	-	-	-	-	-	-	-	15,741		
Capital Improvement	39,000	-	-	-	20,000	20,000	-	-	-	-	79,000		
											1,410,979		
											7,219,938		
Proprietary Funds:													
SMA Utility	3,294,870	-	-	-	-	-	1,178,420	1,750,000	-	-	6,223,290		
Golf Course	-	-	-	-	-	-	-	-	-	300,000	300,000		
											6,523,290		
	\$ 3,536,870	\$ 15,741	\$ 60,938	\$ 5,000	\$ 20,000	\$ 20,000	\$ 1,178,420	\$ 1,750,000	\$ 9,089				
										3,059,188			
										\$ 6,596,058	\$ 7,147,170		

	Transfers In	Transfers Out	Reconciliation - BTA - Special Revenue Funds	Debt Related Activity	Reclass BTA Sales Tax	Capital Asset Activity	Net Transfers/ Internal Activity
Reconciliation to Fund							
Financial Statements:							
Governmental Funds	\$ 7,219,938	\$ (6,596,058)	\$ 2,778,420	\$ 49,617	\$ (4,569,241)	\$ (1,311,268)	\$ (2,428,592)
Proprietary Funds	6,523,290	(7,147,170)	(2,778,420)	(49,617)	4,569,241	1,316,871	2,434,195
Total Transfers	\$ 13,743,228	\$ (13,743,228)	\$ -	\$ -	\$ -	\$ 5,603	\$ 5,603

The noted variance of \$5,603 on Capital Asset Activity concerns a transfer between governmental activities and business-type activities that was adjusted at the government-wide level, but not the fund level.

The purposes of the interfund transfers for the year ended June 30, 2022 were as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	E911	\$ 190,000	Supplemental operating transfer
General Fund	Restricted Construction Park/Rec Fund	13,000	Required revenue transfer
General Fund	Capital Improvement Fund	39,000	Supplemental for capital project
General Fund	SMA Utility	3,294,870	Pledged sales tax - bond indenture
Cemetery Maintenance Fund	Cemetery Care Fund	15,741	12.5% revenue transfer - state law
Hotel/Motel Tax Fund	Park Development Fund	60,938	Required revenue transfer
Polson Apportionment Fund	General Fund	5,000	Supplemental operating transfer
Fire Cash Fund	Capital Improvement Fund	20,000	Supplemental for capital project
Police Cash Fund	Capital Improvement Fund	20,000	Supplemental for capital project
Water Resource Fund	SMA Utility	1,178,420	Supplemental for debt service
Water Resource Fund	SMA Utility	1,750,000	Supplemental for debt service
G.O. Sinking Fund	General Fund	9,089	Interest earnings
SMA Utility	General Fund	5,794,870	Supplemental operating transfer/return of pledged sales tax
SMA Utility	Cemetery Maintenance Fund	150,000	Supplemental operating transfer
SMA Utility	Development Authority	30,000	Supplemental for debt service
SMA Utility	Street and Alley	472,300	Supplemental operating transfer
SMA Utility	Parks & Recreation Fund	250,000	Supplemental operating transfer
SMA Utility	Water & Sewer Sales Tax	150,000	Supplemental operating transfer
SMA Utility	Golf Course Fund	300,000	Supplemental operating transfer
Total		\$ 13,743,228	

3.I. 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.

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

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

3.J. 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	\$ -	\$ 117,012	\$ 125,765
Sub-total Nonspendable	8,753	-	117,012	125,765
Restricted for:				
Law enforcement	-	-	105,359	105,359
Major Thoroughfares	-	-	577,227	577,227
Increment District	-	-	376	376
Animal control	-	-	729	729
Juvenile Justice programs	-	-	32,417	32,417
Economic Development	-	-	1,867,521	1,867,521
Capital Improvements	-	11,827,580	7,933,630	19,761,210
Grants	-	-	12,729	12,729
Debt Service	-	-	1,416,785	1,416,785
Sub-total Restricted	-	11,827,580	11,946,773	23,774,353
Assigned to:				
Subsequent Year Budget	3,463,226	-	-	3,463,226
Hunting & Fishing	46,123	-	-	46,123
Library	148,839	-	-	148,839
Swimming Pool	10,447	-	-	10,447
Streets	-	-	346,842	346,842
Cemetery	-	-	161,643	161,643
Parks	-	-	211,757	211,757
Major Thoroughfares	-	-	173,394	173,394
Water & Sewer maintenance	-	-	441,998	441,998
Animal control	-	-	634	634
E911	-	-	25,161	25,161
Juvenile Justice programs	-	-	1,177	1,177
Economic Development	-	-	82,960	82,960
Grant projects	-	-	26,158	26,158
Capital Improvements	-	-	1,473,202	1,473,202
Sub-total Assigned	3,668,635	-	2,944,926	6,613,561
Unassigned:	2,223,700	-	-	2,223,700
TOTAL FUND BALANCES	\$ 5,901,088	\$ 11,827,580	\$ 15,008,711	\$ 32,737,379

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, 2022, is comprised of the following:

Enterprise Funds:	
2020 Revenue Bond Trust Accounts	984,625
Restricted per bond indenture	984,625
Less: Accrued interest payable	(413,156)
Total Restricted for Debt Service	\$ 571,469

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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 the amounts recorded in the City’s financial statements for the defined benefit plans is as follows:

	<u>Governmental Activities</u>
Pension Expense (Benefit):	
Police Pension System	\$ (331,583)
Firefighter's Pension System	(109,936)
Total Net Pension Expense (Benefit)	<u>\$ (441,519)</u>
Net Pension Liability (Asset):	
Police Pension System	\$ (3,293,696)
Firefighter's Pension System	6,422,285
Total Net Pension Liability	<u>\$ 3,128,589</u>
Deferred Outflows of Resources:	
Police Pension System	\$ 450,634
Firefighter's Pension System	3,118,999
Total Deferred Outflows of Resources	<u>\$ 3,569,633</u>
Deferred Inflows of Resources:	
Police Pension System	\$ 2,543,241
Firefighter's Pension System	5,652,425
Total Deferred Inflows of Resources	<u>\$ 8,195,666</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.

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Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

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

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

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 \$334,429. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$286,184 (modified accrual) 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. 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, 2022, the City reported an asset of \$3,293,696 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2021. 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, 2021. Based upon this information, the City's proportion was 0.686593%.

For the year ended June 30, 2022, the City recognized a pension benefit of \$331,583. At June 30, 2022, 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	\$ 47,290	\$ 130,002
Changes of assumptions	50,086	-
Net difference between projected and actual earnings on pension plan investments	-	2,402,637
Changes in proportion	13,563	1,436
City contributions during measurement date	5,266	9,166
City contributions subsequent to the measurement date	334,429	-
Total	<u>\$ 450,634</u>	<u>\$ 2,543,241</u>

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The \$334,429 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 liability/(asset) in the year ended June 30, 2023. 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:		
2023	\$	(548,455)
2024		(478,924)
2025		(606,300)
2026		(799,765)
2027		6,408
	<u>\$</u>	<u>(2,427,036)</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

The actuarial assumptions used in the July 1, 2021, 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, 2021, are summarized in the following table:

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.22%
Domestic equity	4.55%
International equity	8.50%
Real estate	7.97%
Private Equity	9.36%

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%
Employers' net pension liability (asset)	\$ (1,235,236)	\$ (3,293,696)	\$ (5,034,278)

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

Oklahoma Firefighters Pension and Retirement System

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

Benefits provided - FPRS provides 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 \$502,795. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$963,928 (modified-accrual). These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported a net pension liability of \$6,422,285 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

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, 2021. Based upon this information, the City's proportion was 0.975192%.

For the year ended June 30, 2022, the City recognized pension revenue of \$109,936. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,329,217	\$ 112,786
Changes of assumptions	-	142,446
Net difference between projected and actual earnings on pension plan investments	-	5,105,442
Changes in proportion and differences between City contributions and proportionate share of contributions	284,992	286,710
City contributions during the measurement date	1,995	5,041
City contributions subsequent to the measurement date	502,795	-
Total	\$ 3,118,999	\$ 5,652,425

The \$502,795 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, 2023. 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:	
2023	\$ (462,641)
2024	(588,658)
2025	(751,696)
2026	(1,233,226)
2027	-
Total	\$ (3,036,221)

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2021, 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, 2021, 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, 2021, are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	3.53%
Domestic equity	47%	5.73%
International equity	15%	8.50%
Real estate	10%	7.97%
Other assets	8%	4.73%

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%
Employers' net pension liability	\$ 10,036,150	\$ 6,422,285	\$ 3,396,740

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, 2022, the following amounts related to the defined contribution plan:

Employee contributions made	\$ 152,442
Employer (City) contributions made	\$ 147,611

Defined Contribution Plan – Oklahoma Municipal Retirement Fund (OkMRF) CMO Plan

The City has also provided a defined contribution plan in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OkMRF). The defined contribution plan is available to any person who is in the position of City Manager as of May 31, 2016. Employees are eligible on the employee’s employment commencement date. The City has elected the variable funding option. The City intends to contribute to the Plan for the benefit of the participants on a monthly basis. The contribution may be varied from year to year by the City. The City’s contributions for each employee (and interest allocated to the employee’s account) are vested at 100% immediately upon the participation date. Benefits depend solely on amounts contributed to the plan plus investment earnings. The authority to establish and amend the provisions of the plan rests with the City Council. The City contributes 8% to the plan and the employee contributes 8% to the plan. The total contributions by the City for fiscal year 2022 were \$12,388 which is 100% of the required contribution.

Other Post-Employment Benefits

Plan description – The City’s defined benefit OPEB plan, provides OPEB to eligible retirees and their dependents. The City Council has the authority to establish and amend benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided – The City provides medical and prescription drug benefits to eligible retirees and their dependents. The benefits are provided in accordance with State law, police and firefighter's union contracts and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The retirees and dependents pay 110% of the active employee coverage rates. This results in the retirees and beneficiaries receiving an implicit rate subsidy. Retirees and dependents coverage ceases at age 65 and are no longer eligible for the City’s OPEB plan.

Employees covered by benefit terms - At fiscal year-end the following employees were covered by the benefit terms:

Active Employees	182
Inactives or beneficiaries currently receiving benefit payments	<u>5</u>
Total	<u>187</u>

Total OPEB Liability – The City’s total OPEB liability of \$914,643 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions - The total OPEB liability as of June 30, 2022 was determined based on an actuarial valuation prepared as of June 30, 2022 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 3.54%, based on June 30, 2020 published Bond Buyer GO 20 Index
- Termination – Civilian employees are based on withdrawal assumptions used in the OkMRF 2020 actuarial report. Rates for police and firefighters are based on termination assumptions in the 2017 OPPRS and OFPRS 2017 actuarial valuation reports.
- Retirement Age:

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

<u>Age</u>	<u>Civilian Retirement 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 4.50%
- Mortality Rates - The RPH-2014 Total mortality table is a current mortality table used for valuation purposes and the MP-2021 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 Liability</u>
Balances Beginning of Year	\$ 1,517,524
Changes for the Year:	
Service cost	124,116
Interest expense	35,963
Difference between expected and actual experience	(428,148)
Changes in assumptions	(306,117)
Benefits paid	(28,695)
Net changes	<u>(602,881)</u>
Balances Ending of Year	<u>\$ 914,643</u>
Governmental Activities	\$ 715,414
Business-Type Activities	<u>199,229</u>
	<u>\$ 914,643</u>

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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 3.54%, 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 (2.54%) or 1-percentage-point higher (4.54) than the current rate:

	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Employer's Total OPEB Liability	\$ 1,012,827	\$ 914,643	\$ 826,233

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 3.50%	Healthcare Costs Trend Rates 4.50%	1% Increase 5.50%
Employer's Total OPEB Liability	\$ 792,911	\$ 914,643	\$ 1,060,831

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, 2022 and was determined by an actuarial valuation as of June 30, 2022.

For the year ended June 30, 2022, the employer recognized OPEB expenses of \$71,630. At June 30, 2022, 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	\$ 6,042	\$ 385,461
Differences between expected and actual experience	-	384,516
Changes in proportion	100,959	100,961
Total	\$ 107,001	\$ 870,938
Governmental Activities	\$ 66,318	\$ 629,827
Business-Type Activities	40,683	241,111
	\$ 107,001	\$ 870,938

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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:		
2023	\$	(88,449)
2024		(88,449)
2025		(88,449)
2026		(88,449)
2027		(88,449)
Thereafter		(321,690)
Total	\$	<u>(763,935)</u>

Over 90% of governmental OPEB-related liabilities will be liquidated by the general fund. The other fund that will be used is Street and Alley.

4.B. RISK MANAGEMENT

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

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

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

(1) Liability Protection Plan

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

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

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

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

(2) Worker's Compensation Plan

The title to all assets acquired by the Plan are vested in the 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 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.C. COMMITMENTS AND CONTINGENCIES

Commitments:

Construction Commitments

The City had the following construction commitments outstanding at June 30, 2022 with balances left on the contract:

1. Construction on Bartlett Sports Complex; Contractors – Paragon Contractors, LLC; original contract - \$1,036,233; remaining contract - \$163,308.
2. Construction of Fire Station 3; Contractors – Lambert Construction; original contract -\$2,657,000; change orders-(24,989); remaining contract – \$1,263,340.
3. Construction of McCoy and Liberty Bathrooms; Contractors – Blackhawk Construction.; original contract - \$200,072; change orders- \$24,723; remaining contract – \$160,777.
4. Construction of Sanitary Sewer Rehab in Basin #519 and #521; Contractors – Tri-Star Utilities, INC; original contract \$197,177; remaining contract – \$13,421.
5. Construction of waterline from Highway 66 to Spocogee Street; Contractors – Cherokee Pride Construction, Inc.; original contract \$247,597; remaining contract – \$24,825.
6. Golf Course Irrigation; Contractors – Mid America Golf and Landscape, Inc.; Original contract – \$768,538; change orders - \$22,250; remaining contract - \$18,441.
7. Construction of Frankoma Road Sanitary Sewer Improvements; Contractors – Cherokee Pride Construction, Inc.; original contract -\$1,448,261; remaining contract – \$147,326.

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 2021-2022 totaled \$50,981. See Note 3.F. for further debt disclosures.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 3,078,016	\$ 3,078,016	\$4,453,606	\$1,375,590
Resources (Inflows):				
TAXES:				
Sales tax	14,043,107	17,043,107	16,615,424	(427,683)
Use tax	1,300,000	1,300,000	1,952,670	652,670
Franchise tax	725,000	725,000	915,321	190,321
Payment in lieu of tax	270,000	270,000	261,465	(8,535)
Total Taxes	<u>16,338,107</u>	<u>19,338,107</u>	<u>19,744,880</u>	<u>406,773</u>
LICENSES AND PERMITS:				
Building permits	50,000	50,000	42,450	(7,550)
Trade permits	50,000	50,000	53,972	3,972
Resident construction park/rec fees	10,000	14,000	13,000	(1,000)
Occupation/business	75,000	75,000	91,484	16,484
Other permits	7,200	7,200	10,240	3,040
Total License and Permits	<u>192,200</u>	<u>196,200</u>	<u>211,146</u>	<u>14,946</u>
INTERGOVERNMENTAL:				
Alcoholic beverage tax	190,000	190,000	220,267	30,267
Cigarette/tobacco tax	130,000	130,000	132,159	2,159
Total Intergovernmental	<u>320,000</u>	<u>320,000</u>	<u>352,426</u>	<u>32,426</u>
CHARGES FOR SERVICES:				
Fire run fees	530,000	530,000	547,189	17,189
Inspection fees	60,000	60,000	47,371	(12,629)
Special assessments	750	750	966	216
Other fees	20,000	20,000	21,294	1,294
Court collection fees	50,000	50,000	43,610	(6,390)
Shelter fees	3,500	3,500	430	(3,070)
Weed abatement	10,000	10,000	94,981	84,981
Pet adoption	2,500	2,500	5,453	2,953
Total Charges for Services	<u>684,250</u>	<u>684,250</u>	<u>768,794</u>	<u>84,544</u>
FINES AND FORFEITURES	<u>304,400</u>	<u>304,400</u>	<u>241,173</u>	<u>(63,227)</u>
INVESTMENT INCOME	<u>10,050</u>	<u>10,050</u>	<u>35,681</u>	<u>25,631</u>
MISCELLANEOUS:				
Antenna tower rental	83,333	83,333	85,556	2,223
Reimbursements	20,000	20,000	63,317	43,317
Donations	14,000	14,000	11,707	(2,293)
Rental income	-	-	252	252
Miscellaneous	7,500	7,500	20,292	12,792
Total Miscellaneous	<u>124,833</u>	<u>124,833</u>	<u>181,124</u>	<u>56,291</u>
OTHER FINANCING SOURCES:				
Transfers from other funds	<u>5,072,710</u>	<u>5,672,710</u>	<u>5,558,959</u>	<u>(113,751)</u>
Total Other Financing Sources	<u>5,072,710</u>	<u>5,672,710</u>	<u>5,558,959</u>	<u>(113,751)</u>
Total Resources (Inflows)	<u>23,046,550</u>	<u>26,650,550</u>	<u>27,094,183</u>	<u>443,633</u>
Amounts available for appropriation	<u>\$26,124,566</u>	<u>\$29,728,566</u>	<u>\$31,547,789</u>	<u>\$1,819,223</u>

(Continued)

CITY OF SAPULPA, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
GENERAL FUND
For the fiscal year ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
ADMINISTRATION:				
City Council:				
Materials and supplies	200	200	254	(54)
Other services and charges	41,550	41,550	18,553	22,997
Capital outlay	-	-	108,413	(108,413)
Total City Council	<u>41,750</u>	<u>41,750</u>	<u>127,220</u>	<u>(85,470)</u>
City Manager:				
Personal services	314,805	314,805	327,708	(12,903)
Materials and supplies	8,300	8,300	3,946	4,354
Other services and charges	9,345	9,345	7,023	2,322
Capital outlay	0	0	25,713	(25,713)
Total City Manager	<u>332,450</u>	<u>332,450</u>	<u>364,390</u>	<u>(31,940)</u>
City Clerk:				
Personal services	231,912	231,912	192,712	39,200
Materials and supplies	5,375	5,375	1,675	3,700
Other services and charges	10,540	10,540	14,462	(3,922)
Total City Clerk	<u>247,827</u>	<u>247,827</u>	<u>208,849</u>	<u>38,978</u>
Finance:				
Personal services	370,863	370,863	341,615	29,248
Materials and supplies	3,900	3,900	5,258	(1,358)
Other services and charges	156,220	156,220	156,432	(212)
Total Finance	<u>530,983</u>	<u>530,983</u>	<u>503,305</u>	<u>27,678</u>
Treasurer:				
Personal services	31,045	31,045	31,997	(952)
Other services and charges	140	140	75	65
Total Treasurer	<u>31,185</u>	<u>31,185</u>	<u>32,072</u>	<u>(887)</u>
Personnel:				
Personal services	111,430	111,430	112,269	(839)
Materials and supplies	4,198	4,198	3,016	1,182
Other services and charges	21,932	21,932	7,968	13,964
Total Personnel	<u>137,560</u>	<u>137,560</u>	<u>123,253</u>	<u>14,307</u>
Code Enforcement:				
Personal services	50,580	50,580	51,101	(521)
Materials and supplies	3,350	3,350	2,088	1,262
Other services and charges	86,300	86,300	57,925	28,375
Total Central Purchasing	<u>140,230</u>	<u>140,230</u>	<u>111,114</u>	<u>29,116</u>
Central Purchasing:				
Personal services	74,508	74,508	76,875	(2,367)
Materials and supplies	750	750	0	750
Other services and charges	2,000	2,000	560	1,440
Total Central Purchasing	<u>77,258</u>	<u>77,258</u>	<u>77,435</u>	<u>(177)</u>
Building Inspector:				
Personal services	135,720	135,720	137,067	(1,347)
Materials and supplies	4,550	4,550	2,409	2,141
Other services and charges	8,785	8,785	8,418	367
Total Building Inspector	<u>149,055</u>	<u>149,055</u>	<u>147,894</u>	<u>1,161</u>
Information Technology:				
Personal services	203,000	203,000	177,750	25,250
Materials and supplies	15,000	15,000	20,511	(5,511)
Other services and charges	136,000	136,000	147,019	(11,019)
Capital outlay	15,000	15,000	20,160	(5,160)
Total Information Technology	<u>369,000</u>	<u>369,000</u>	<u>365,440</u>	<u>3,560</u>
TOTAL ADMINISTRATION	<u>2,057,298</u>	<u>2,057,298</u>	<u>2,060,972</u>	<u>(7,234)</u>

(Continued)

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT:				
Central Garage:				
Personal services	122,388	122,388	121,009	1,379
Materials and supplies	5,500	5,500	6,402	(902)
Other services and charges	9,900	9,900	2,591	7,309
Total Central Garage	<u>137,788</u>	<u>137,788</u>	<u>130,002</u>	<u>7,786</u>
General Government:				
Personal services	30,000	30,000	31,301	(1,301)
Materials and supplies	35,750	35,750	18,641	17,109
Other services and charges	577,979	577,979	479,242	98,737
Capital Outlay	15,600	15,600	5,133	10,467
Debt Service	27,924	28,143	26,527	1,616
Total General Government	<u>687,253</u>	<u>687,472</u>	<u>560,844</u>	<u>126,628</u>
Reserve:				
Other services and charges	150,000	150,000	522,177	(372,177)
Total Reserve	<u>150,000</u>	<u>150,000</u>	<u>522,177</u>	<u>(372,177)</u>
TOTAL GENERAL GOVERNMENT	<u>975,041</u>	<u>975,260</u>	<u>1,213,023</u>	<u>(237,763)</u>
LEGAL AND JUDICIAL:				
City Attorney:				
Personal services	256,123	256,123	225,925	30,198
Materials and supplies	2,600	2,600	3,333	(733)
Other services and charges	56,733	56,733	13,545	43,188
Capital outlay	16,000	16,000	7,856	8,144
Total City Attorney	<u>331,456</u>	<u>331,456</u>	<u>250,659</u>	<u>80,797</u>
Municipal Court:				
Personal services	44,960	44,960	42,422	2,538
Materials and supplies	2,200	2,200	1,196	1,004
Other services and charges	90,865	90,865	62,037	28,828
Total Municipal Court	<u>138,025</u>	<u>138,025</u>	<u>105,655</u>	<u>32,370</u>
TOTAL LEGAL AND JUDICIAL	<u>469,481</u>	<u>469,481</u>	<u>356,314</u>	<u>113,167</u>

(Continued)

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2022

(Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
PUBLIC SAFETY:				
Police:				
Personal services	4,235,700	4,235,700	4,010,368	225,332
Materials and supplies	193,300	193,300	176,330	16,970
Other services and charges	344,300	344,300	343,627	673
Capital outlay	35,000	35,000	20,196	14,804
Total Police	<u>4,808,300</u>	<u>4,808,300</u>	<u>4,550,521</u>	<u>257,779</u>
Fire:				
Personal services	5,160,468	5,160,468	5,216,020	(55,552)
Materials and supplies	125,080	125,080	123,256	1,824
Other services and charges	250,924	250,924	210,013	40,911
Debt Service	1,800	1,581	1,578	3
Total Fire	<u>5,538,272</u>	<u>5,538,053</u>	<u>5,550,867</u>	<u>(12,814)</u>
Animal Control:				
Personal services	246,388	246,388	210,346	36,042
Materials and supplies	16,800	16,800	16,110	690
Other services and charges	35,500	35,500	23,911	11,589
Capital outlay	44,000	44,000	31,620	12,380
Total Animal Control	<u>342,688</u>	<u>342,688</u>	<u>281,987</u>	<u>60,701</u>
Civil Defense:				
Personal services	15,520	15,520	13,285	2,235
Other services and charges	13,350	13,350	13,407	(57)
Total Civil Defense	<u>28,870</u>	<u>28,870</u>	<u>26,692</u>	<u>2,178</u>
TOTAL PUBLIC SAFETY	<u>10,718,130</u>	<u>10,717,911</u>	<u>10,410,067</u>	<u>307,844</u>
URBAN DEVELOPMENT:				
Personal services	141,845	141,845	136,934	4,911
Materials and supplies	6,600	6,600	2,956	3,644
Other services and charges	47,840	47,840	15,761	32,079
TOTAL URBAN DEVELOPMENT	<u>196,285</u>	<u>196,285</u>	<u>155,651</u>	<u>40,634</u>
OTHER FINANCING USES:				
Transfers to other funds	10,771,330	13,025,330	12,675,354	349,976
Total Other Financing Uses	<u>10,771,330</u>	<u>13,025,330</u>	<u>12,675,354</u>	<u>349,976</u>
Total Charges to Appropriations	<u>25,187,565</u>	<u>27,441,565</u>	<u>26,871,381</u>	<u>566,624</u>
Ending Budgetary Fund Balance	<u>\$937,001</u>	<u>\$2,287,001</u>	<u>\$4,676,408</u>	<u>\$2,385,847</u>

**CITY OF SAPULPA, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the fiscal year ended June 30, 2022**

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 in separate funds and supplemental appropriations require City Council approval. The City Manager may transfer appropriations between object categories within a department and between departments in the same fund 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 note 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, 2022

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	\$ 27,094,183
Differences - budget to GAAP:	
Sales tax recognized as inflows of budgetary resources but are not revenues for financial reporting purposes.	(9,138,484)
State payments made on-behalf of police and fire pension not considered a budgetary resources	1,250,166
Lease Revenue-related items	9,720
Revenues from combined accounts:	
Hunting & Fishing Account	40,102
Library Account	251,537
Library Account - Transfer In	250,000
Swimming Pool Account	83,981
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$ 19,841,205
Total Revenues - General Fund	\$ 14,032,246
Transfer In - General Fund	5,808,959
Total revenues and transfers in - General Fund	\$ 19,841,205
Uses/Outflows of appropriations	
Actual amounts (budgetary basis) "total appropriations" from the budgetary comparison schedule	\$ 26,873,039
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.	(9,138,484)
State payments made on-behalf of police and fire pension not considered a budgetary expenditure	1,250,166
Expenditures from combined accounts:	
Hunting & Fishing Account	49,688
Library Account	453,300
Swimming Pool Account	104,617
Total expenditures and transfers out as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$ 19,592,326
Total expenditures - General Fund	\$ 16,055,456
Transfer out - General Fund	3,536,870
Total expenditures and transfers out - General Fund	\$ 19,592,326

CITY OF SAPULPA, OKLAHOMA
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2022

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 124,116	\$ 80,259	\$ 80,259	\$ 80,529	\$ 77,521
Interest	35,963	56,257	59,453	52,957	52,911
Change in assumptions	(306,117)	7,592	(156,970)	-	-
Difference between expected and actual experience	(428,148)	-	-	-	-
Benefit payments	<u>(28,695)</u>	<u>(40,907)</u>	<u>(40,907)</u>	<u>(51,729)</u>	<u>(51,729)</u>
Net change in total OPEB liability	(602,881)	103,201	(58,165)	81,757	78,703
Total OPEB liability - beginning	<u>1,517,524</u>	<u>1,414,323</u>	<u>1,472,488</u>	<u>1,390,731</u>	<u>1,312,028</u>
Total OPEB liability - ending	<u>\$ 914,643</u>	<u>\$ 1,517,524</u>	<u>\$ 1,414,323</u>	<u>\$ 1,472,488</u>	<u>\$ 1,390,731</u>
Covered employee payroll	\$ 9,472,941	\$ 8,382,035	\$ 8,059,649	\$ 8,048,015	\$ 7,045,261
Total OPEB liability as a percentage of covered employee payroll	9.66%	18.10%	17.55%	18.30%	19.74%

Notes to Schedule:

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

*No assets are accumulating in a trust to offset the OPEB liability reflected above.

CITY OF SAPULPA, OKLAHOMA
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2022

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>
City's proportion of the net pension liability (asset)	0.8341%	0.8076%	0.7622211%	0.7224646%	0.7520145%
City's proportionate share of the net pension liability (asset)	\$ (280,848)	\$ 32,930	\$ 1,167,296	\$ 55,572	\$ (358,222)
City's covered payroll	\$ 2,414,739	\$ 2,279,608	\$ 2,249,462	\$ 2,151,923	\$2,298,985
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%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%
	<u>2020</u>	<u>2021</u>	<u>2022</u>		
City's proportion of the net pension liability (asset)	0.730370%	0.709155%	0.686593%		
City's proportionate share of the net pension liability (asset)	\$ (46,627)	\$ 814,429	\$ (3,293,696)		
City's covered payroll	\$ 2,383,608	\$ 2,316,969	\$ 2,385,185		
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.96%	35.15%	-138.09%		
Plan fiduciary net position as a percentage of the total pension liability	100.24%	95.8%	117.1%		

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

Notes to Schedule:

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

CITY OF SAPULPA, OKLAHOMA
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2022

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>
Statutorially required contribution	\$ 296,349	\$ 292,430	\$ 279,750	\$ 298,868	\$ 309,869
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>
Contribution deficiency (excess)	<u>\$ -</u>				
City's covered payroll	\$ 2,279,608	\$ 2,249,462	\$ 2,151,923	\$ 2,298,985	\$ 2,383,608
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%	13.00%
	<u>2020</u>	<u>2021</u>	<u>2022</u>		
Statutorially required contribution	\$ 301,206	\$ 310,074	\$ 334,429		
Contributions in relation to the statutorially required contribution	<u>301,206</u>	<u>310,074</u>	<u>334,429</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
City's covered payroll	\$ 2,316,969	\$ 2,385,185	\$ 2,572,531		
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%		

Notes to Schedule:

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

CITY OF SAPULPA, OKLAHOMA
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2022

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*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's proportion of the net pension liability	1.004270%	0.988614%	0.951429%	0.984476%	0.959416%
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 payroll	\$ 2,727,320	\$ 2,697,814	\$ 2,701,350	\$ 2,759,207	\$ 2,775,664
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	379%	389%	430%	449%	389%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%
	<u>2020</u>	<u>2021</u>	<u>2022</u>		
City's proportion of the net pension liability	0.966577%	0.998067%	0.975192%		
City's proportionate share of the net pension liability	\$10,213,494	\$12,295,321	\$ 6,422,285		
City's covered payroll	\$ 2,992,914	\$ 3,213,800	\$ 3,163,093		
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	341%	383%	203%		
Plan fiduciary net position as a percentage of the total pension liability	72.85%	69.98%	84.24%		

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

Notes to Schedule:

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

CITY OF SAPULPA, OKLAHOMA
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2022

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>
Statutorially required contribution	\$ 377,694	\$ 378,189	\$ 386,289	\$ 388,593	\$ 419,008
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>
Contribution deficiency (excess)	<u>\$ -</u>				
City's covered payroll	\$ 2,697,814	\$ 2,701,350	\$ 2,759,207	\$ 2,775,664	\$ 2,992,914
Contributions as a percentage of coverd-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%
	<u>2020</u>	<u>2021</u>	<u>2022</u>		
Statutorially required contribution	\$ 449,932	\$ 442,833	\$ 502,795		
Contributions in relation to the statutorially required contribution	<u>449,932</u>	<u>442,833</u>	<u>502,795</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
City's covered payroll	\$ 3,213,800	\$ 3,163,093	\$ 3,591,393		
Contributions as a percentage of coverd-employee payroll	14.00%	14.00%	14.00%		

Notes to Schedule:

*Only eight 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, 2022

	<u>General Fund</u>	<u>Hunting & Fishing Account</u>	<u>Library Account</u>	<u>Swimming Pool Account</u>	<u>Stabilization Account</u>	<u>Total General Fund Accounts</u>
ASSETS						
Cash and cash equivalents	\$ 1,024,946	\$ 51,602	\$ 142,883	\$ 33,410	\$ 489,613	\$ 1,742,454
Investments	1,539,238	-	-	-	-	1,539,238
Deposits with insurance pool	16,760	-	-	-	-	16,760
Deposits with fiscal agent	-	-	-	-	-	-
Accrued interest receivable	1,230	-	-	-	-	1,230
Due from other funds	1,382,000	-	-	-	-	1,382,000
Due from other governments	1,242,371	-	27,216	-	-	1,269,587
Franchise tax receivable	221,207	-	-	-	-	221,207
Court fine receivable, net	416,799	-	-	-	-	416,799
Other receivables	68,788	811	-	5,176	-	74,775
Lease receivables	1,407,389	-	-	-	-	1,407,389
Inventory	8,753	-	-	-	-	8,753
Total assets	<u>\$ 7,329,481</u>	<u>\$ 52,413</u>	<u>\$ 170,099</u>	<u>\$ 38,586</u>	<u>\$ 489,613</u>	<u>\$ 8,080,192</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 222,870	\$ 6,290	\$ 12,697	\$ 18,480	\$ -	\$ 260,337
Accrued payroll liabilities	79,131	-	8,563	9,659	-	97,353
Due to other governments	3,854	-	-	-	-	3,854
Escrow deposits	51,242	-	-	-	-	51,242
Refundable court bonds	2,946	-	-	-	-	2,946
Total liabilities	<u>360,043</u>	<u>6,290</u>	<u>21,260</u>	<u>28,139</u>	<u>-</u>	<u>415,732</u>
DEFERRED INFLOW OF RESOURCES						
Deferred revenue	384,446	-	-	-	-	384,446
Leases	1,378,926	-	-	-	-	1,378,926
Total deferred inflows of resources	<u>1,763,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,763,372</u>
Fund balances:						
Non-spendable	8,753	-	-	-	-	8,753
Assigned	3,463,226	46,123	148,839	10,447	-	3,668,635
Unassigned	1,734,087	-	-	-	489,613	2,223,700
Total fund balances	<u>5,206,066</u>	<u>46,123</u>	<u>148,839</u>	<u>10,447</u>	<u>489,613</u>	<u>5,901,088</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 7,329,481</u>	<u>\$ 52,413</u>	<u>\$ 170,099</u>	<u>\$ 38,586</u>	<u>\$ 489,613</u>	<u>\$ 8,080,192</u>

City of Sapulpa
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Hunting & Fishing Account</u>	<u>Library Account</u>	<u>Swimming Pool Account</u>	<u>Stabilization Account</u>	<u>Total General Fund Accounts</u>
REVENUES						
Taxes	\$ 10,606,396	\$ -	\$ 207,693	\$ -	\$ -	\$ 10,814,089
Intergovernmental	1,602,592	-	39,564	-	-	1,642,156
Charges for services	768,794	9,850	120	83,850	-	862,614
Fines and forfeitures	241,173	-	502	-	-	241,675
Licenses and permits	211,146	30,188	-	-	-	241,334
Investment income	35,681	64	115	131	-	35,991
Miscellaneous	190,844	-	3,543	-	-	194,387
Total revenues	<u>13,656,626</u>	<u>40,102</u>	<u>251,537</u>	<u>83,981</u>	<u>-</u>	<u>14,032,246</u>
EXPENDITURES						
Current:						
Administration	1,903,822	-	-	-	-	1,903,822
General government	1,183,115	-	-	-	-	1,183,115
Legal and judicial	348,458	-	-	-	-	348,458
Public safety	11,606,839	-	-	-	-	11,606,839
Urban development	155,651	-	-	-	-	155,651
Culture and recreation	-	31,688	410,005	104,617	-	546,310
Capital Outlay	221,955	18,000	43,295	-	-	283,250
Debt Service:						
Principal	25,413	-	-	-	-	25,413
Interest	2,598	-	-	-	-	2,598
Total expenditures	<u>15,447,851</u>	<u>49,688</u>	<u>453,300</u>	<u>104,617</u>	<u>-</u>	<u>16,055,456</u>
Excess (deficiency) of revenues over expenditures	<u>(1,791,225)</u>	<u>(9,586)</u>	<u>(201,763)</u>	<u>(20,636)</u>	<u>-</u>	<u>(2,023,210)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	5,558,959	-	250,000	-	-	5,808,959
Transfers out	(3,536,870)	-	-	-	-	(3,536,870)
Proceeds from long-term debt	108,413	-	-	-	-	108,413
Total other financing sources and uses	<u>2,130,502</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>2,380,502</u>
Net change in fund balances	339,277	(9,586)	48,237	(20,636)	-	357,292
Fund balances - beginning	4,866,789	55,709	100,602	31,083	489,613	5,543,796
Fund balances - ending	<u>\$ 5,206,066</u>	<u>\$ 46,123</u>	<u>\$ 148,839</u>	<u>\$ 10,447</u>	<u>\$ 489,613</u>	<u>\$ 5,901,088</u>

City of Sapulpa
 Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2022

	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	Sapulpa Development Authority	Polson Apportionment Fund	Grants & Aid Fund
ASSETS													
Cash and cash equivalents	\$ 123,338	\$ 339,935	\$ 192,424	\$ 75,393	\$ 498,284	\$ 344,714	\$ 2,688	\$ 7,884	\$ 31,683	\$ 376,844	\$ 817	\$ 83,876	\$ 193,546
Investments	36,094	5,000	-	33,880	234,707	13,000	-	-	-	-	-	-	-
Deposits with fiscal agent	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	27,216	19,833	54,431	-	54,431	108,862	-	38,962	-	-	-	-	69,364
Interest receivable	-	-	-	51	344	-	-	-	-	-	-	-	-
Court fines receivable, net of allowance	-	-	-	-	-	-	-	-	15,173	-	-	-	-
Other receivable	-	-	236	-	-	5,663	100	-	1,508	26,015	-	-	-
Inventory	-	-	-	-	23,317	45,360	-	-	-	-	-	-	-
Total assets	<u>\$ 186,648</u>	<u>\$ 364,768</u>	<u>\$ 247,091</u>	<u>\$ 109,324</u>	<u>\$ 811,083</u>	<u>\$ 517,599</u>	<u>\$ 2,788</u>	<u>\$ 46,846</u>	<u>\$ 48,364</u>	<u>\$ 402,859</u>	<u>\$ 817</u>	<u>\$ 83,876</u>	<u>\$ 262,910</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES													
Liabilities:													
Accounts payable	\$ 16,755	\$ 6,080	\$ 19,071	\$ 3,929	\$ 36,885	\$ 12,369	\$ 1,425	\$ 7,122	\$ 1,285	\$ 17,816	\$ -	\$ 83,500	\$ 60,500
Accrued payroll payable	8,250	11,846	16,263	-	-	17,872	-	14,563	251	4,301	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	100,000
Due to other governments	-	-	-	-	-	-	-	-	392	-	-	-	-
Refundable court bonds	-	-	-	-	-	-	-	-	565	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>25,005</u>	<u>17,926</u>	<u>35,334</u>	<u>3,929</u>	<u>36,885</u>	<u>30,241</u>	<u>1,425</u>	<u>21,685</u>	<u>2,493</u>	<u>22,117</u>	<u>-</u>	<u>83,500</u>	<u>160,500</u>
DEFERRED INFLOW OF RESOURCES													
Unavailable revenue	-	-	-	36	260	-	-	-	12,277	-	-	-	63,523
Fund balances:													
Non-spendable	-	-	-	-	23,317	45,360	-	-	-	-	-	-	-
Restricted	-	-	-	105,359	577,227	-	729	-	32,417	325,544	-	376	12,729
Assigned	161,643	346,842	211,757	-	173,394	441,998	634	25,161	1,177	55,198	817	-	26,158
Total fund balances	<u>161,643</u>	<u>346,842</u>	<u>211,757</u>	<u>105,359</u>	<u>773,938</u>	<u>487,358</u>	<u>1,363</u>	<u>25,161</u>	<u>33,594</u>	<u>380,742</u>	<u>817</u>	<u>376</u>	<u>38,887</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 186,648</u>	<u>\$ 364,768</u>	<u>\$ 247,091</u>	<u>\$ 109,324</u>	<u>\$ 811,083</u>	<u>\$ 517,599</u>	<u>\$ 2,788</u>	<u>\$ 46,846</u>	<u>\$ 48,364</u>	<u>\$ 402,859</u>	<u>\$ 817</u>	<u>\$ 83,876</u>	<u>\$ 262,910</u>

City of Sapulpa
 Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2022

	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	\$ 58,063	\$ 198,771	\$ 56,607	\$ 238,167	\$ 83,131	\$ 2,166,048	\$ 351,232	\$ 933,960	\$ 3,424,646	\$ 344,182	\$ 39,800	\$ 507,528	\$ 1,021,085	\$ 11,694,646
Investments	-	-	144,433	-	-	104,743	207,487	588,661	1,182,234	-	-	1,305,765	379,014	4,235,018
Deposits with fiscal agent	-	-	-	-	-	-	-	-	-	-	-	-	188	188
Due from other governments	-	-	27,216	27,216	-	108,862	217,724	48,115	272,155	272,155	-	-	329,522	1,674,084
Interest receivable	-	-	76	-	-	-	304	761	3,192	-	-	1,618	485	6,831
Court fines receivable, net of allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	15,173
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	33,600
Inventory	-	-	-	-	-	-	48,335	-	-	-	-	78	-	117,012
Total assets	\$ 58,063	\$ 198,771	\$ 228,332	\$ 265,383	\$ 83,131	\$ 2,379,653	\$ 625,082	\$ 1,569,497	\$ 4,882,227	\$ 616,337	\$ 39,878	\$ 1,814,911	\$ 1,730,294	\$ 17,776,532
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES														
Liabilities:														
Accounts payable	\$ -	\$ -	\$ 6,083	\$ 30,180	\$ -	\$ 82,629	\$ 18,434	\$ -	\$ 81,526	\$ 32,193	\$ 9,181	\$ -	\$ -	\$ 526,963
Accrued payroll payable	-	-	-	-	-	-	-	-	-	-	-	-	-	73,346
Due to other funds	-	-	-	-	-	-	-	-	-	50,000	-	-	-	150,000
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	392
Refundable court bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	565
Unearned revenue	-	-	-	-	-	1,624,952	-	-	-	-	-	-	-	1,624,952
Total liabilities	-	-	6,083	30,180	-	1,707,581	18,434	-	81,526	82,193	9,181	-	-	2,376,218
DEFERRED INFLOW OF RESOURCES														
Unavailable revenue	-	-	58	-	-	-	-	575	365	-	-	1,000	313,509	391,603
Fund balances:														
Non-spendable	-	-	-	-	-	-	48,335	-	-	-	-	-	-	117,012
Restricted	-	-	175,090	137,053	-	105,324	740,520	1,541,977	4,425,899	526,519	19,865	1,803,360	1,416,785	11,946,773
Assigned	58,063	198,771	47,101	98,150	83,131	566,748	17,793	26,945	374,437	7,625	10,832	-	-	2,944,526
Total fund balances	58,063	198,771	222,191	235,203	83,131	672,072	806,648	1,568,922	4,800,336	534,144	30,697	1,813,911	1,416,785	15,008,711
Total liabilities, deferred inflows, and fund balances	\$ 58,063	\$ 198,771	\$ 228,332	\$ 265,383	\$ 83,131	\$ 2,379,653	\$ 625,082	\$ 1,569,497	\$ 4,882,227	\$ 616,337	\$ 39,878	\$ 1,814,911	\$ 1,730,294	\$ 17,776,532

City of Sapulpa
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended June 30, 2022

	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	Sapulpa Development Authority	Polson Apportionment Fund	Grants & Aid Fund
REVENUES													
Taxes	\$ 207,693	\$ -	\$ 415,386	\$ -	\$ 415,386	\$ 830,771	\$ -	\$ -	\$ -	\$ 347,501	\$ -	\$ 101,833	\$ -
Intergovernmental	-	211,788	-	-	-	-	-	-	-	-	-	-	176,531
Charges for services	124,550	-	12,290	-	-	-	18,580	323,577	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	17,684	-	-	-	-
Investment income	278	402	257	225	1,641	606	5	68	40	412	3	60	166
Miscellaneous	50	-	28,217	-	14,286	25,084	-	-	-	-	-	-	135,499
Total revenues	<u>332,571</u>	<u>212,190</u>	<u>456,150</u>	<u>225</u>	<u>431,313</u>	<u>856,461</u>	<u>18,585</u>	<u>323,645</u>	<u>17,724</u>	<u>347,913</u>	<u>3</u>	<u>101,893</u>	<u>312,198</u>
EXPENDITURES													
Current:													
General government	459,065	-	-	-	-	-	21,460	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	600,839	21,886	-	-	-	7,325
Streets	-	576,312	-	-	372,347	-	-	-	-	-	-	-	-
Culture and recreation	-	-	740,885	-	-	-	-	-	-	-	-	-	-
Urban development	-	-	-	-	-	-	-	-	-	186,941	-	-	-
Water	-	-	-	-	-	945,225	-	-	-	-	-	-	-
Wastewater	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	5,220	-	-	28,794	-	6,445	-	-	-	-	-	162,700	231,513
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	28,430	-	-
Interest	-	-	-	-	-	-	-	-	-	-	896	-	-
Total expenditures	<u>464,285</u>	<u>576,312</u>	<u>740,885</u>	<u>28,794</u>	<u>372,347</u>	<u>951,670</u>	<u>21,460</u>	<u>600,839</u>	<u>21,886</u>	<u>186,941</u>	<u>29,326</u>	<u>162,700</u>	<u>238,838</u>
Excess (deficiency) of revenues over expenditures	<u>(131,714)</u>	<u>(364,122)</u>	<u>(284,735)</u>	<u>(28,569)</u>	<u>58,966</u>	<u>(95,209)</u>	<u>(2,875)</u>	<u>(277,194)</u>	<u>(4,162)</u>	<u>160,972</u>	<u>(29,323)</u>	<u>(60,807)</u>	<u>73,360</u>
OTHER FINANCING SOURCES (USES)													
Transfers in	150,000	472,300	250,000	-	-	150,000	-	190,000	-	-	30,000	-	-
Transfers out	(15,741)	-	-	-	-	-	-	-	-	(60,938)	-	(5,000)	-
Total other financing sources (uses)	<u>134,259</u>	<u>472,300</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>190,000</u>	<u>-</u>	<u>(60,938)</u>	<u>30,000</u>	<u>(5,000)</u>	<u>-</u>
Net change in fund balances	2,545	108,178	(34,735)	(28,569)	58,966	54,791	(2,875)	(87,194)	(4,162)	100,034	677	(65,807)	73,360
Fund balances - beginning	159,098	238,664	246,492	133,928	714,872	432,567	4,238	112,355	37,756	280,708	140	68,183	(34,473)
Fund balances - ending	<u>\$ 161,643</u>	<u>\$ 346,842</u>	<u>\$ 211,757</u>	<u>\$ 105,359</u>	<u>\$ 773,838</u>	<u>\$ 487,358</u>	<u>\$ 1,363</u>	<u>\$ 25,161</u>	<u>\$ 33,594</u>	<u>\$ 380,742</u>	<u>\$ 817</u>	<u>\$ 2,376</u>	<u>\$ 38,887</u>

City of Sapulpa
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended June 30, 2022

	Capital Project Funds											Debt Service Fund	Total Governmental Funds	
	Restricted Construction 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
REVENUES														
Taxes	\$ -	\$ -	\$ 207,693	\$ 207,693	\$ -	\$ 830,771	\$ 1,661,542	\$ 343,435	\$ 2,076,928	\$ 2,076,928	\$ -	\$ -	\$ 2,778,914	\$ 12,502,474
Intergovernmental	-	-	-	-	-	233,206	-	-	-	-	-	-	-	621,525
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	478,997
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-	17,684
Investment income	63	190	748	254	89	2,086	1,554	3,544	13,592	597	17	6,515	3,194	36,608
Miscellaneous	-	-	-	-	-	95,855	-	-	-	-	-	-	-	298,991
Total revenues	63	190	208,441	207,947	89	1,161,918	1,663,096	346,979	2,090,520	2,077,525	17	6,515	2,782,108	13,956,279
EXPENDITURES														
Current:														
General government	-	-	-	-	-	-	-	-	-	-	-	-	3,400	483,925
Public safety	-	-	-	-	-	44,226	-	-	-	-	-	-	-	674,276
Streets	-	-	-	-	-	-	-	-	69,391	-	-	-	-	1,018,050
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	740,885
Urban development	-	-	-	-	-	-	-	-	-	-	-	-	-	186,941
Water	-	-	-	-	-	112,358	329,184	-	-	-	-	-	-	1,386,767
Wastewater	-	-	-	-	-	-	-	-	-	269,736	-	-	-	269,736
Capital outlay	-	-	119,852	184,702	-	957,536	32,755	-	441,472	106,000	9,181	150,000	-	2,436,170
Debt service:														
Principal	-	-	-	-	-	103,539	49,617	-	495,000	-	-	-	1,915,000	2,591,586
Interest	-	-	-	-	-	5,744	1,125	-	135,421	-	-	-	800,729	943,915
Total expenditures	-	-	119,852	184,702	-	1,223,403	412,681	-	1,141,284	375,736	9,181	150,000	2,719,129	10,732,251
Excess (deficiency) of revenues over expenditures	63	190	88,589	23,245	89	(61,485)	1,250,415	346,979	949,236	1,701,789	(9,164)	(143,485)	62,979	3,224,028
OTHER FINANCING SOURCES (USES)														
Transfers in	13,000	60,938	-	-	15,741	79,000	-	-	-	-	-	-	-	1,410,979
Transfers out	-	-	(20,000)	(20,000)	-	-	(1,178,420)	-	-	(1,750,000)	-	-	(9,089)	(3,059,188)
Total other financing sources (uses)	13,000	60,938	(20,000)	(20,000)	15,741	79,000	(1,178,420)	-	-	(1,750,000)	-	-	(9,089)	(1,611,533)
Net change in fund balances	13,063	61,128	68,589	39,921	15,830	17,515	71,995	346,979	949,236	(48,211)	(9,164)	(143,485)	53,890	1,612,495
Fund balances - beginning	45,000	137,643	153,602	195,282	67,301	654,557	734,653	1,221,943	3,851,100	582,355	39,861	1,957,396	1,362,895	13,396,216
Fund balances - ending	\$ 58,063	\$ 198,771	\$ 222,191	\$ 235,203	\$ 83,131	\$ 672,072	\$ 806,648	\$ 1,568,922	\$ 4,800,336	\$ 534,144	\$ 30,697	\$ 1,813,911	\$ 1,416,785	\$ 15,008,711

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2022**

	<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	\$ -	\$ 207,693	\$ 207,693	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	183,500	211,788	28,288
Charges for services	140,000	124,550	(15,450)	-	-	-
Investment income	500	278	(222)	500	402	(98)
Miscellaneous	-	50	50	-	-	-
Total revenues	<u>140,500</u>	<u>332,571</u>	<u>192,071</u>	<u>184,000</u>	<u>212,190</u>	<u>28,190</u>
EXPENDITURES						
Departmental:						
General government	499,529	464,285	35,244	-	-	-
Streets	-	-	-	830,512	576,312	254,200
Total Expenditures	<u>499,529</u>	<u>464,285</u>	<u>35,244</u>	<u>830,512</u>	<u>576,312</u>	<u>254,200</u>
Excess (deficiency) of revenues over expenditures	<u>(359,029)</u>	<u>(131,714)</u>	<u>227,315</u>	<u>(646,512)</u>	<u>(364,122)</u>	<u>282,390</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	363,039	150,000	(213,039)	472,300	472,300	-
Transfers out	(17,500)	(15,741)	1,759	-	-	-
Total other financing sources and uses	<u>345,539</u>	<u>134,259</u>	<u>(211,280)</u>	<u>472,300</u>	<u>472,300</u>	<u>-</u>
Net change in fund balances	(13,490)	2,545	16,035	(174,212)	108,178	282,390
Fund balances - beginning	129,721	159,098	29,377	194,770	238,664	43,894
Fund balances - ending	<u>\$ 116,231</u>	<u>\$ 161,643</u>	<u>\$ 45,412</u>	<u>\$ 20,558</u>	<u>\$ 346,842</u>	<u>\$ 326,284</u>

(Continued)

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2022**

(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	\$ -	\$ 415,386	\$ 415,386	\$ -	\$ -	\$ -
Charges for services	19,000	14,616	(4,384)	-	-	-
Investment income	500	257	(243)	500	225	(275)
Miscellaneous	21,272	25,891	4,619	-	-	-
Total revenues	<u>40,772</u>	<u>456,150</u>	<u>415,378</u>	<u>500</u>	<u>225</u>	<u>(275)</u>
EXPENDITURES						
Departmental:						
Culture and recreation	820,752	740,885	79,867	-	-	-
Public Safety	-	-	-	123,798	28,794	95,004
Total Expenditures	<u>820,752</u>	<u>740,885</u>	<u>79,867</u>	<u>123,798</u>	<u>28,794</u>	<u>95,004</u>
Excess (deficiency) of revenues over expenditures	<u>(779,980)</u>	<u>(284,735)</u>	<u>495,245</u>	<u>(123,298)</u>	<u>(28,569)</u>	<u>94,729</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	676,078	250,000	(426,078)	-	-	-
Total other financing sources and uses	<u>676,078</u>	<u>250,000</u>	<u>(426,078)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(103,902)	(34,735)	69,167	(123,298)	(28,569)	94,729
Fund balances - beginning	208,722	246,492	37,770	127,288	133,928	6,640
Fund balances - ending	<u>\$ 104,820</u>	<u>\$ 211,757</u>	<u>\$ 106,937</u>	<u>\$ 3,990</u>	<u>\$ 105,359</u>	<u>\$ 101,369</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2022**

(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	\$ -	\$ 415,386	\$ 415,386	\$ -	\$ 830,771	\$ 830,771
Investment income	4,000	1,641	(2,359)	1,000	606	(394)
Miscellaneous	-	14,286	14,286	10,059	25,084	15,025
Total revenues	<u>4,000</u>	<u>431,313</u>	<u>427,313</u>	<u>11,059</u>	<u>856,461</u>	<u>845,402</u>
EXPENDITURES						
Departmental:						
Streets	568,344	372,347	195,997	-	-	-
Water	-	-	-	1,143,950	951,670	192,280
Total Expenditures	<u>568,344</u>	<u>372,347</u>	<u>195,997</u>	<u>1,143,950</u>	<u>951,670</u>	<u>192,280</u>
Excess (deficiency) of revenues over expenditures	<u>(564,344)</u>	<u>58,966</u>	<u>623,310</u>	<u>(1,132,891)</u>	<u>(95,209)</u>	<u>1,037,682</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	426,078	-	(426,078)	1,007,155	150,000	(857,155)
Total other financing sources and uses	<u>426,078</u>	<u>-</u>	<u>(426,078)</u>	<u>1,007,155</u>	<u>150,000</u>	<u>(857,155)</u>
Net change in fund balances	(138,266)	58,966	197,232	(125,736)	54,791	180,527
Fund balances - beginning	639,621	714,972	75,351	321,209	432,567	111,358
Fund balances - ending	<u>\$ 501,355</u>	<u>\$ 773,938</u>	<u>\$ 272,583</u>	<u>\$ 195,473</u>	<u>\$ 487,358</u>	<u>\$ 291,885</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2022**

(Continued)

	<u>Spay & Neuter Fund</u>			<u>E911 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						
Charges for services	\$ 27,500	\$ 18,580	\$ (8,920)	\$ 359,250	\$ 323,577	\$ (35,673)
Investment income	20	5	(15)	350	68	(282)
Total revenues	<u>27,520</u>	<u>18,585</u>	<u>(8,935)</u>	<u>359,600</u>	<u>323,645</u>	<u>(35,955)</u>
EXPENDITURES						
Departmental:						
General government	27,500	21,460	6,040	-	-	-
Public safety	-	-	-	625,964	600,839	25,125
Total Expenditures	<u>27,500</u>	<u>21,460</u>	<u>6,040</u>	<u>625,964</u>	<u>600,839</u>	<u>25,125</u>
Excess (deficiency) of revenues over expenditures	<u>20</u>	<u>(2,875)</u>	<u>(2,895)</u>	<u>(266,364)</u>	<u>(277,194)</u>	<u>(10,830)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	190,000	190,000	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,000</u>	<u>190,000</u>	<u>-</u>
Net change in fund balances	20	(2,875)	(2,895)	(76,364)	(87,194)	(10,830)
Fund balances - beginning	4,698	4,238	(460)	99,076	112,355	13,279
Fund balances - ending	<u>\$ 4,718</u>	<u>\$ 1,363</u>	<u>\$ (3,355)</u>	<u>\$ 22,712</u>	<u>\$ 25,161</u>	<u>\$ 2,449</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2022**

(Continued)

	Juvenile Justice Fund			Hotel/Motel Tax Fund		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 325,000	\$ 347,501	\$ 22,501
Fines and forfeitures	21,500	17,684	(3,816)	-	-	-
Investment income	100	40	(60)	1,000	412	(588)
Total revenues	<u>21,600</u>	<u>17,724</u>	<u>(3,876)</u>	<u>326,000</u>	<u>347,913</u>	<u>21,913</u>
EXPENDITURES						
Departmental:						
Public safety	26,050	21,886	4,164	-	-	-
Community development	-	-	-	363,618	186,941	176,677
Total Expenditures	<u>26,050</u>	<u>21,886</u>	<u>4,164</u>	<u>363,618</u>	<u>186,941</u>	<u>176,677</u>
Excess (deficiency) of revenues over expenditures	<u>(4,450)</u>	<u>(4,162)</u>	<u>288</u>	<u>(37,618)</u>	<u>160,972</u>	<u>198,590</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	-	(60,938)	(60,938)	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,938)</u>	<u>(60,938)</u>	<u>-</u>
Net change in fund balances	(4,450)	(4,162)	288	(98,556)	100,034	198,590
Fund balances - beginning	39,413	37,756	(1,657)	285,973	280,708	(5,265)
Fund balances - ending	<u>\$ 34,963</u>	<u>\$ 33,594</u>	<u>\$ (1,369)</u>	<u>\$ 187,417</u>	<u>\$ 380,742</u>	<u>\$ 193,325</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2022**

(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	\$ 1,000,000	\$ 101,833	\$ (898,167)	\$ 290,000	\$ 343,435	\$ 53,435
Investment income	75	60	(15)	10,000	3,544	(6,456)
Total revenues	<u>1,000,075</u>	<u>101,893</u>	<u>(898,182)</u>	<u>300,000</u>	<u>346,979</u>	<u>46,979</u>
EXPENDITURES						
Departmental:						
General government	995,000	162,700	832,300	-	-	-
Total Expenditures	<u>995,000</u>	<u>162,700</u>	<u>832,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>5,075</u>	<u>(60,807)</u>	<u>(65,882)</u>	<u>300,000</u>	<u>346,979</u>	<u>46,979</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
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	75	(65,807)	(65,882)	300,000	346,979	46,979
Fund balances - beginning	171	66,183	66,012	1,211,453	1,221,943	10,490
Fund balances - ending	<u>\$ 246</u>	<u>\$ 376</u>	<u>\$ 130</u>	<u>\$ 1,511,453</u>	<u>\$ 1,568,922</u>	<u>\$ 57,469</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2022**

(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	\$ 50	\$ 63	\$ 13	\$ -	\$ 17	\$ 17
Total revenues	<u>50</u>	<u>63</u>	<u>13</u>	<u>-</u>	<u>17</u>	<u>17</u>
EXPENDITURES						
Departmental:						
Streets	-	-	-	9,181	9,181	-
Total Expenditures	-	-	-	9,181	9,181	-
Excess (deficiency) of revenues over expenditures	<u>50</u>	<u>63</u>	<u>13</u>	<u>(9,181)</u>	<u>(9,164)</u>	<u>17</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	14,000	13,000	(1,000)	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	<u>14,000</u>	<u>13,000</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	14,050	13,063	(987)	(9,181)	(9,164)	17
Fund balances - beginning	43,898	45,000	1,102	9,181	39,861	30,680
Fund balances - ending	<u>\$ 57,948</u>	<u>\$ 58,063</u>	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ 30,697</u>	<u>\$ 30,697</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2022**

(Continued)

	Park Development Fund			Fire Cash Fund		
	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 207,693	\$ 207,693
Investment income	250	190	(60)	5,000	748	(4,252)
Total revenues	<u>250</u>	<u>190</u>	<u>(60)</u>	<u>5,000</u>	<u>208,441</u>	<u>203,441</u>
EXPENDITURES						
Departmental:						
Public safety	-	-	-	254,993	119,852	135,141
Total Expenditures	-	-	-	254,993	119,852	135,141
Excess (deficiency) of revenues over expenditures	<u>250</u>	<u>190</u>	<u>(60)</u>	<u>(249,993)</u>	<u>88,589</u>	<u>338,582</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	62,938	60,938	(2,000)	213,039	-	(213,039)
Transfers out	(100,000)	-	(100,000)	(20,000)	(20,000)	-
Total other financing sources and uses	<u>(37,062)</u>	<u>60,938</u>	<u>(102,000)</u>	<u>193,039</u>	<u>(20,000)</u>	<u>(213,039)</u>
Net change in fund balances	(36,812)	61,128	97,940	(56,954)	68,589	125,543
Fund balances - beginning	134,560	137,643	3,083	202,481	153,602	(48,879)
Fund balances - ending	<u>\$ 97,748</u>	<u>\$ 198,771</u>	<u>\$ 101,023</u>	<u>\$ 145,527</u>	<u>\$ 222,191</u>	<u>\$ 76,664</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2022**

(Continued)

	Police Cash Fund			Cemetery Care 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	\$ -	\$ 207,693	\$ 207,693	\$ -	\$ -	\$ -
Investment income	500	254	(246)	100	89	(11)
Miscellaneous	-	36,676	36,676	-	-	-
Total revenues	<u>500</u>	<u>244,623</u>	<u>244,123</u>	<u>100</u>	<u>89</u>	<u>(11)</u>
EXPENDITURES						
Departmental:						
Public safety	216,265	184,702	31,563	-	-	-
Total Expenditures	<u>216,265</u>	<u>184,702</u>	<u>31,563</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(215,765)</u>	<u>59,921</u>	<u>275,686</u>	<u>100</u>	<u>89</u>	<u>(11)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	213,039	-	(213,039)	17,500	15,741	(1,759)
Transfers out	(20,000)	(20,000)	-	-	-	-
Total other financing sources and uses	<u>193,039</u>	<u>(20,000)</u>	<u>(213,039)</u>	<u>17,500</u>	<u>15,741</u>	<u>(1,759)</u>
Net change in fund balances	(22,726)	39,921	62,647	17,600	15,830	(1,770)
Fund balances - beginning	101,374	195,282	93,908	66,295	67,301	1,006
Fund balances - ending	<u>\$ 78,648</u>	<u>\$ 235,203</u>	<u>\$ 156,555</u>	<u>\$ 83,895</u>	<u>\$ 83,131</u>	<u>\$ (764)</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2022**

(Continued)

	<u>Capital Improvement Fund</u>			<u>Water Resources Fund</u>		
	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES						
Taxes	\$ -	\$ 830,771	\$ 830,771	\$ -	\$ 1,661,542	\$ 1,661,542
Intergovernmental	-	233,206	233,206	-	-	-
Investment income	1,500	2,086	586	4,000	1,554	(2,446)
Miscellaneous	1,927,645	95,855	(1,831,790)	-	-	-
Total revenues	<u>1,929,145</u>	<u>1,161,918</u>	<u>(767,227)</u>	<u>4,000</u>	<u>1,663,096</u>	<u>1,659,096</u>
EXPENDITURES						
Departmental:						
General government	223,652	118,886	104,766	-	-	-
Culture and recreation	372,375	266,761	105,614	-	-	-
Public safety	207,248	145,725	61,523	-	-	-
Streets	340,000	187,500	152,500	-	-	-
Water	221,628	195,509	26,119	623,178	412,681	210,497
Wastewater	1,934,408	309,022	1,625,386	-	-	-
Total Expenditures	<u>3,299,311</u>	<u>1,223,403</u>	<u>2,075,908</u>	<u>623,178</u>	<u>412,681</u>	<u>210,497</u>
Excess (deficiency) of revenues over expenditures	<u>(1,370,166)</u>	<u>(61,485)</u>	<u>1,308,681</u>	<u>(619,178)</u>	<u>1,250,415</u>	<u>1,869,593</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	931,155	79,000	(852,155)	1,704,311	-	(1,704,311)
Transfers out	-	-	-	(1,183,420)	(1,178,420)	5,000
Total other financing sources and uses	<u>931,155</u>	<u>79,000</u>	<u>(852,155)</u>	<u>520,891</u>	<u>(1,178,420)</u>	<u>(1,699,311)</u>
Net change in fund balances	(439,011)	17,515	456,526	(98,287)	71,995	170,282
Fund balances - beginning	652,461	654,557	2,096	641,705	734,653	92,948
Fund balances - ending	<u>\$ 213,450</u>	<u>\$ 672,072</u>	<u>\$ 458,622</u>	<u>\$ 543,418</u>	<u>\$ 806,648</u>	<u>\$ 263,230</u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2022**

(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	\$ -	\$ 2,076,928	\$ 2,076,928	\$ -	\$ 2,076,928	\$ 2,076,928
Investment income	15,000	13,592	(1,408)	500	597	97
Total revenues	<u>15,000</u>	<u>2,090,520</u>	<u>2,075,520</u>	<u>500</u>	<u>2,077,525</u>	<u>2,077,025</u>
EXPENDITURES						
Departmental:						
Streets	3,675,222	1,141,284	2,533,938	-	-	-
Wastewater	-	-	-	458,000	375,736	82,264
Total Expenditures	<u>3,675,222</u>	<u>1,141,284</u>	<u>2,533,938</u>	<u>458,000</u>	<u>375,736</u>	<u>82,264</u>
Excess (deficiency) of revenues over expenditures	<u>(3,660,222)</u>	<u>949,236</u>	<u>4,609,458</u>	<u>(457,500)</u>	<u>1,701,789</u>	<u>2,159,289</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,130,388	-	(2,130,388)	2,130,388	-	(2,130,388)
Transfers out	-	-	-	(1,750,000)	(1,750,000)	-
Total other financing sources and uses	<u>2,130,388</u>	<u>-</u>	<u>(2,130,388)</u>	<u>380,388</u>	<u>(1,750,000)</u>	<u>(2,130,388)</u>
Net change in fund balances	(1,529,834)	949,236	2,479,070	(77,112)	(48,211)	28,901
Fund balances - beginning	3,467,971	3,851,100	383,129	509,170	582,355	73,185
Fund balances - ending	<u>\$ 1,938,137</u>	<u>\$ 4,800,336</u>	<u>\$ 2,862,199</u>	<u>\$ 432,058</u>	<u>\$ 534,144</u>	<u>\$ 102,086</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2022

	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	\$ -	\$ -	\$ -	\$ 2,325,000	\$ 2,778,914	\$ 453,914
Intergovernmental	962,548	176,531	(786,017)	-	-	-
Investment income	100	168	68	9,000	3,194	(5,806)
Miscellaneous	62,000	135,499	73,499	-	-	-
Total revenues	<u>1,024,648</u>	<u>312,198</u>	<u>(712,450)</u>	<u>2,334,000</u>	<u>2,782,108</u>	<u>448,108</u>
EXPENDITURES						
Departmental:						
General government	-	-	-	2,873,683	2,719,129	154,554
Culture and recreation	462,000	-	462,000	-	-	-
Public safety	101,827	70,848	30,979	-	-	-
Streets	560,721	167,990	392,731	-	-	-
Total Expenditures	<u>1,124,548</u>	<u>238,838</u>	<u>885,710</u>	<u>2,873,683</u>	<u>2,719,129</u>	<u>154,554</u>
Excess (deficiency) of revenues over expenditures	<u>(99,900)</u>	<u>73,360</u>	<u>173,260</u>	<u>(539,683)</u>	<u>62,979</u>	<u>602,662</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	100,000	-	100,000	-	-	-
Transfers out	-	-	-	(9,089)	(9,089)	-
Total other financing sources and uses	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>(9,089)</u>	<u>(9,089)</u>	<u>-</u>
Net change in fund balances	100	73,360	73,260	(548,772)	53,890	602,662
Fund balances - beginning	46,138	(34,473)	(80,611)	1,251,181	1,362,895	111,714
Fund balances - ending	<u>\$ 46,238</u>	<u>\$ 38,887</u>	<u>\$ (7,351)</u>	<u>\$ 702,409</u>	<u>\$ 1,416,785</u>	<u>\$ 714,376</u>

**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, 2022**

	<u>Sapulpa Development Authority</u>			<u>ARTICLE X, SEC 35, GO BOND</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	\$ -	\$ 3	\$ 3	\$ 20,000	\$ 6,515	\$ (13,485)
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>3</u>	<u>3</u>	<u>20,000</u>	<u>6,515</u>	<u>(13,485)</u>
EXPENDITURES						
Departmental:						
Economic development	-	-	-	1,920,000	150,000	1,770,000
Community Development	29,326	29,326	-	-	-	-
Total Expenditures	<u>29,326</u>	<u>29,326</u>	<u>-</u>	<u>1,920,000</u>	<u>150,000</u>	<u>1,770,000</u>
Excess (deficiency) of revenues over expenditures	<u>(29,326)</u>	<u>(29,323)</u>	<u>3</u>	<u>(1,900,000)</u>	<u>(143,485)</u>	<u>1,756,515</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from long-term debt	-	-	-	-	-	-
Transfers in	30,000	30,000	-	-	-	-
Total other financing sources and uses	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	674	677	3	(1,900,000)	(143,485)	1,756,515
Fund balances - beginning	-	140	140	1,956,746	1,957,396	650
Fund balances - ending	<u>\$ 674</u>	<u>\$ 817</u>	<u>\$ 143</u>	<u>\$ 56,746</u>	<u>\$ 1,813,911</u>	<u>\$ 1,757,165</u>

**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, 2022**

	Major Capital Project Fund		
	G.O. Bond Construction fund		
	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Investment income	\$ 25,000	\$ 42,292	\$ 17,292
Miscellaneous	15,000	15,000	-
Total revenues	<u>40,000</u>	<u>57,292</u>	<u>17,292</u>
EXPENDITURES			
Departmental:			
General government	2,565,949	88,507	2,477,442
Culture and recreation	3,081,202	2,126,058	955,144
Public safety	3,932,892	1,648,177	2,284,715
Streets	6,295,248	411,553	5,883,695
Water	93,000	93,000	-
Wastewater	240,383	92,889	147,494
Total Expenditures	<u>16,208,674</u>	<u>4,460,184</u>	<u>11,748,490</u>
Excess (deficiency) of revenues over expenditures	<u>(16,168,674)</u>	<u>(4,402,892)</u>	<u>11,765,782</u>
Net change in fund balances	(16,168,674)	(4,402,892)	11,765,782
Fund balances - beginning	16,226,092	16,230,472	4,380
Fund balances - ending	<u>\$ 57,418</u>	<u>\$ 11,827,580</u>	<u>\$ 11,770,162</u>

City of Sapulpa
Combining Schedule of Net Position
SMA Utility Fund Accounts
June 30, 2022

	Enterprise Fund Accounts			Total
	SMA Utility	Stormwater Management Account	Sewer System Development Account	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,074,287	\$ 325,039	\$ 818,117	\$ 2,217,443
Restricted cash and cash equivalents	1,053,921	-	-	1,053,921
Investments	-	1,358,786	-	1,358,786
Interest receivable	203	1,968	-	2,171
Accounts receivable, net	796,310	77,452	-	873,762
Other receivables	751,185	-	500	751,685
Total current assets	<u>3,675,906</u>	<u>1,763,245</u>	<u>818,617</u>	<u>6,257,768</u>
Non-current assets:				
Restricted investments	284,982	-	-	284,982
Prepaid bond insurance	289,255	-	-	289,255
Capital Assets:				
Land and other non-depreciable assets	9,615,383	-	-	9,615,383
Other capital assets, net of depreciation	55,054,071	-	-	55,054,071
Capital lease assets, net of amortization	5,053	-	-	5,053
Total non-current assets	<u>65,248,744</u>	<u>-</u>	<u>-</u>	<u>65,248,744</u>
Total assets	<u>68,924,650</u>	<u>1,763,245</u>	<u>818,617</u>	<u>71,506,512</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	38,304	-	-	38,304
Deferred amount on refunding	6,191,766	-	-	6,191,766
Total deferred outflows	<u>6,230,070</u>	<u>-</u>	<u>-</u>	<u>6,230,070</u>
LIABILITIES				
Current liabilities:				
Accounts payable	388,155	361,220	-	749,375
Accrued payroll liabilities	47,692	5,232	-	52,924
Due to other funds	-	-	1,232,000	1,232,000
Accrued interest payable	413,156	-	-	413,156
Current portion of:				
Due to depositors	67,340	-	-	67,340
Notes payable	220,000	-	-	220,000
Capital lease obligation payable	1,658	-	-	1,658
Water contract obligations	40,203	-	-	40,203
Revenue bonds payable	2,460,000	-	-	2,460,000
Accrued compensated absences	15,186	-	-	15,186
Total current liabilities	<u>3,653,390</u>	<u>366,452</u>	<u>1,232,000</u>	<u>5,251,842</u>
Non-current liabilities:				
Due to depositors	269,358	-	-	269,358
Notes payable	5,594,637	-	-	5,594,637
Water contract obligations	564,313	-	-	564,313
Revenue bonds payable, net	59,945,001	-	-	59,945,001
Lease liability	3,422	-	-	3,422
Accrued compensated absences	136,677	6,399	-	143,076
Total OPEB liability	167,533	-	-	167,533
Total non-current liabilities	<u>66,680,941</u>	<u>6,399</u>	<u>-</u>	<u>66,687,340</u>
Total liabilities	<u>70,334,331</u>	<u>372,851</u>	<u>1,232,000</u>	<u>71,939,182</u>
DEFERRED INFLOWS OF RESOURCES:				
Related to OPEB	156,311	-	-	156,311
NET POSITION				
Net investment in capital assets	7,851,676	-	-	7,851,676
Restricted for debt service	571,469	-	-	571,469
Unrestricted (deficit)	(3,759,067)	1,390,394	(413,383)	(2,782,056)
Total net position	<u>\$ 4,664,078</u>	<u>\$ 1,390,394</u>	<u>\$ (413,383)</u>	<u>\$ 5,641,089</u>

City of Sapulpa
Combining Schedule of Revenues, Expenses and Changes in Net Position
SMA Utility Fund Accounts
For the Year Ended June 30, 2022

Enterprise Fund Accounts				
	SMA Utility	Stormwater Management Account	Sewer System Development Account	Total
REVENUES				
Water charges	\$ 4,988,168	\$ -	\$ -	\$ 4,988,168
Sewer charges	4,284,605	-	-	4,284,605
Sanitation	1,186,557	-	-	1,186,557
Water taps	28,250	-	-	28,250
Sewer taps	36,000	-	22,454	58,454
Late charges	183,570	-	-	183,570
Recycling center	700	-	-	700
Trucked water	156,002	-	-	156,002
Stormwater	-	868,512	-	868,512
Miscellaneous	105,219	-	-	105,219
Total operating revenues	<u>10,969,071</u>	<u>868,512</u>	<u>22,454</u>	<u>11,860,037</u>
OPERATING EXPENSES				
General government	388,893	-	-	388,893
Administration	226,303	-	-	226,303
Utility collections	394,468	-	-	394,468
Water treatment plant	1,927,440	-	-	1,927,440
Industrial pretreatment	70,526	-	431,145	501,671
Wastewater treatment plant	1,068,349	-	-	1,068,349
Stormwater management	-	859,622	-	859,622
Sanitation	820,274	-	-	820,274
Depreciation/amortization expense	2,130,949	-	-	2,130,949
Total Operating Expenses	<u>7,027,202</u>	<u>859,622</u>	<u>431,145</u>	<u>8,317,969</u>
Operating income (loss)	<u>3,941,869</u>	<u>8,890</u>	<u>(408,691)</u>	<u>3,542,068</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	2,568	7,814	1,123	11,505
Miscellaneous	128,562	29,276	-	157,838
Gain (loss) on disposal of capital assets	(2,093)	-	-	(2,093)
Transfer capital assets to governmental activities	(5,603)	-	-	(5,603)
Interest expense and fiscal charges	(2,812,828)	-	-	(2,812,828)
Total non-operating revenue (expenses)	<u>(2,689,394)</u>	<u>37,090</u>	<u>1,123</u>	<u>(2,651,181)</u>
Income (loss) before contributions and transfers	<u>1,252,475</u>	<u>45,980</u>	<u>(407,568)</u>	<u>890,887</u>
Capital contributions	1,459,527	-	-	1,459,527
Interaccount transfers - net	(1,094,918)	(198,525)	1,293,443	-
Transfers in	6,223,290	-	-	6,223,290
Transfers out	(7,124,870)	(22,300)	-	(7,147,170)
Change in net position	<u>715,504</u>	<u>(174,845)</u>	<u>885,875</u>	<u>1,426,534</u>
Total net position - beginning	<u>3,948,574</u>	<u>1,565,239</u>	<u>(1,299,258)</u>	<u>4,214,555</u>
Total net position - ending	<u>\$ 4,664,078</u>	<u>\$ 1,390,394</u>	<u>\$ (413,383)</u>	<u>\$ 5,641,089</u>

Statistical Section

This part of the City of Sapulpa's Annual Comprehensive Financial Report presents detailed information as a way to help understand the information in the financial statements, note disclosures, and required supplementary information and what it says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and financial position have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue sources.

Debt Capacity

These schedules help the reader evaluate the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF SAPULPA, OKLAHOMA
NET ASSETS/NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 June 30, 2022
TABLE 1

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	41,471,321	42,543,872
Restricted	3,982,888	3,508,280	2,177,147	2,246,070	3,460,194	4,468,667	5,187,945	6,270,449	7,637,793	9,776,065
Unrestricted	14,733	(525,971)	(11,149,035) *	(10,551,864) *	(9,865,680) *	(10,122,305) *	(8,008,802) *	(6,670,805) *	(4,966,222) *	(3,804,950)
Total governmental activities net assets	\$ 28,655,985	\$ 31,281,963	\$ 25,939,693	\$ 29,389,338	\$ 33,241,567	\$ 36,660,484	\$ 38,338,248	\$ 40,797,524	\$ 44,142,892	\$ 48,514,987
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	7,459,904	9,075,161
Restricted	383,690	764,732	1,250,754	694,330	697,854	721,995	915,268	993,315	1,857,483	1,838,508
Unrestricted	6,956,283	2,802,982	1,074,381	3,096,006	2,345,547	2,368,358	2,495,276	1,758,281	(2,582,631)	(1,906,900)
Total business-type activities net assets	\$ 1,319,259	\$ (1,312,384)	\$ (2,336,081)	\$ (949,013)	\$ 1,562,222	\$ 2,885,999	\$ 6,262,643	\$ 6,458,320	\$ 6,734,756	\$ 9,006,769
Primary government										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	48,931,225	51,619,033
Restricted	4,366,578	4,273,012	3,427,901	2,940,400	4,158,048	5,190,662	6,103,213	7,263,764	9,495,276	11,614,573
Unrestricted	6,971,016	2,277,011	(10,074,654)	(7,455,858)	(7,520,133)	(7,753,947)	(5,513,526)	(4,912,524)	(7,548,853)	(5,711,850)
Total primary government net assets	\$ 29,975,244	\$ 29,969,579	\$ 23,603,612	\$ 28,440,325	\$ 34,803,789	\$ 39,546,483	\$ 44,600,891	\$ 47,255,844	\$ 50,877,648	\$ 57,521,756

CITY OF SAPULPA, OKLAHOMA
CHANGES IN NET ASSETS/POSITION
Last Ten Fiscal Years
June 30, 2022
TABLE 2

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
Administration	\$ 1,176,999	\$ 1,161,305	\$ 1,147,479	\$ 1,222,715	\$ 1,351,137	\$ 1,306,270	\$ 1,392,780	\$ 1,772,609	\$ 1,425,897	\$ 1,594,141
General government	1,389,891	1,355,737	1,498,532	1,310,220	1,206,167	1,364,855	1,461,436	1,963,610	1,822,882	3,137,944
Legal and judicial	326,787	356,413	360,529	351,084	345,408	310,484	385,385	369,390	351,067	358,571
Public safety	10,848,677	10,949,137	10,313,168	10,138,938	10,465,597	11,096,287	10,226,923	12,029,227	14,488,219	10,787,913
Urban development	485,346	502,722	487,448	412,479	307,727	240,837	768,945	496,708	1,053,445	514,917
Streets	1,745,231	1,271,007	2,555,471	1,754,903	1,306,127	1,769,022	1,760,452	2,077,081	2,170,664	2,386,986
Culture and recreation	1,483,769	1,479,655	1,541,965	1,463,855	1,437,105	1,524,113	1,521,404	1,476,389	1,425,240	1,659,915
Interest on long-term debt	628,875	500,720	645,615	670,007	725,486	600,320	649,405	543,310	837,911	843,743
Total governmental activities expenses	<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>	<u>23,575,325</u>	<u>21,284,130</u>
Business-type activities:										
Water operations	4,920,543	4,353,733	4,065,753	4,061,194	3,967,948	4,206,034	4,284,903	4,397,586	4,986,506	4,794,864
Wastewater operations	6,013,722	5,496,979	5,457,768	5,056,817	5,061,205	4,931,561	4,837,348	4,980,514	5,363,491	5,319,592
Sanitation operations	1,326,338	1,320,618	1,402,766	1,398,335	1,485,048	1,546,076	1,584,119	816,601	1,069,443	944,581
Stormwater maintenance	307,344	382,874	471,518	407,900	479,443	458,541	559,553	722,966	736,415	801,229
Golf course operations	763,120	766,627	845,914	795,604	816,663	808,562	746,335	760,332	771,134	801,632
Interest charges - governmental activities	3,320	1,910	-	-	-	-	-	-	-	-
Total business-type activities expenses	<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>	<u>12,926,989</u>	<u>12,661,898</u>
Total primary government expenses	<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>	<u>\$ 36,502,314</u>	<u>\$ 33,946,028</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 351,610	\$ 346,197	\$ 383,677	\$ 416,739	\$ 370,386	\$ 413,385	\$ 438,957	\$ 431,281	\$ 543,842	\$ 582,358
Public safety	1,336,141	1,562,331	1,566,859	1,313,925	1,277,984	1,212,768	868,830	715,823	846,317	835,678
Streets	2,025	2,160	2,985	3,950	4,295	4,210	2,537	680	490	966
Culture and recreation	251,688	231,384	249,950	236,603	219,787	224,696	215,526	114,291	111,529	151,692
Operating grants and contributions	1,755,551	1,454,026	1,367,842	1,507,551	1,482,451	1,394,624	1,680,814	1,819,058	2,043,523	1,211,238
Capital grants and contributions	653,744	3,013,628	5,940,352	2,504,535	2,628,693	888,960	110,323	156,219	1,763,880	715,200
Total governmental activities program revenues	<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>	<u>5,309,581</u>	<u>3,497,132</u>

(Continued)

TABLE 2
(Continued)

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services:										
Water operations	4,567,882	4,550,607	4,269,833	4,857,419	4,944,803	5,085,638	4,897,220	4,971,089	4,940,725	5,305,207
Wastewater operations	3,519,075	3,367,955	3,557,465	3,701,235	3,628,741	3,772,659	3,979,941	4,174,685	4,290,569	4,343,059
Sanitation operations	1,433,791	1,446,311	1,605,453	1,658,509	1,737,669	1,848,351	1,917,216	1,217,922	1,256,785	1,343,259
Stormwater operations	904,277	925,114	861,917	860,229	860,819	866,218	864,438	870,016	869,924	868,512
Golf course operations	374,750	465,583	356,469	377,844	352,376	362,914	341,908	301,596	439,027	446,808
Operating grants and contributions	-	-	-	-	-	-	-	-	-	980
Capital grants and contributions	82,868	-	65,587	-	709,501	904,740	-	-	1,200	-
Total business-type activities program revenues	10,882,643	10,755,570	10,716,724	11,455,236	12,233,909	12,840,520	12,000,723	11,535,308	11,798,230	12,307,825
Total primary government program revenues	\$ 15,233,402	\$ 17,365,296	\$ 20,228,389	\$ 17,438,539	\$ 18,217,505	\$ 16,979,163	\$ 15,317,710	\$ 14,772,660	\$ 17,107,811	\$ 15,804,957
Net (Expense)/Revenue										
Governmental activities:	\$ (10,966,970)	\$ (10,966,970)	\$ (9,038,542)	\$ (11,340,898)	\$ (11,161,158)	\$ (14,073,545)	\$ (14,849,743)	\$ (17,490,972)	\$ (18,265,744)	\$ (17,786,998)
Business-type activities:	(1,440,098)	(1,567,171)	(1,526,995)	(264,614)	423,602	889,746	(11,535)	(142,691)	(1,128,759)	(354,073)
Total primary government net expense	\$ (12,407,068)	\$ (12,534,141)	\$ (10,565,537)	\$ (11,605,512)	\$ (10,737,556)	\$ (13,183,799)	\$ (14,861,278)	\$ (17,633,663)	\$ (19,394,503)	\$ (18,141,071)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 11,819,642	\$ 12,283,297	\$ 12,700,633	\$ 12,574,124	\$ 12,738,375	\$ 13,551,549	\$ 14,656,635	\$ 15,417,647	\$ 17,264,571	\$ 18,911,529
Ad valorem property taxes	1,630,259	1,281,765	1,880,483	1,299,375	2,001,667	1,870,647	2,120,808	2,057,748	1,813,505	2,778,914
Franchise and public service taxes	536,362	543,345	559,510	654,804	537,161	760,254	730,599	600,551	850,082	915,321
Payment in lieu of taxes	489,500	471,073	550,090	515,291	657,214	251,431	420,288	272,625	785,973	263,445
Hotel/motel taxes	215,883	196,538	233,668	233,289	226,145	238,006	264,140	220,138	242,481	347,501
Tax apportionment revenue	-	-	-	-	61,120	125,004	204,860	198,531	828,693	101,833
E-911 taxes	212,641	218,150	194,726	178,383	239,336	302,246	299,922	313,845	351,206	323,577
Intergovernmental revenue not restricted to specific programs	256,192	243,731	260,352	259,548	270,648	272,745	278,062	327,898	355,777	585,632
Investment income	34,713	21,745	19,857	41,612	62,587	98,796	144,570	119,840	82,603	112,166
Miscellaneous	181,936	335,570	150,704	339,546	139,931	137,061	581,060	537,273	274,365	247,767
Transfers-Internal activity	(879,543)	(1,316,581)	(346,991)	(1,305,429)	(1,920,797)	(590,258)	(3,173,437)	(115,848)	(1,238,144)	(2,428,592)
Total governmental activities	14,497,585	14,278,633	16,203,032	14,790,543	15,013,387	17,017,481	16,527,507	19,950,248	21,611,112	22,159,093
Business-type activities:										
Investment earnings	29,845	25,728	15,902	8,173	10,328	20,108	62,710	62,212	23,553	14,572
Miscellaneous	151,710	154,862	140,405	338,080	156,508	160,082	152,032	160,308	143,498	182,922
Transfers - Internal activity	879,543	1,316,581	346,991	1,305,429	1,920,797	590,258	3,173,437	115,848	1,238,144	2,428,592
Total business-type activities	1,061,098	1,497,171	503,298	1,651,682	2,087,633	770,448	3,388,179	338,368	1,405,195	2,626,086
Total primary government	\$ 15,558,683	\$ 15,775,804	\$ 16,706,330	\$ 16,442,225	\$ 17,101,020	\$ 17,787,929	\$ 19,915,686	\$ 20,288,616	\$ 23,016,307	\$ 24,785,179
Change in Net Assets/Position										
Governmental activities	\$ 3,530,615	\$ 3,311,663	\$ 7,164,490	\$ 3,449,645	\$ 3,852,229	\$ 2,943,936	\$ 1,677,764	\$ 2,459,276	\$ 3,345,368	\$ 4,372,095
Business-type activities	(379,000)	(70,000)	(1,023,697)	1,387,068	2,511,235	1,660,194	3,376,644	195,677	276,436	2,272,013
Total primary government	\$ 3,151,615	\$ 3,241,663	\$ 6,140,793	\$ 4,836,713	\$ 6,363,464	\$ 4,604,130	\$ 5,054,408	\$ 2,654,953	\$ 3,621,804	\$ 6,644,108

CITY OF SAPULPA, OKLAHOMA
FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 June 30, 2022
TABLE 3

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	10,187	8,903	8,790	8,772	8,757	8,753	8,753	8,753	8,753	8,753
Committed	7,753	7,074	8,912	12,467	-	-	-	-	-	-
Assigned	476,068	642,999	1,527,532	1,275,512	1,061,401	951,579	1,335,272	1,822,526	2,333,409	3,668,635
Unassigned	<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>	<u>3,201,634</u>	<u>2,223,700</u>
Total general fund	<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>	<u>\$ 5,543,796</u>	<u>\$ 5,901,088</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	71,860	72,754	75,111	78,884	91,939	82,509	124,605	118,272	117,105	117,012
Restricted	4,733,237	3,389,744	11,623,625	11,982,145	11,777,932	11,337,476	9,946,966	23,436,988	26,952,280	23,774,353
Assigned	539,397	576,895	897,512	1,141,779	1,283,031	1,532,310	1,534,606	2,147,696	2,557,303	2,944,926
Unassigned	<u>(80,945)</u>	<u>(278,756)</u>	<u>(260,993)</u>	<u>(43,051)</u>	<u>(492)</u>	<u>(143,493)</u>	<u>25,705</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>	<u>\$ 29,626,688</u>	<u>\$ 26,836,291</u>
GRAND TOTAL	<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>	<u>\$ 35,170,484</u>	<u>\$ 32,737,379</u>

CITY OF SAPULPA, OKLAHOMA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
June 30, 2022
TABLE 4

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Sales and use taxes	\$ 11,819,642	\$ 12,283,297	\$ 12,700,633	\$ 12,574,124	\$ 12,738,375	\$ 13,551,549	\$ 14,656,635	\$ 15,417,647	\$ 17,264,571	\$ 18,911,529
Franchise and public service taxes	543,696	543,345	559,510	654,804	537,161	760,254	730,599	600,551	850,082	915,321
Ad valorem taxes	1,630,259	1,279,523	1,880,483	1,669,375	2,062,787	1,995,651	2,325,668	2,256,279	3,259,138	2,880,747
Payment in lieu of tax	457,178	471,073	465,666	327,694	509,743	326,330	290,124	283,266	286,955	261,465
Hotel/motel taxes	215,883	196,538	233,668	233,289	226,145	238,006	264,140	220,138	242,481	347,501
Intergovernmental	1,875,191	2,496,953	2,779,875	4,535,982	2,223,951	1,931,682	2,110,914	2,359,390	3,665,985	2,263,681
Charges for services	1,075,463	1,069,476	1,082,318	1,062,759	1,118,387	1,177,610	1,203,387	1,154,165	1,251,956	1,341,611
Fines and forfeitures	819,632	1,005,125	825,191	702,745	699,366	548,370	525,568	368,383	289,908	259,359
Licenses and permits	170,794	171,406	201,452	224,647	178,401	200,685	222,183	165,339	292,325	241,381
Investment income	36,161	21,284	20,611	36,837	61,256	95,513	156,233	126,637	83,103	114,799
Miscellaneous	348,064	435,900	307,719	551,099	295,327	238,084	1,173,917	651,891	520,378	508,423
Total Revenues	18,991,963	19,973,920	21,057,126	22,573,355	20,650,899	21,063,734	23,659,368	23,603,686	28,006,882	28,045,817
Expenditures:										
Administration	1,142,548	1,171,955	1,146,026	1,200,718	1,271,459	1,284,305	1,287,628	1,408,399	1,356,587	1,903,822
General government	1,587,391	1,138,947	1,416,531	1,391,966	1,188,280	1,224,546	1,317,933	2,154,763	2,324,100	1,702,261
Legal and judicial	295,223	324,632	330,599	313,227	308,989	308,234	358,609	351,489	344,722	348,458
Public safety	10,464,141	10,301,401	10,212,606	10,392,436	10,176,360	10,563,840	11,176,840	11,457,452	11,116,095	12,281,115
Urban development	481,545	502,286	658,295	430,378	337,512	231,899	378,953	304,451	274,378	342,592
Streets	989,421	856,310	1,759,652	921,631	675,147	801,925	817,806	981,786	949,764	1,018,050
Culture and recreation	1,123,818	1,094,492	1,167,813	1,254,560	1,201,433	1,238,370	1,182,568	1,109,800	1,160,048	1,328,662
Water	807,385	852,745	840,011	824,241	887,295	830,353	832,954	818,980	839,638	1,386,767
Wastewater	379	111,708	-	-	-	26,000	134,704	107,133	70,016	269,736
Capital outlay	3,059,420	3,801,541	3,710,229	6,319,488	3,312,081	4,101,086	5,984,619	4,803,732	7,313,132	7,102,916
Debt service:										
Principal	1,908,668	2,149,087	2,660,090	2,973,312	1,783,508	1,872,172	1,929,981	2,055,964	2,219,445	2,616,999
Interest and fiscal charges	660,062	510,795	644,865	666,696	765,209	633,839	895,419	726,702	887,539	946,513
Total Expenditures	22,520,001	22,815,899	24,546,717	26,688,653	21,907,273	23,116,569	26,298,014	26,280,651	28,855,464	31,247,891
Excess of revenues over(under) expenditures	(3,528,038)	(2,841,979)	(3,489,591)	(4,115,298)	(1,256,374)	(2,052,835)	(2,638,646)	(2,676,965)	(848,582)	(3,202,074)
Other financing sources(uses) and special item:										
Transfers in	6,795,543	7,530,391	7,348,812	5,981,157	6,145,938	6,124,230	7,022,232	7,865,200	7,501,018	7,219,938
Transfers out	(5,905,112)	(6,270,528)	(5,786,493)	(5,756,942)	(5,130,338)	(5,272,230)	(5,664,542)	(5,780,708)	(6,007,475)	(6,596,058)
Payment to escrow	(6,002,824)	-	-	-	-	-	-	(4,072,826)	-	-
Debt proceeds	6,450,534	153,643	11,160,000	4,172,317	133,712	-	588,183	19,404,644	5,836,223	108,413
Bond premium	-	-	34,816	-	-	-	-	-	159,542	-
Judgements	24,312	331,300	-	-	129,000	800,000	-	-	-	-
Special item - proceeds from sale of capital assets	8,881	-	-	-	20,032	-	-	-	-	36,676
Total other financing sources(uses) and special item	1,371,334	1,744,806	12,757,135	4,396,532	1,298,344	1,652,000	1,945,873	17,416,310	7,489,308	768,969
Net change in fund balances	\$ (2,156,704)	\$ (1,097,173)	\$ 9,267,544	\$ 281,234	\$ 41,970	\$ (400,835)	\$ (692,773)	\$ 14,739,345	\$ 6,640,726	\$ (2,433,105)
Debt service as a percentage of noncapital expenditures	13.2%	16.3%	15.9%	17.9%	13.7%	15.5%	14.3%	13.8%	12.9%	14.0%

CITY OF SAPULPA, OKLAHOMA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
June 30, 2022
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
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
2021	3,259,138	15,515,781	1,748,790	850,082	286,955	242,481	351,206	22,254,433
2022	2,880,747	16,958,859	1,952,670	915,321	261,465	347,501	323,577	23,640,140

CITY OF SAPULPA, OKLAHOMA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
June 30, 2022
TABLE 6

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Assessed Value	Homestead Exemption	Net Assessed Value	Estimated Actual Value
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
2021	132,335,721	24,589,521	6,853,104	163,778,346	5,925,873	157,852,473	1,315,437,275
2022	136,133,789	24,245,057	7,351,038	167,729,884	3,979,250	163,750,634	1,364,588,617

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, 2022
TABLE 7

Fiscal Year	City Direct Rate	(1) Overlapping Rates			Total Levy
	Sinking Fund	Sapulpa School District	County	Vo Tech School District	
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
2021	15.04	69.66	20.01	13.26	117.97
2022	15.32	66.28	20.01	13.26	114.87

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, 2022
TABLE 8

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Rank</u>	<u>2022</u>	
			<u>Taxable Assessed Value</u>	<u>Percentage of Net Total Assessed Value</u>
Green Bay Packaging Inc	Real Estate	1	8,816,731	5.384%
Ardagh Glass Inc XM1 (2021)	Glass	2	6,656,899	4.065%
Oklahoma Gas and Electric Co	Gas/Electric	3	3,643,830	2.225%
Nov Process and Flow Tech Inc	Oil	4	2,242,914	1.370%
Ardagh Glass Inc XM4 (2018)	Glass	5	2,238,352	1.367%
Timbers Apartments LLC	Real Estate/Rentals	6	1,752,468	1.070%
Sulzer Chemtech, Inc.	Chemical Engineering/ MFG	7	1,348,149	0.823%
Smithway Tulsa LLC	Real Estate	8	1,309,044	0.799%
H & E Equip Services LLC	Leases Equip	9	1,265,365	0.773%
Oklahoma Natural Gas ONEOK	Gas/Pipeline	10	1,232,504	0.753%
Totals			<u>\$ 30,506,256</u>	<u>18.63%</u>

Source: County Assessor's Office - Marie Stevens - 918-224-4508

CITY OF SAPULPA, OKLAHOMA
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years
 June 30, 2022
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
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
2021	2,374,493	2,293,390	97%	104,216	2,397,606	101.0%	157,852,473	15.04
2022	2,762,599	2,673,234	97%	71,904	2,745,138	99.4%	163,750,634	16.87

Estimate of Needs, County Report

CITY OF SAPULPA, OKLAHOMA
SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
June 30, 2022
TABLE 10

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City	4.000%	4.000%	4.000%	4.000%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%
Tulsa County	0.850%	0.917%	0.917%	0.917%	0.367%	0.367%	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	9.350%	9.417%	9.417%	9.417%	9.367%	9.367%	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, 2022
TABLE 11

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Agriculture, forestry, and fishing	\$ 287	\$ (11)	\$ 2	\$ 12	\$ 63	\$ 22	\$ 224	\$ 10,019	60,794	53,677
Mining	87,504	72,905	99,305	58,055	56,750	51,380	2,240	5,157	15,034	132,657
Construction	24,992	32,766	22,196	5,583	16,947	(2,013)	17,866	10,446	10,316	12,702
Manufacturing	198,718	191,519	191,415	182,869	245,049	186,922	204,878	176,811	232,141	429,018
Transportation	130,867	211,423	200,910	235,295	252,317	261,441	261,884	238,601	289,041	341,686
Communications and utilities:										
Communications	364,050	264,794	281,842	286,571	357,230	342,486	253,926	246,370	244,786	244,329
Electric, gas, and sanitary services	904,052	912,652	914,509	855692	873,048	875,324	903,233	882,548	916,716	1,093,771
Wholesale trade	1,008,727	1,031,499	1,180,595	1161478	1,187,704	1,423,865	1,651,388	1,598,397	1,667,578	1,951,584
Retail trade:										
Building materials, hardware, garden supply and mobile home dealer	455,622	468,238	510,290	510416	650,171	722,616	827,498	874,856	1,042,758	1,143,120
General merchandise stores	2,734,168	2,730,900	2,986,164	2936387	2,976,458	3,041,583	3,179,313	3,395,968	3,676,227	3,775,128
Food stores	1,148,175	1,104,023	1,291,229	1317747	1,043,474	965,874	824,575	808,023	900,718	1,239,533
Automotive dealers and gasoline service stations	703,990	731,878	747,507	752321	745,614	757,065	769,683	826,602	901,412	985,092
Apparel and accessory stores	155,788	147,636	139,801	148863	147,220	148,593	139,065	136,815	151,689	195,247
Furniture, home furnishings and equipment stores	450,360	175,198	193,479	157939	139,403	163,277	179,050	133,987	204,386	198,934
Eating and drinking places	1,580,635	1,572,118	1,680,998	1685045	1,737,414	1,834,286	1,858,664	1,925,502	2,024,419	2,129,943
Miscellaneous retail	642,640	1,021,678	910,867	1044786	1,139,562	1,284,497	1,596,919	1,889,011	2,248,469	1,932,753
Finance, insurance, and real estate	26,121	174,950	168,302	177994	200,296	190,877	202,629	203,915	188,679	220,833
Services:										
Hotels and motels	173,262	257,499	200,200	229848	175,919	228,797	260,960	213,599	252,323	301,669
Personal services	54,574	50,175	79,379	99646	53,082	51,006	31,944	17,128	32,721	42,752
Business services	175,085	29,697	37,775	39154	74,717	86,412	103,216	118,298	156,895	208,918
Automotive repair services and garages	51,634	47,919	53,676	53766	70,751	76,371	83,484	86,853	148,684	118,851
Miscellaneous repair services	13,919	7,936	7,629	14131	12,441	18,117	20,104	18,529	15,824	18,390
Motion pictures	18,203	38,868	35,062	32460	27,098	37,869	49,451	35,023	10,588	39,766
Other services	217,979	116,619	60,567	27289	21,575	11,175	27,168	32,049	20,755	26,766
Nonclassifiable establishments	122,392	379,110	219,190	109585	89604	37,218	46,500	159,978	33,830	50,365
	<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>	<u>\$ 15,446,783</u>	<u>16,887,485</u>

CITY OF SAPULPA, OKLAHOMA
RATIO FOR OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
June 30, 2022
TABLE 12

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Per Capita
	General Obligation Bonds	Notes Payable	Revenue Bonds	Revenue Bonds Payable	Notes Payable	Water Contract Obligations		
2013	13,130,000	343,534	1,920,000	69,995,000	137,079	2,361,740	87,887,353	4,227
2014	11,905,000	343,109	1,315,000	69,335,000	201,663	2,064,317	85,164,089	4,087
2015	14,450,000	225,130	7,605,000	67,940,000	118,880	1,754,960	92,093,970	4,483
2016	16,365,000	474,466	6,700,000	65,870,000	76,321	1,433,192	90,918,979	4,418
2017	15,300,000	445,824	6,255,000	64,345,000	32,965	1,098,515	87,477,304	4,180
2018	14,025,000	351,154	5,795,000	62,780,000	172,313	750,412	83,873,879	4,024
2019	12,745,000	809,488	5,325,000	61,170,000	720,263	716,061	81,485,812	3,917
2020	25,955,000	629,945	4,850,000	59,530,000	1,150,599	680,334	92,795,878	4,386
2021	31,442,395	538,391	4,377,769	64,845,000	4,823,117	643,172	106,669,844	4,924
2022	29,459,576	426,001	3,870,000	62,405,000	5,814,636	604,517	102,579,730	4,620

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, 2022
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
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
2021	21,664	157,852,473	30,415,000	1,362,895	29,052,105	18.40%	1,341
2022	22,205	163,750,634	28,500,000	1,416,785	27,074,912	16.53%	1,219

(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
TABLE 14**

<u>Jurisdiction</u>	<u>Net (1) Debt Outstanding</u>	<u>Percentage (2) (3) Applicable to City of Sapulpa</u>	<u>Amount Applicable to City of Sapulpa</u>
Direct - City of Sapulpa	\$ 28,042,791	100.00%	\$28,042,791
Overlapping: Sapulpa School District	\$ 5,366,878	66.09%	\$3,547,221
Overlapping: Tulsa School District	\$ 209,289,000	0.24%	\$497,896
Overlapping: Lone Star School District (4)	\$ 628,008	51.65%	\$324,386
Overlapping: Kellyville School District	\$ 949,097	1.57%	\$14,868
Overlapping: Pretty Water School District (4)	\$ 488,041	0.57%	\$2,779
Total	<u>\$242,698,669</u>		<u>\$32,499,267</u>

Outstanding bond debt-06-30-22

- (1) 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.
- (3) For fiscal year 2022 the assessed valuation percentages were unavailable at the time of issuance, so the percentages from the prior year were rolled forward.
- (4) For fiscal year 2022 the net debt outstanding for this school district was not yet readily available at report issuance. As such, the value reflected is also the amount reflected in fiscal year 2021.

CITY OF SAPULPA, OKLAHOMA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
June 30, 2022
TABLE 15

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$ 12,391,281	\$ 12,517,773	\$ 12,902,163	\$ 14,169,595	\$ 14,641,104	\$ 14,379,464	\$ 15,183,250	\$ 15,214,801	\$ 15,785,247	\$ 16,375,063
Total net debt applicable to limit	<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>\$ 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>	<u>\$ 15,785,247</u>	<u>\$ 16,375,063</u>
Total net debt applicable to the limit as a percentage of debt limit	68.31%	62.03%	69.72%	66.02%	60.17%	56.43%	48.84%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2021

Net assessed valuation	\$ 163,750,634
Debt limit (10% of total assessed value)	16,375,063
Debt applicable to limit:	
General obligation bonds	28,500,000
Less: bonds issued without debt limit in accordance with Article 10, Section 27	26,580,000
Less: bonds issued without debt limit in accordance with Article 10, Section 35	<u>1,920,000</u>
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 16,375,063</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, 2022
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>
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
2021	Series 2020 Refunding	15,892,992	4,983,599	10,909,393	4,109,623	2.65
2022	Series 2020 Refunding	16,916,412	6,188,705	10,727,707	5,038,182	2.13

(1) Excludes depreciation and amortization expense.

CITY OF SAPULPA, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
June 30, 2022
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)
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%
2021	21,664	1,258,050	58,071	38.0	5,087	3.90%
2022	22,205	1,330,990	59,941	38.0	5,329	3.60%

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, 2022
TABLE 18

<u>Employer</u>	<u>Product/Business</u>	<u>2022</u>	
		<u>Rank</u>	<u>Employees</u>
BIOS Corporation	Health Care and Social Assistance	1	1,050
Paragon Industries	Pipe Manufacturing	2	599
Sapulpa Public Schools	Education Services	3	586
TD Williamson	Manufacturing/Engineering Equipment	4	445
Ardagh	Manufacturing/Glass Bottles	5	372
John Christner Trucking	Transportation	6	342
Walmart Supercenter	Retail	7	311
American Heritage Bank	Financial Institution	8	276
Bennett Steel	Commercial Steel Fabrication	9	231
St. John Sapulpa	Health Services	10	160
Green Bay Packing	Corrugated Boxes	11	125
Totals			<u>4,497</u>

Sapulpa Chamber of Commerce

CITY OF SAPULPA, OKLAHOMA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 June 30, 2022
TABLE 19

<u>Function/Program</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>	<u>2021</u>	<u>2022</u>
General Government:										
Management Services	5	5	5	5	5	5	5	5	5	5
Finance	5	5	5	5	5	5	5	5	5	6
Planning	3	3	3	3	3	3	3	3	5	4
Building	2	2	2	2	2	2	2	2	3	3
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	7	6
Other (FM, VM, Tort, FM, DCC)	5	5	5	5	5	5	5	5	2	2
Utility Accounting	6	6	6	6	6	6	6	6	3	5
Total General Government	39	37	38							
Public Safety and Judiciary:										
Police										
Officers	43	43	43	43	47	46	47	47	50	43
Civilians	11	11	11	11	11	12	12	11	13	14
Animal Welfare	2	2	2	2	2	2	3	3	5	5
Fire:										
Firefighters & Officers	49	49	47	47	49	50	50	53	54	53
Civilians	1	1	1	1	1	1	1	1	2	1
Central Communications/EM										
Total Public Safety and Judiciary	106	106	104	104	110	111	113	115	124	116
Transportation:										
Streets	12	12	12	12	12	12	12	12	9	8
Total Transportation	12	9	8							
Cultural, Parks and Recreation:										
Parks and Recreations	7	7	7	7	7	7	7	8	10	9
Library	5	5	5	5	5	5	5	5	5	4
Golf Course	5	5	5	5	6	5	7	8	8	6
Total Cultural, Parks and Recreation	17	17	17	17	18	17	19	21	23	19
Public Works:										
Solid Waste Collection	0	0	0	0	0	0	0	0	0	0
Utility Maintenance	11	11	12	12	11	11	11	11	10	11
Water Treatment	8	8	8	8	8	8	8	8	8	8
Wastewater Treatment	12	13	13	13	12	12	12	12	10	10
Industrial Pretreatment/Stormwater Management	3	4	4	4	3	3	4	4	4	4
Total Public Works	34	36	37	37	34	34	35	35	32	33
Total Full-Time Employees by Function/Program	208	210	209	209	213	213	218	222	225	214

CITY OF SAPULPA, OKLAHOMA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
June 30, 2022
TABLE 20

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2021</u>	<u>2022</u>
General Government										
Buildings	17	17	17	17	17	17	17	17	17	18
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	33	32	32	32	35	44	44	46	52
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Trucks	13	12	12	12	11	14	14	15	10	10
Vehicles	8	8	10	10	11	9	11	12	14	14
Trailer Vans		4	4	4	4	4	4	4	2	2
Boats		2	2	2	2	1	2	2	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	24
Parks and recreation										
Acreage	487	487	487	487	487	487	487	487	481	481
Playgrounds	12	12	12	12	12	12	12	12	10	10
Baseball/softball diamonds	14	14	14	14	14	14	14	16	8	14
Soccer/football fields	12	12	12	12	12	12	12	14	11	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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trolley	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cemetery										
Plots	52,850	35,750	34,150	34,150	46,925	27,225	100	102	150	161
Vehicles & Machinery	17	17	17	17	17	17	17	17	19	19
Water										
Water mains (miles)	94	94	94	94	94	94	94	94	94	94
Fire hydrants	888	860	547	547	547	570	578	578	1,400	601
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, 2022
 TABLE 21

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Physical Arrests	1106	863	1078	1021	1135	990	899	748	422	544
*Parking Violations	42	17	12	7	4	6	2	4	0	0
Traffic Violations	8159	8728	5830	4350	4340	4180	3425	2251	2013	3198
Fire										
Emergency Responses	2901	3137	2924	2587	3475	3537	3873	4329	4936	4832
Fires Extinguished	295	206	224	143	234	154	147	172	161	205
Inspections	210	310	175	44	140	189	125	78	78	65
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)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Public Works										
Potholes Repaired:										
Asphalt Patching (Tons)	640	452	485	404	572	420	226	356	542	305
Concrete Patching (Cubic Yards)	10	10	10	10	0	6	5	0	0	142
Parks & Recreation										
Athletic Field-Agreements										
Sapulpa Little League (# of Fields Usec	14	14	14	14	14	14	14	14	14	4
Sapulpa Youth Soccer (# of Fields Use	12	12	12	12	12	12	12	14	14	14
Sapulpa Girls Softball (# of Fields Usec	10	10	10	10	10	10	10	14	14	10
Community Center/Park Rentals	83	97	143	140	140	163	193	79	200	84
Senior Citizen- Meals Served	4780	4000	5750	5769	1476	1100	2131	1602	0	1037
-Sr. Center Lunch Program										
Water										
Connections	6498	6552	6557	6537	6544	6504	6541	6609	6265	6576
Water Main Breaks	100-150	50	50-100	50-100	50-100	50-100	50-100	50-100	50-100	20-50
Average Daily Consumption (Thousands of Gallons)	2991	3036	2612	3014	2666	2482	2452	2221	2397	2366
Peak Daily Consumption (Thousands of Gallons)	5063	4643	3974	4795	4068	3634	3587	3498	5278	3769
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

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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
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, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated May 19, 2023.

Report on 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.

Report on 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 PC

Edmond, Oklahoma
May 19, 2023

