



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITOR'S REPORTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

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

City of Sapulpa



425 EAST DEWEY AVENUE - - - P.O. BOX 1130

Sapulpa, Oklahoma 74067

February 28, 2020

To the Honorable Vice Mayor Louis Martin, Jr., City Councilors, and Citizens:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Sapulpa for the fiscal year ended June 30, 2019. The report was prepared by the Finance Department of the City of Sapulpa to present the financial position of the City and the results of the City's financial operations in accordance with generally accepted accounting principles. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects, and all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The Management's Discussion and Analysis provide additional narrative and detailed analysis of the City's financial affairs, and we encourage readers to consider that information in conjunction with the information presented here.

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

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

Governmental Structure

The City of Sapulpa, the County seat of Creek County, Oklahoma, is located in the extreme northeast corner of the County, only twelve miles from the City of Tulsa, Oklahoma. The City lies astride Interstate Highway 44 (Turner Turnpike) connecting the cities of Tulsa and Oklahoma City. First incorporated prior to Oklahoma statehood, its first City Charter was adopted in 1910, with major revisions thereto in 1922, 1970, 2002, 2005, and 2014. Currently operating under a Municipal Charter form of Government pursuant to Oklahoma Statutes 1991, Sect. 13-101, et seq., the city is governed by a Board of Councilors consisting of ten councilors, two council members from each of five wards. The mayor is chosen from among the council itself. The City Council also serves as trustees of the Sapulpa Municipal Authority and the Sapulpa Development Authority. The Mayor and Council appoint a City Manager, a City Attorney, and a City Treasurer. The responsibility for the day-to-day operations of the City rests with the City Manager.

Economic Conditions and Outlook

The primary measure of local economic activity is sales tax revenue. The City relies on sales tax revenue to fund its governmental operations. Sales tax revenue increased 6.4% 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 2018/19 charges for service increased 0.5% over prior year.

In preparing the FY 2019/2020 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 \$12,749,240, a 3.7% decrease from FY 2018-2019 actual receipts.

Overall economic outlook for the City looks positive. The City is experiencing housing growth with single and multi-family living space and apartments; along with extensive downtown building renovations which will allow for offices, living space, retail and entertainment venues. Plans are finalizing with an international cosmetic and skin care firm moving their administrative operations from California to Sapulpa over the next 2 years. This move will provide up to 150 new jobs located downtown. Additionally, this firm will start construction this coming summer on their manufacturing and distribution center.

Acknowledgments

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

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

Respectfully submitted,



Joan Riley
City Manager



Pamela Vann
Finance Director

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CITY OF SAPULPA

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

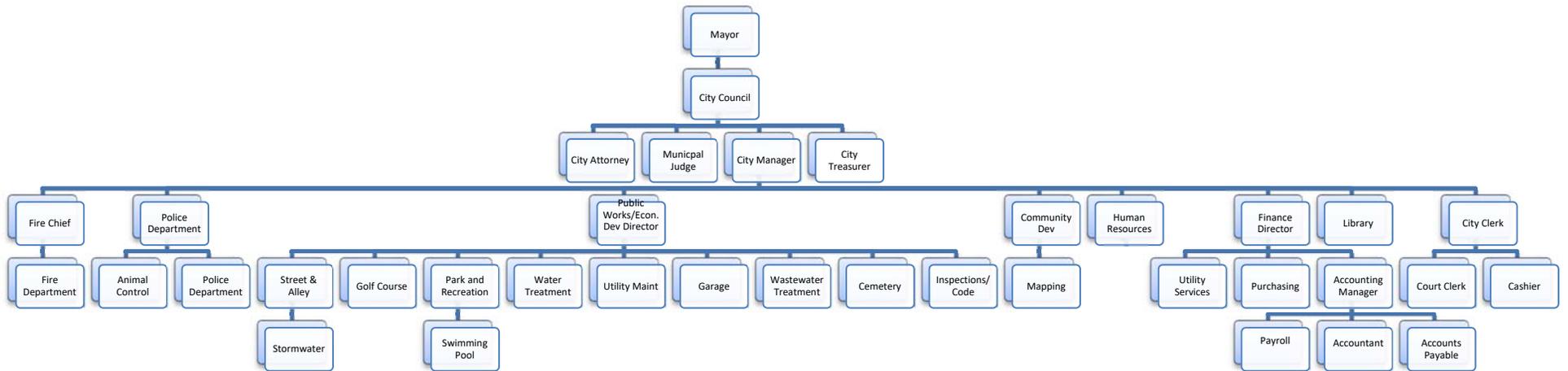
COUNCIL:

**CRAIG HENDERSON
WES GALLOWAY
CARLA GUNN
JOHN ANDERSON**

**MARTY CUMMINS
JOHN SUGGS
BRUCE BLEDSOE
HUGO NAIFEH**

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

City of Sapulpa Organizational Chart



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sapulpa, Oklahoma (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension exhibits, and other post-employment benefits funding schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



February 28, 2020

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, 2019. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2019, the City's total net position increased by \$5.1 million from the prior year.
- During the year, the City's expenses for governmental activities were \$18.2 million and were funded by program revenues of \$3.3 million and further funded with taxes, other general revenues and transfers that totaled \$16.5 million.
- In the City's business-type activities, such as utilities and golf course, total program revenues did not quite fund total program expenses by \$12 thousand, while general revenues and transfers totaled \$3.4 million.
- At June 30, 2019, the General Fund reported an unassigned fund balance of \$0.8 million.
- For budgetary reporting purposes, the General Fund reported revenues and transfers over estimates by \$0.3 million or 1.4%, while expenditures and transfers were less than final appropriations by \$0.4 million or 1.9%.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

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

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

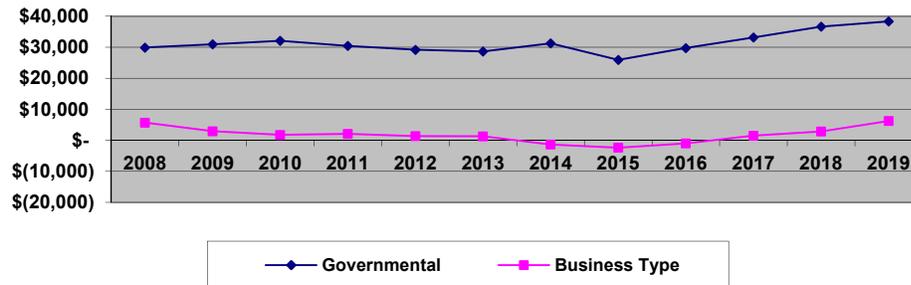
Net Position

The City's combined net position increased from \$39.5 million to \$44.6 million between fiscal years 2018 and 2019. A comparative, condensed presentation of net position follows (reported in thousands).

**TABLE 1
 NET POSITION (In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2019	2018		2019	2018		2019	2018	
Current assets	\$ 15,088	\$ 15,966	-5%	\$ 6,100	\$ 4,961	23%	\$ 21,188	\$ 20,927	1%
Capital assets, net	55,488	55,815	-1%	61,599	59,500	4%	117,087	115,315	2%
Total assets	70,576	71,781	-2%	67,699	64,461	5%	138,275	136,242	1%
Deferred amount on refunding	66	78	-15%	3,874	4,566	-15%	3,940	4,644	-15%
Deferred amount related to pension	3,583	3,072	17%	-	-	0%	3,583	3,072	17%
Total deferred outflows	3,649	3,150	16%	3,874	4,566	-15%	7,523	7,716	-3%
Current liabilities	3,504	3,176	10%	2,845	2,534	12%	6,349	5,710	11%
Non-current liabilities	30,593	33,991	-10%	62,466	63,607	-2%	93,059	97,598	-5%
Total liabilities	34,097	37,167	-8%	65,311	66,141	-1%	99,408	103,308	-4%
Deferred inflows - pension	1,790	1,103	62%	-	-	0%	1,790	1,103	62%
Net position									
Net investment in capital assets	41,159	42,314	-3%	2,852	(204)	1498%	44,011	42,110	5%
Restricted	5,188	4,469	16%	915	722	27%	6,103	5,191	18%
Unrestricted (deficit)	(8,009)	(10,122)	-21%	2,495	2,368	5%	(5,514)	(7,754)	-29%
Total net position	\$ 38,338	\$ 36,661	5%	\$ 6,262	\$ 2,886	117%	\$ 44,600	\$ 39,547	13%

**Net Position
 (In Thousands)**



Changes in Net Position

For the year ended June 30, 2019, the change in net position of the primary government was the result of the following (amounts are reported in thousands):

CITY OF SAPULPA, OKLAHOMA
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2019

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2019	2018		2019	2018		2019	2018	
Revenues									
Charges for service	\$ 1,526	\$ 1,855	-18%	\$ 12,001	\$ 11,936	1%	\$ 13,527	\$ 13,791	-2%
Operating grants and contributions	1,681	1,395	21%	-	-	0%	1,681	1,395	21%
Capital grants and contributions	110	891	-88%	-	905	-100%	110	1,796	-94%
Taxes	18,697	17,098	9%	-	-	0%	18,697	17,098	9%
Intergovernmental revenue	278	273	2%	-	-	0%	278	273	2%
Investment income	144	99	45%	62	20	210%	206	119	73%
Miscellaneous	581	137	324%	152	160	-5%	733	297	147%
Total revenues	23,017	21,748	6%	12,215	13,021	-6%	35,232	34,769	1%
Expenses									
Administration	1,393	1,306	7%	-	-	-	1,393	1,306	7%
General government	1,461	1,365	7%	-	-	-	1,461	1,365	7%
Legal and judicial	385	310	24%	-	-	-	385	310	24%
Public safety	10,227	11,096	-8%	-	-	-	10,227	11,096	-8%
Urban development	770	243	217%	-	-	-	770	243	217%
Streets	1,760	1,769	-1%	-	-	-	1,760	1,769	-1%
Culture, parks and recreation	1,521	1,524	0%	-	-	-	1,521	1,524	0%
Interest on long-term debt	650	601	8%	-	-	-	650	601	8%
Water	-	-	-	4,285	4,206	2%	4,285	4,206	2%
Wastewater	-	-	-	4,837	4,932	-2%	4,837	4,932	-2%
Sanitation	-	-	-	1,584	1,546	2%	1,584	1,546	2%
Stormwater	-	-	-	559	458	22%	559	458	22%
Golf operations	-	-	-	746	809	-8%	746	809	-8%
Total expenses	18,167	18,214	0%	12,011	11,951	1%	30,178	30,165	0%
Excess (deficiency) before transfers	4,850	3,534	37%	204	1,070	-81%	5,054	4,604	10%
Transfers	(3,173)	(590)	-438%	3,173	590	438%	-	-	-
Increase in net position	\$ 1,677	\$ 2,944	-43%	\$ 3,377	\$ 1,660	103%	\$ 5,054	\$ 4,604	10%

Explanations for the more significant changes include:

Governmental taxes - \$1,599,000 increase (9%) due mainly to a \$1,105,000 increase in sales tax collections.

Transfers - \$2,583,000 (438%) change due primarily to an increase in capital asset transfers from the SMA to governmental activities.

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note all taxes are classified as general revenue even if restricted for a specific purpose.

Governmental Activities

The following table compares fiscal year 2019 and 2018 total Governmental Activities expenses and net revenue (expense) of services:

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

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2019	2018		2019	2018	
Administration	\$ 1,393	\$ 1,306	7%	(\$1,393)	(\$1,306)	7%
General government	1,461	1,365	7%	(1,023)	(951)	8%
Legal and judicial	385	310	24%	(385)	(310)	24%
Public safety	10,227	11,096	-8%	(7,958)	(8,809)	-10%
Urban development	770	241	220%	(744)	(43)	1630%
Streets	1,760	1,769	-1%	(1,465)	(782)	87%
Culture and recreation	1,521	1,524	0%	(1,232)	(1,272)	-3%
Interest on long-term debt	650	601	8%	(649)	(600)	8%
Total	\$18,167	\$18,212	0%	(\$14,849)	(\$14,073)	6%

Business-type Activities

The following table compares fiscal year 2019 and 2018 total Business-type Activities expenses and net revenue (expense) of services:

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

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	2019	2018		2019	2018	
Water	\$ 4,285	\$ 4,206	2%	\$ 612	\$ 1,784	-66%
Wastewater	4,837	4,932	-2%	(857)	(1,159)	-26%
Sanitation	1,584	1,546	2%	333	302	10%
Stormwater	560	458	22%	305	408	-25%
Golf operations	746	809	-8%	(405)	(445)	-9%
Total	\$ 12,012	\$ 11,951	1%	\$ (12)	\$ 890	-101%

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2019 fiscal year, the governmental funds reported a combined fund balance of \$13.8 million or a 4.8% decrease from the prior year. The enterprise funds reported a combined net position of \$5.3 million or a 151% increase from 2018.

FUND BALANCE/NET POSITION
(In thousands of dollars)

Governmental Funds		Enterprise Funds	
Nonspendable	\$ 133	Net Investment in Capital Assets	\$ 2,852
Restricted	9,947	Restricted for debt service	266
Committed	-	Unrestricted	2,199
Assigned	2,870		
Unassigned	840	Total Net Position	\$ 5,317
Total Fund Balance	\$ 13,790		

Other fund highlights include:

- For the year ended June 30, 2019, the General Fund's total fund balance increased \$484 thousand or 28.9% due primarily to increases in cash and cash equivalents, investments, and deposits with insurance pool.
- The Sapulpa Municipal Authority enterprise fund reported an increase in net position, after transfers of \$3.0 million or 196% due mainly to contributed capital from governmental funds and developers.

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 7.6% or approximately \$1.6 million, mainly related to increased sales tax collections exceeding original estimates, and an increase in appropriations of 6.8% or \$1.5 million, with most of the increased appropriations related to the required sales tax transfers.

For budgetary reporting purposes, the General Fund reported revenues over final estimates by \$0.3 million or 1.4%, while expenditures were less than the final appropriations by \$0.4 million or 1.9%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2019, the City had approximately \$117 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, water lines and sewer lines. (See table below). This represents a net increase of \$1.7 million over the prior year.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 4,859	\$ 4,859	\$ 71	\$ 71	\$ 4,930	\$ 4,930
Buildings	7,857	8,102	2,238	2,316	10,095	10,418
Imp. other than buildings	1,765	1,944	293	354	2,058	2,298
Machinery, furniture and equipment	6,334	5,979	1,456	1,231	7,790	7,210
Infrastructure	30,331	29,289	5,225	4,525	35,556	33,814
Intangible water rights	-	-	4,915	4,915	4,915	4,915
Utility property	-	-	42,747	42,807	42,747	42,807
Construction in progress	4,342	5,642	4,654	3,281	8,996	8,923
Totals	<u>\$ 55,488</u>	<u>\$ 55,815</u>	<u>\$ 61,599</u>	<u>\$ 59,500</u>	<u>\$ 117,087</u>	<u>\$ 115,315</u>

This year's more significant capital asset additions include:

\$870,250 – E. Cobb Avenue Roadway
\$573,574 – E. Cobb Avenue Drainage
\$876,777 – Sahoma Lake Bridge

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

Long- Term Debt

At year-end, the City had \$84 million in long-term debt outstanding, which represents a \$2.5 million or 2.8% decrease from the prior year, resulting mainly by making normal debt service payments of approximately \$3.8 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)

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accrued absences	\$ 1,925	\$ 1,685	\$ 183	\$ 197	\$ 2,108	\$ 1,882
Revenue bonds	5,325	5,795	61,170	62,780	66,495	68,575
Due to depositors	-	-	322	312	322	312
Water contract obligations	-	-	716	750	716	750
Notes payable	-	-	720	172	720	172
General obligation bonds	12,745	14,025	-	-	12,745	14,025
Judgments payable	533	843	-	-	533	843
Capital leases	809	351	-	-	809	351
Totals	<u>\$ 21,337</u>	<u>\$ 22,699</u>	<u>\$ 63,111</u>	<u>\$ 64,211</u>	<u>\$ 84,448</u>	<u>\$ 86,910</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

Sapulpa's economic outlook seems to be remaining stable. Total sales tax collections, which are the major revenue for the General Fund, had a 4.7% increase from fiscal year 2017-2018 (\$12,637,388) to fiscal year 2018-2019 (\$13,233,980). A very conservative approach was used in projecting for sales tax for FY 19/20. Sales tax was budgeted at \$12,749,240 or 3.7% less than the FY 18/19 actual. Total assessed valuation of property went up 0.21% from 2018 to 2019.

The Sapulpa Municipal Authority (SMA) charges for service, which include water, sewer, and refuse revenues, shows an increase of 1.2% for fiscal year 2019-2020 (\$10,564,634) from 2017-2018 actual (\$10,444,285). Revenues for these services for fiscal year 2018-2019 were projected 1.3%, or \$135,866, higher than fiscal year 2018-2019 actual.

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, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,652,149	\$ 1,817,919	\$ 10,470,068
Investments	3,041,177	1,899,201	4,940,378
Deposits with insurance pool	171,910	-	171,910
Deposits with fiscal agent	188	-	188
Internal balances	25,000	(25,000)	-
Interest receivable	10,955	10,710	21,665
Accounts receivable, net of allowance	50	956,693	956,743
Franchise tax receivable	173,560	-	173,560
Court fine receivable, net of allowance	771,162	-	771,162
Due from other governments	2,178,634	481,215	2,659,849
Other receivables	31,198	321,009	352,207
Inventory	32,160	110,588	142,748
Prepaid expenses	-	527,907	527,907
Capital assets:			
Land and construction in progress	9,200,543	9,639,861	18,840,404
Other capital assets, net of depreciation	46,287,167	51,959,325	98,246,492
 Total assets	 <u>70,575,853</u>	 <u>67,699,428</u>	 <u>138,275,281</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	65,781	3,874,139	3,939,920
Deferred amounts related to pensions	3,583,389	-	3,583,389
Total deferred outflows	<u>3,649,170</u>	<u>3,874,139</u>	<u>7,523,309</u>
LIABILITIES			
Accounts payable	865,707	657,393	1,523,100
Accrued payroll liabilities	96,070	49,787	145,857
Accrued interest payable	72,697	376,829	449,526
Due to other governments	4,596	-	4,596
Escrow deposits	49,382	-	49,382
Due to bondholders	6,723	-	6,723
Unearned revenue	-	2,842	2,842
Long-term liabilities:			
Due within one year	2,408,706	1,758,089	4,166,795
Due in more than one year	30,592,616	62,465,984	93,058,600
Total liabilities	<u>34,096,497</u>	<u>65,310,924</u>	<u>99,407,421</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	1,790,278	-	1,790,278
Total deferred inflows	<u>1,790,278</u>	<u>-</u>	<u>1,790,278</u>
NET POSITION			
Net investment in capital assets	41,159,105	2,852,099	44,011,204
Restricted for:			
Capital projects	351,177	-	351,177
Debt service	1,411,261	266,329	1,677,590
Streets	1,894,500	-	1,894,500
Public safety	882,117	-	882,117
Grant projects	38,617	-	38,617
Economic development	610,273	-	610,273
Water capital projects	-	457,904	457,904
Sewer capital projects	-	191,035	191,035
Unrestricted (deficit)	(8,008,802)	2,495,276	(5,513,526)
Total net position	<u>\$ 38,338,248</u>	<u>\$ 6,262,643</u>	<u>\$ 44,600,891</u>

See accompanying notes to the basic financial statements.

**City of Sapulpa
Statement of Activities
For the Year Ended June 30, 2019**

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	\$ 1,392,780	\$ -	\$ -	\$ -	\$ (1,392,780)	\$ -	\$ (1,392,780)
General government	1,461,436	438,957	-	-	(1,022,479)	-	(1,022,479)
Legal and judicial	385,385	-	-	-	(385,385)	-	(385,385)
Public safety	10,226,923	868,830	1,399,905	-	(7,958,188)	-	(7,958,188)
Urban development	768,945	-	24,886	-	(744,059)	-	(744,059)
Streets	1,760,452	2,537	185,977	106,823	(1,465,115)	-	(1,465,115)
Culture and recreation	1,521,404	215,526	70,046	3,500	(1,232,332)	-	(1,232,332)
Interest on long-term debt	649,405	-	-	-	(649,405)	-	(649,405)
Total governmental activities	<u>18,166,730</u>	<u>1,525,850</u>	<u>1,680,814</u>	<u>110,323</u>	<u>(14,849,743)</u>	<u>-</u>	<u>(14,849,743)</u>
Business-type activities							
Water	4,284,903	4,897,220	-	-	-	612,317	612,317
Wastewater	4,837,348	3,979,941	-	-	-	(857,407)	(857,407)
Sanitation	1,584,119	1,917,216	-	-	-	333,097	333,097
Stormwater	559,553	864,438	-	-	-	304,885	304,885
Golf operations	746,335	341,908	-	-	-	(404,427)	(404,427)
Total business-type activities	<u>12,012,258</u>	<u>12,000,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,535)</u>	<u>(11,535)</u>
Total primary government	<u>\$ 30,178,988</u>	<u>\$ 13,526,573</u>	<u>\$ 1,680,814</u>	<u>\$ 110,323</u>	<u>(14,849,743)</u>	<u>(11,535)</u>	<u>(14,861,278)</u>
General revenues:							
Taxes:							
Sales and use taxes					14,656,635	-	14,656,635
Property taxes					2,120,808	-	2,120,808
Franchise and public service taxes					730,599	-	730,599
Payment in lieu of tax					420,288	-	420,288
Hotel/motel taxes					264,140	-	264,140
Tax apportionment revenue					204,860	-	204,860
E-911 taxes					299,922	-	299,922
Intergovernmental revenue not restricted to specific programs					278,062	-	278,062
Investment income					144,570	62,710	207,280
Miscellaneous					581,060	152,032	733,092
Transfers - Internal activity					(3,173,437)	3,173,437	-
Total general revenues and transfers					<u>16,527,507</u>	<u>3,388,179</u>	<u>19,915,686</u>
Change in net position					<u>1,677,764</u>	<u>3,376,644</u>	<u>5,054,408</u>
Net position - beginning					<u>36,660,484</u>	<u>2,885,999</u>	<u>39,546,483</u>
Net position - ending					<u>\$ 38,338,248</u>	<u>\$ 6,262,643</u>	<u>\$ 44,600,891</u>

See accompanying notes to the basic financial statements.

**City of Sapulpa
Balance Sheet
Governmental Funds
June 30, 2019**

	General Fund	G.O. Bond Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 855,232	\$ 2,178,788	\$ 5,737,464	\$ 8,771,484
Investments	128,680	518,276	2,607,221	3,254,177
Deposits with insurance pool	171,910	-	-	171,910
Deposits with fiscal agent	-	-	188	188
Accrued interest receivable	635	2,873	8,719	12,227
Due from other funds	120,000	-	-	120,000
Due from other governments	1,006,568	-	1,653,281	2,659,849
Franchise tax receivable	173,560	-	-	173,560
Court fine receivable, net	750,050	-	21,112	771,162
Other receivables	6,631	-	26,360	32,991
Inventory	8,753	-	124,605	133,358
Total assets	<u>\$ 3,222,019</u>	<u>\$ 2,699,937</u>	<u>\$ 10,178,950</u>	<u>\$ 16,100,906</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 239,761	\$ 433,302	\$ 202,290	\$ 875,353
Accrued payroll liabilities	65,286	-	40,507	105,793
Due to other funds	-	-	70,000	70,000
Due to other governments	5,915	-	(1,319)	4,596
Escrow deposit	51,179	-	-	51,179
Refundable court bonds	6,723	-	-	6,723
Total liabilities	<u>368,864</u>	<u>433,302</u>	<u>311,478</u>	<u>1,113,644</u>
DEFERRED INFLOW OF RESOURCES				
Deferred revenue	<u>694,624</u>	<u>1,149</u>	<u>501,076</u>	<u>1,196,849</u>
Fund balances:				
Non-spendable	8,753	-	124,605	133,358
Restricted	-	2,265,486	7,681,480	9,946,966
Assigned	1,335,272	-	1,534,606	2,869,878
Unassigned	814,506	-	25,705	840,211
Total fund balances	<u>2,158,531</u>	<u>2,265,486</u>	<u>9,366,396</u>	<u>13,790,413</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,222,019</u>	<u>\$ 2,699,937</u>	<u>\$ 10,178,950</u>	<u>\$ 16,100,906</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, 2019

Fund Balance - Net Position Reconciliation:	\$ 13,790,413
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 \$31,017,506	55,487,710
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	23,697
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	(230,945)
Water resources fund	(517,248)
Sewer plant sales tax fund	(197,101)
	(945,294)
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:	
Pension related deferred outflows of resources	3,583,389
Deferred amount on general obligation bond refunding	65,781
Deferred revenue	1,196,849
	4,846,019
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	(72,697)
Capital lease obligation	(809,488)
Judgments payable	(533,334)
Revenue bonds	(5,325,000)
General obligation bond	(12,745,000)
Unamortized premium on general obligation bonds	(127,205)
Net pension liability	(10,441,411)
Pension related deferred inflows of resources	(1,790,278)
Total OPEB liability	(1,094,927)
Accrued compensated absences	(1,924,957)
	(34,864,297)
Net Position of Governmental Activities in the Statement of Net Position	\$ 38,338,248

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, 2019

	General Fund	G.O. Bond Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 8,307,526	\$ -	\$ 9,959,640	\$ 18,267,166
Intergovernmental	1,570,628	-	540,286	2,110,914
Charges for services	791,559	-	411,828	1,203,387
Fines and forfeitures	499,383	-	26,185	525,568
Licenses and permits	222,183	-	-	222,183
Investment income	14,424	51,104	90,705	156,233
Miscellaneous	198,039	653,250	322,628	1,173,917
Total revenues	<u>11,603,742</u>	<u>704,354</u>	<u>11,351,272</u>	<u>23,659,368</u>
EXPENDITURES				
Current:				
Administration	1,287,628	-	-	1,287,628
General government	895,268	-	422,665	1,317,933
Legal and judicial	358,609	-	-	358,609
Public safety	10,454,949	60,159	661,732	11,176,840
Urban development	175,012	-	203,941	378,953
Streets	-	-	817,806	817,806
Culture and recreation	531,161	34,322	617,085	1,182,568
Water	-	1,400	832,954	834,354
Wastewater	-	129,050	4,254	133,304
Capital Outlay	495,053	3,114,684	2,374,882	5,984,619
Debt Service:				
Principal	25,841	-	1,904,140	1,929,981
Interest	3,883	-	891,536	895,419
Total expenditures	<u>14,227,404</u>	<u>3,339,615</u>	<u>8,730,995</u>	<u>26,298,014</u>
Excess (deficiency) of revenues over expenditures	<u>(2,623,662)</u>	<u>(2,635,261)</u>	<u>2,620,277</u>	<u>(2,638,646)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,636,058	131,000	1,255,174	7,022,232
Transfers out	(2,941,432)	-	(2,723,110)	(5,664,542)
Proceeds from long-term debt	413,183	-	175,000	588,183
Total other financing sources (uses)	<u>3,107,809</u>	<u>131,000</u>	<u>(1,292,936)</u>	<u>1,945,873</u>
Net change in fund balances	484,147	(2,504,261)	1,327,341	(692,773)
Fund balances - beginning	1,674,384	4,769,747	8,039,055	14,483,186
Fund balances - ending	<u>\$ 2,158,531</u>	<u>\$ 2,265,486</u>	<u>\$ 9,366,396</u>	<u>\$ 13,790,413</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, 2019

Changes in Fund Balance - Changes in Net Position Reconciliation: \$ (692,773)

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

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

Capital asset purchases capitalized	3,678,209
Construction in progress expensed	(350,711)
Book value of disposed capital assets	(35,133)
Capital assets transferred to business-type activities	(1,503,059)
Depreciation expense	(2,116,889)
	(327,583)

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

Change in deferred revenue	(232,928)
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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.

1,820,163

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	34,934
Water Resources Fund	(168,738)
Sewer Plant Sales Tax Fund	(44,585)
	(178,389)

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

Principal payment on capital lease obligation	129,849
Principal payment on judgments payable	309,166
Principal payment on G.O. bonds payable	1,280,000
Principal payment on Revenue bonds payable	470,000
Bond refunding amortization	(11,963)
Bond premium amortization	19,050
Proceeds from notes payable	(588,183)
	1,607,919

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	(24,937)
Change in total OPEB liability	(60,794)
Change in accrued compensated absences	(239,826)
	(325,557)

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	6,912
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Change in net position of governmental activities	\$ 1,677,764
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See accompanying notes to the basic financial statements.

City of Sapulpa
Statement of Net Position
Proprietary Funds
June 30, 2019

	Enterprise Funds			Internal Service Fund
	SMA Utility Fund	Non-major		
		Golf Course Fund	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 607,067	\$ 321,023	\$ 928,090	\$ 73,643
Restricted cash and cash equivalents	696,851	-	696,851	-
Investments	1,410,020	-	1,410,020	-
Interest receivable	9,438	-	9,438	-
Accounts receivable, net	951,734	4,959	956,693	-
Other receivables	321,009	-	321,009	54
Inventory	-	9,390	9,390	-
Total current assets	<u>3,996,119</u>	<u>335,372</u>	<u>4,331,491</u>	<u>73,697</u>
Non-current assets:				
Restricted investments	276,181	-	276,181	-
Prepaid bond insurance	527,907	-	527,907	-
Capital assets:				
Land and other non-depreciable assets	9,604,901	34,960	9,639,861	-
Other capital assets, net of depreciation	51,308,121	651,204	51,959,325	-
Total non-current assets	<u>61,717,110</u>	<u>686,164</u>	<u>62,403,274</u>	<u>-</u>
Total assets	<u>65,713,229</u>	<u>1,021,536</u>	<u>66,734,765</u>	<u>73,697</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	3,874,139	-	3,874,139	-
Total deferred outflows	<u>3,874,139</u>	<u>-</u>	<u>3,874,139</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	574,504	72,541	647,045	-
Accrued payroll liabilities	32,667	8,099	40,766	-
Due to other funds	-	-	-	50,000
Accrued interest payable	376,829	-	376,829	-
Unearned revenue	-	2,842	2,842	-
Due to depositors	64,328	-	64,328	-
Water contract obligations	35,728	-	35,728	-
Revenue bonds payable	1,640,000	-	1,640,000	-
Accrued compensated absences	15,712	2,321	18,033	-
Total current liabilities	<u>2,739,768</u>	<u>85,803</u>	<u>2,825,571</u>	<u>50,000</u>
Non-current liabilities:				
Due to depositors	257,313	-	257,313	-
Notes payable	720,263	-	720,263	-
Water contract obligations	680,333	-	680,333	-
Revenue bonds payable, net	60,265,165	-	60,265,165	-
Accrued compensated absences	144,456	20,893	165,349	-
Total OPEB liability	245,415	132,146	377,561	-
Total non-current liabilities	<u>62,312,945</u>	<u>153,039</u>	<u>62,465,984</u>	<u>-</u>
Total liabilities	<u>65,052,713</u>	<u>238,842</u>	<u>65,291,555</u>	<u>50,000</u>
NET POSITION				
Net investment in capital assets	2,165,935	686,164	2,852,099	-
Restricted for debt service	266,329	-	266,329	-
Unrestricted	2,102,391	96,530	2,198,921	23,697
Total net position	<u>\$ 4,534,655</u>	<u>\$ 782,694</u>	<u>\$ 5,317,349</u>	<u>\$ 23,697</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.

945,294

Net Position of business-type activities

\$ 6,262,643

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, 2019

	<u>Enterprise Funds</u>			<u>Internal Service Fund</u>
	<u>Non-major</u>		<u>Total</u>	
	<u>SMA Utility Fund</u>	<u>Golf Course Fund</u>		
REVENUES				
Water charges	\$ 4,499,075	\$ -	\$ 4,499,075	\$ -
Sewer charges	3,962,441	-	3,962,441	-
Sanitation	1,753,293	-	1,753,293	-
Water taps	22,250	-	22,250	-
Sewer taps	17,500	-	17,500	-
Late charges	185,902	-	185,902	-
Trucked water	163,923	-	163,923	-
Stormwater	864,438	-	864,438	-
Golf course	-	267,888	267,888	-
Self insurance charges	-	-	-	2,793,462
Miscellaneous	189,993	1,520	191,513	-
Total operating revenues	<u>11,658,815</u>	<u>269,408</u>	<u>11,928,223</u>	<u>2,793,462</u>
OPERATING EXPENSES				
General government	241,660	-	241,660	-
Administration	169,568	-	169,568	-
Utility collections	314,131	-	314,131	-
Water treatment plant	1,696,614	-	1,696,614	-
Industrial pretreatment	626,696	-	626,696	-
Wastewater treatment plant	954,925	-	954,925	-
Stormwater management	301,021	-	301,021	-
Sanitation	1,423,685	-	1,423,685	-
Golf course operations	-	636,280	636,280	-
Depreciation expense	1,895,601	106,052	2,001,653	-
Claims expense	-	-	-	2,786,550
Total operating expenses	<u>7,623,901</u>	<u>742,332</u>	<u>8,366,233</u>	<u>2,786,550</u>
Operating income (loss)	<u>4,034,914</u>	<u>(472,924)</u>	<u>3,561,990</u>	<u>6,912</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	56,234	2,118	58,352	-
Miscellaneous	150,833	-	150,833	-
Gain on disposal of capital assets	-	72,500	72,500	-
Interest expense and fiscal charges	(3,230,514)	-	(3,230,514)	-
Total non-operating revenue (expenses)	<u>(3,023,447)</u>	<u>74,618</u>	<u>(2,948,829)</u>	<u>-</u>
Income (loss) before contributions and transfers	1,011,467	(398,306)	613,161	6,912
Capital contributions	3,730,024	212,760	3,942,784	-
Transfers in	5,829,272	380,000	6,209,272	-
Transfers out	<u>(7,566,962)</u>	<u>-</u>	<u>(7,566,962)</u>	<u>-</u>
Change in net position	3,003,801	194,454	3,198,255	6,912
Total net position - beginning	1,530,854	588,240	2,119,094	16,785
Total net position - ending	<u>\$ 4,534,655</u>	<u>\$ 782,694</u>	<u>\$ 5,317,349</u>	<u>\$ 23,697</u>
Change in net position			\$ 3,198,255	

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	(34,934)
Water resources fund	168,738
Sewer plant sales tax fund	44,585
Change in net position of the business-type activities	<u>\$ 3,376,644</u>

City of Sapulpa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	SMA Utility Fund	Golf Course Fund	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 11,593,974	\$ 266,311	\$ 11,860,285	\$ -
Payments to suppliers	(2,561,772)	(173,798)	(2,735,570)	(2,786,550)
Payments to employees	(2,903,978)	(410,221)	(3,314,199)	-
Receipts of customer meter deposits	117,398	-	117,398	-
Refunds of customer meter deposits	(107,025)	-	(107,025)	-
Interfund receipts/payments	-	-	-	50,000
Receipts from others	-	-	-	2,793,462
Net cash provided by (used in) operating activities	<u>6,138,597</u>	<u>(317,708)</u>	<u>5,820,889</u>	<u>56,912</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	5,829,272	380,000	6,209,272	-
Transfers to other funds	(7,566,962)	-	(7,566,962)	-
Net cash provided by (used in) noncapital financing activities	<u>(1,737,690)</u>	<u>380,000</u>	<u>(1,357,690)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(82,621)	(75,249)	(157,870)	-
Proceeds from sale of capital assets	-	72,500	72,500	-
Proceeds from issuance of capital debt	547,950	-	547,950	-
Principal paid on capital debt	(1,644,350)	-	(1,644,350)	-
Interest and fiscal agent fees paid on capital debt	(2,550,840)	-	(2,550,840)	-
Net cash provided by (used in) capital and related financing activities	<u>(3,729,861)</u>	<u>(2,749)</u>	<u>(3,732,610)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (Purchase) of investments	(929,103)	-	(929,103)	-
Interest and dividends	48,737	2,118	50,855	-
Net cash provided by (used in) investing activities	<u>(880,366)</u>	<u>2,118</u>	<u>(878,248)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(209,320)	61,661	(147,659)	56,912
Balances - beginning of year	1,513,238	259,362	1,772,600	16,731
Balances - end of year	<u>\$ 1,303,918</u>	<u>\$ 321,023</u>	<u>\$ 1,624,941</u>	<u>\$ 73,643</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 607,067	\$ 321,023	\$ 928,090	\$ 73,643
Restricted cash and cash equivalents - current	696,851	-	696,851	-
Total cash and cash equivalents, end of year	<u>\$ 1,303,918</u>	<u>\$ 321,023</u>	<u>\$ 1,624,941</u>	<u>\$ 73,643</u>

(Continued)

See accompanying notes to the financial statements.

City of Sapulpa
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	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)	\$ 4,034,914	\$ (472,924)	\$ 3,561,990	\$ 6,912
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	1,895,601	106,052	2,001,653	-
Miscellaneous income	150,833	-	150,833	-
Change in assets and liabilities:				
Total OPEB liability	13,626	7,337	20,963	-
Accounts receivable	(10,927)	1,616	(9,311)	-
Other receivables	(204,320)	-	(204,320)	-
Inventory		8,299	8,299	-
Accounts payable	272,198	52,083	324,281	-
Accrued payroll payable	(16,884)	(8,225)	(25,109)	-
Due to other funds	-	-	-	50,000
Unearned revenue	(427)	(4,713)	(5,140)	-
Deposits subject to refund	10,373	-	10,373	-
Accrued compensated absences	(6,390)	(7,233)	(13,623)	-
Net cash provided by (used in) operating activities	\$ 6,138,597	\$ (317,708)	\$ 5,820,889	\$ 56,912
Noncash activities:				
Contributed capital assets	\$ 3,730,024	\$ 212,760	\$ 3,942,784	\$ -

See accompanying notes to the basic financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Statement No. 88, Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements – GASB 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. See Note 3.F.

Statement No. 83, Certain Asset Retirement Obligations – GASB 83 addresses accounting and financial reporting for certain asset retirement obligations. See Note 4.D.

1.A. FINANCIAL REPORTING ENTITY

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

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

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

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

BLENDED COMPONENT UNITS

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

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

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

1.B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

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

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

Fund Financial Statements:

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

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

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

GOVERNMENTAL FUNDS

General Fund (Major Fund)

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

<u>Account</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.

Major Funds

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

Special Revenue Funds (Nonmajor Funds)

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

<u>Fund</u>	<u>Description</u>
Cemetery Maintenance Fund	Accounts for revenues received from sales tax (2.5% of the second and third penny), lot sales and charges for interment to be used for maintenance and operations of the cemetery. Additional monies are transferred into this fund for right-of-way mowing operations.
Street & Alley Fund	Accounts for revenues received from gasoline excise tax, motor vehicle tax and expenditures made for street maintenance and operations.
Parks & Recreation Fund	Accounts for revenues received from sales tax (5% of the second and third penny) and from other sources to be used for parks and leisure services.
Federal SAF Fund	Accounts for monies received from federal drug seizures. All monies and property received must be used for law enforcement purposes only.
Major Thoroughfare Fund	Accounts for revenue received from sales tax (5% of the second and third penny) and expenditures for major thoroughfares.
Water & Sewer Sales Tax Fund	Accounts for revenues received from sales tax (10% of the second and third penny) and expenditures made for maintenance, operations and capital outlay.
Spay & Neuter Fund	Accounts for monies received for and expenditures related to spaying and neutering.
E911 Fund	Accounts for revenues received from tariff rates on base line telephone charges and expenditures for operations and maintenance of the E-911 system.
Juvenile Justice Fund	Accounts for revenues received and expenditures related to the municipal juvenile court and/or any juvenile programs.
Hotel/Motel Tax Fund	Accounts for revenues received from Hotel/Motel Tax and expenditures for operations of the Sapulpa Economic Development Department, promoting tourism, and park capital improvements.
Polson Apportionment Fund	Accounts for all apportioned ad valorem tax levies within the Polson Industrial Park Increment District and payment of project costs with the same.
Grants & Aid Fund	Accounts for revenue received and expenditures made for all grant projects, except for library grants and aid.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

Capital Project Fund (Nonmajor Funds)

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

<u>Fund</u>	<u>Description</u>
Restricted Construction Park & Recreation Fund	Accounts for revenue received and expenditures made exclusively for the acquisition of new park lands and/or capital and maintenance improvements of such new parks.
Park Development Fund	Accounts for revenue received from the Hotel/Motel Tax fund and expenditures for the acquisition of new park lands and/or making capital improvements to parks.
Fire Cash Fund	Accounts for revenue received from sales tax (2.5% of the second and third penny) and for expenditures for capital improvements.
Police Cash Fund	Accounts for revenue received from sales tax (2.5% of the second and third penny) and for expenditures for capital improvements.
Cemetery Care Fund	Accounts for revenues received from 12.5% of cemetery lot sales and interments. Per state statute, the principal can only be used for the purchase of land and for making permanent capital improvements. The interest can be used for improving, caring for and embellishing lots, walks, drives, parks and other improvements in such cemeteries and maintenance of office and care of records.
Capital Improvement Fund	Accounts for revenues received from sales tax (10% of the second and third penny) and other sources and expenditures for capital improvements in an amount of \$7,500 or greater in value with an estimated life of three years or more.
Water Resources Fund	Accounts for revenues received from sales tax (20% of the second and third penny) and expenditures made for water systems capital improvements.
Economic Development Sales Tax	Accounts for revenues received from ½ cent dedicated sales tax (only effective for the portion of Sapulpa in Tulsa County) for the promotion of economic development.
Street Improvement Sales Tax	Accounts for revenues received from ½ cent dedicated sales tax, transfers made to the SMA for debt service payments, and expenditures made for capital outlay.
Sewer Plant Sales Tax	Accounts for revenues received from ½ cent dedicated sales tax, transfers made to the SMA for debt service payments, and expenditures made for capital outlay.
Series 2014 Street Capital Improvement Fund	Accounts for the use of bond proceeds from the Series 2014 Street Capital Improvement bonds.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

Debt Service Fund (Nonmajor Fund)

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

PROPRIETARY FUNDS

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

Enterprise Funds (Major Funds)

<u>Fund</u>	<u>Description</u>
Sapulpa Municipal Authority Utility	Accounts for revenues of the public trust from providing water, wastewater and sanitation services to the public. Included accounts of the SMA:
Sewer System Development & Extension Fee Account	Accounts for revenues received from sewer system development and extension fees associated with the sewer expansion program, related expenses, and to account for funds being placed in escrow which are received from developers.
Stormwater Management Account	Accounts for revenues received from stormwater management fees and expenditures made for stormwater maintenance and operations.
Series 2012 Revenue Bond Construction Account	Accounts for bond proceeds used to construct utility capital assets.
SMA Golf Course Fund	Accounts for revenues received from fees and operational expenses associated with the golf course.

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 leases are reported as other financial sources.

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

Cash and Cash Equivalents

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

Investments

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

Receivables

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

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

Inventories

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

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

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

Capital Assets and Depreciation

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

Government-Wide Statements and Proprietary Funds

In the government-wide financial statements and proprietary funds, property, plant and equipment are accounted for as capital assets. The City's capitalization threshold was \$2,000 for the year ended June 30, 2019. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition fair value at the date of donation. General infrastructure assets (such as roads, bridges, and traffic systems) acquired prior to July 1, 2002, are reported at estimated historical cost using deflated replacement costs. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the asset or materially extend the assets' useful lives are not capitalized.

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

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

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

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

Restricted Assets

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

Long-Term Debt

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

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

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

Pensions

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

Compensated Absences

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

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

Equity Classification

Government-Wide and Proprietary Fund Financial Statements:

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

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

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

Governmental Fund Financial Statements:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance.
- d. Assigned – includes amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

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

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

1.E. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

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

Government-Wide Financial Statements:

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

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

Fund Financial Statements:

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

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

1.F. REVENUES, EXPENDITURES AND EXPENSES

Sales Tax

The City presently levies a four and one-half cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. One cent of the sales tax received is to be recorded as sales tax revenue within the General Fund, one-half cent in the Street Improvement Sales Tax Fund, one-half cent in the Sewer Plant Sales Tax Fund, one-half cent in the Economic Sales Tax Fund (only effective for the portion of Sapulpa in Tulsa County) and the remaining two cents distributed to various funds based on various percentages.

CITY OF SAPULPA
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These percentages, initially set by ordinance, have been further restricted by management and governing body approval as follows:

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

In accordance with the 2012 and 2013 sales tax agreements of their respective bond indentures, sales tax has been pledged for the payment of principal and interest on the indebtedness. The 2012 and 2013 revenue bond indentures state that 40% of two cents of the sales tax levied and assessed pursuant to the City's ordinances is pledged for the payment of those debt issues. In addition, ½ of one cent recorded in the Street Improvement Sales Tax Fund has been pledged for payment on the 2014 Capital Improvement Revenue Bonds.

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

Property Tax

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

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

General Obligation Bonds

- 2010 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

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.

CITY OF SAPULPA
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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, 2019, the City's net assessed valuation of taxable property was \$151,832,504. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2019, was \$14.35.

Expenditures/Expenses

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

1.G. USE OF ESTIMATES

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

2.A. DEPOSITS AND INVESTMENT LAWS AND REGULATIONS

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at no more than market value. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, surety bonds or certain letters of credit. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., the City's uninsured deposits were sufficiently collateralized in accordance with these provisions for the year ended June 30, 2019.

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.

CITY OF SAPULPA
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- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c., and d.

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

2.B. DEBT RESTRICTIONS AND COVENANTS

General Obligation Debt

Article 10, Sections 26 and 27 of the Oklahoma Constitution limits the amount of certain outstanding general obligation bonded debt of the municipality for non-utility or non-street purposes to no more than 10% of net assessed valuation. For the year ended June 30, 2019, 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, 2019:

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

CITY OF SAPULPA
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b. Revenue Bond Coverage:

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

Net revenues available amounted to \$10,231,281. The avg. annual debt service was \$4,102,794. Actual coverage was 2.49 times.

c. Reserve Account Requirements:

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

The Authority purchased a financial security assurance municipal bond debt service reserve insurance policy with a \$1,642,550 fair value.

2013 Refunding Revenue Bonds:
Insurance policy fair value to be \$2,473,088.

The Authority purchased a financial security assurance municipal bond debt service reserve insurance policy with a \$2,473,088 fair value.

2.C. FUND EQUITY / NET POSITION RESTRICTIONS

Restricted Net position

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

2.D. BUDGETARY COMPLIANCE

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

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

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

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

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

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, 2019:

<u>Type</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Carrying Value</u>
Deposits:			
Demand deposits			\$ 7,902,186
Cash on hand			4,021
Time deposits	Due within one year		4,287,102
Time deposits	Due in 1 - 5 years		518,276
			<u>\$ 12,711,585</u>
Investments:			
Trustee money market accounts - Federated Treasury Obligations Fund		AAAm	\$ 2,563,861
U.S. Treasury HH Savings Bonds	7/1/2022		35,000
Judgments			100,000
			<u>2,698,861</u>
Total deposits and investments			<u><u>\$ 15,410,446</u></u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents			10,470,068
Investments			4,940,378
			<u><u>\$ 15,410,446</u></u>

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

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

At June 30, 2019, the City was not exposed to custodial credit risk as defined above.

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

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

As noted in the schedule of deposits and investments above, at June 30, 2019, 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, 2019, the City had no concentration of credit risk as defined above.

3. B. RESTRICTED ASSETS

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

The restricted assets as of June 30, 2019 were as follows:

	Current Cash and cash Equivalents	Noncurrent Investments
Utility Deposits	53,693	\$ 276,181
Trustee Accounts:		
2012 Bond Fund	12,619	-
2012 Sinking Fund	69	-
2013 Bond Fund	630,470	-
Total	\$ 696,851	\$ 276,181

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

Accounts receivable of the governmental and business-type activities consist of court fines receivable, customer utilities services provided, both billed and unbilled, and golf services due at year end, all reported net of allowance for uncollectible amounts. Also, property taxes receivable reported as Due from Other Governments in the Debt Service Fund are reported net of allowance for uncollectible amounts.

	Utilities			Total	Property Tax		Other Due from		Court Fines
	Receivable	Golf	Other		Receivable	Other Governments	Total	Receivable	
Accounts receivable	\$ 3,144,600	\$ 4,959	\$ -	\$ 3,149,559	941,143	\$ 1,706,990	2,648,133	\$ 3,698,996	
Less: allowance for uncollectible accounts	(2,192,866)	-	-	(2,192,866)	(469,499)	-	(469,499)	(2,927,834)	
Accounts receivable, net of allowance	\$ 951,734	\$ 4,959	\$ -	\$ 956,693	\$ 471,644	\$ 1,706,990	\$ 2,178,634	\$ 771,162	

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
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3. D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Balance at July 1, 2018	Additions	Transfers	Disposals	Balance at June 30, 2019
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,859,056	\$ -	\$ -	\$ -	\$ 4,859,056
Construction in progress	5,641,626	2,624,223	(3,573,650)	(350,712)	4,341,487
Total capital assets not being depreciated	<u>10,500,682</u>	<u>2,624,223</u>	<u>(3,573,650)</u>	<u>(350,712)</u>	<u>9,200,543</u>
Other capital assets:					
Buildings	12,511,815	-	-	-	12,511,815
Other improvements	3,868,092	-	-	-	3,868,092
Machinery and equipment	14,791,125	1,053,986	-	-	15,845,111
Infrastructure	43,376,529	-	2,070,591	(367,465)	45,079,655
Total other capital assets at historical cost	<u>74,547,561</u>	<u>1,053,986</u>	<u>2,070,591</u>	<u>(367,465)</u>	<u>77,304,673</u>
Less accumulated depreciation for:					
Buildings	(4,409,424)	(244,925)	-	-	(4,654,349)
Other improvements	(1,923,948)	(178,994)	-	-	(2,102,942)
Machinery and equipment	(8,811,599)	(699,818)	-	-	(9,511,417)
Infrastructure	(14,087,979)	(993,152)	-	332,333	(14,748,798)
Total accumulated depreciation	<u>(29,232,950)</u>	<u>(2,116,889)</u>	<u>-</u>	<u>332,333</u>	<u>(31,017,506)</u>
Other capital assets, net	<u>45,314,611</u>	<u>(1,062,903)</u>	<u>2,070,591</u>	<u>(35,132)</u>	<u>46,287,167</u>
Governmental activities capital assets, net	<u>\$ 55,815,293</u>	<u>\$ 1,561,320</u>	<u>\$ (1,503,059)</u>	<u>\$ (385,844)</u>	<u>\$ 55,487,710</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	3,280,598	2,100,965	(727,909)	-	4,653,654
Total capital assets not being depreciated	<u>8,266,805</u>	<u>2,100,965</u>	<u>(727,909)</u>	<u>-</u>	<u>9,639,861</u>
Other capital assets:					
Buildings	3,844,087	-	-	-	3,844,087
Other improvements	1,679,178	-	-	-	1,679,178
Utility property	73,000,474	-	1,362,591	(16,827)	74,346,238
Machinery and equipment	4,627,842	496,636	-	(198,750)	4,925,728
Infrastructure	5,359,046	-	868,377	-	6,227,423
Total other capital assets at historical cost	<u>88,510,627</u>	<u>496,636</u>	<u>2,230,968</u>	<u>(215,577)</u>	<u>91,022,654</u>
Less accumulated depreciation for:					
Buildings	(1,528,141)	(77,475)	-	-	(1,605,616)
Other improvements	(1,325,662)	(60,594)	-	-	(1,386,256)
Utility property	(30,193,280)	(1,422,961)	-	16,827	(31,599,414)
Machinery and equipment	(3,396,395)	(272,439)	-	198,750	(3,470,084)
Infrastructure	(833,770)	(168,189)	-	-	(1,001,959)
Total accumulated depreciation	<u>(37,277,248)</u>	<u>(2,001,658)</u>	<u>-</u>	<u>215,577</u>	<u>(39,063,329)</u>
Other capital assets, net	<u>51,233,379</u>	<u>(1,505,022)</u>	<u>2,230,968</u>	<u>-</u>	<u>51,959,325</u>
Business-type activities capital assets, net	<u>\$ 59,500,184</u>	<u>\$ 595,943</u>	<u>\$ 1,503,059</u>	<u>\$ -</u>	<u>\$ 61,599,186</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	\$	148,957
Legal and judicial		107
Public safety		547,787
Urban development		2,279
Streets		1,129,999
Culture and recreation		287,760
Total governmental activities depreciation expense	<u>\$</u>	<u>2,116,889</u>

Depreciation expense charged to business-type activities:

Water	\$	648,491
Wastewater		1,001,105
Sanitation		41,226
Stormwater		204,784
Golf course		106,052
Total business-type activities depreciation expense	<u>\$</u>	<u>2,001,658</u>

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

3. E. WATER RIGHTS CONTRACT

The Sapulpa Municipal Authority (SMA) entered into three agreements with the United States of America for water storage space in Skiatook Lake. In consideration of the right to utilize the aforesaid storage space in the project for municipal and industrial supply purposes, the SMA agreed to pay costs in the amount of \$4,915,486 (which is the balance of the unamortized water rights reported as capital assets at June 30, 2019), 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, 2019 is \$716,063. 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, 2019, the governmental activities long-term debt consisted of the following:

General Obligation Bonds:

\$2,865,000 General Obligation Bonds of 2015A, due in annual installments of \$150,000, final installment of \$15,000 due October 1, 2035, with interest rates at 2.50% to 3.15%	\$2,565,000
\$925,000 General Obligation Bonds of 2016, due in annual installments of \$100,000, final installment of \$125,000 due June 1, 2025, with interest rates at 2.50% to 3.00%	625,000

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\$6,800,000 General Obligation Bonds of 2010, due in annual installments of \$350,000, final installment of \$500,000 due June 1, 2030, with interest rates at 3.75% to 4.25%	4,000,000
\$2,450,000 Refunding General Obligation Bonds of 2012A, due in annual installments varying from \$300,000 to \$190,000 with final maturity of June 1, 2023, with interest rates at 1.6% to 4%	850,000
\$3,720,000 Refunding General Obligation Bonds of 2012B, due in annual installments varying from \$425,000 to \$260,000 with final maturity of June 1, 2024, with interest rates at 1.6% to 4%	1,505,000
\$3,750,000 General Obligation Bonds of 2015, due in annual installments varying from \$150,000 to \$200,000 with a final maturity of June 1, 2035, with interest rates at 2.0%-3.1%	<u>3,200,000</u>
Total General Obligation Bonds	\$12,745,000
Plus: Unamortized Premium	<u>127,205</u>
Total General Obligation Bonds, net	<u>\$12,872,205</u>
Current portion	\$ 1,295,000
Non-current portion, net	<u>11,577,205</u>
Total General Obligation Bonds	<u>\$12,872,205</u>

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, interest rates from 2.0% to 3.3%, final maturity on July 1, 2029	<u>\$5,325,000</u>
Total Revenue Bonds Payable	<u>\$5,325,000</u>
Current portion	\$475,000
Non-current portion	<u>4,850,000</u>
Total Revenue Bonds	<u>\$5,325,000</u>

Capital Lease Obligations:

\$126,478 capital lease with De Lage Landen Public Finance copiers payable in monthly installments of \$2,327, final payment due April 2022 with interest rate at 3.96%; lease must be renewed annually	\$72,644
\$325,000 capital lease with American Hertiage Bank for meters payable in quarterly installments of \$12,685, final payment due October 2022 with interest rate at 2.55%	168,976
\$7,234 capital lease with De Lage Landen Public Finance copiers payable in monthly installments of \$150, final payment due June 2022 with interest rate at 8.95%; lease must be renewed annually	4,605
\$175,000 capital lease with American Heritage Bank for 50 Yamaha Golf Carts payable in quarterly installments of \$11,696, final payment due August 2022 with interest rate at 3.50%; lease must be renewed annually	143,130

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\$413,183 capital lease with Spillman Technologies for software and hardware CAD System payable in annual installments of \$62,499, final payment due January 2026 with interest rate at 1.45%; lease must be renewed annually	413,183
\$169,058 capital lease with First United Bank & Trust for asphalt paver and distributor payable in quarterly installments of \$6,736, final payment due August 2019 with interest rate at 3.05%; lease must be renewed annually	<u>6,950</u>
Total Capital Lease Obligations	<u>\$809,488</u>
Current portion	\$ 179,543
Non-current portion	<u>629,945</u>
Total Capital Lease Obligations	<u>\$809,488</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	\$ 192,496
Non-current portion	<u>1,732,461</u>
Total Accrued Compensated Absences	<u>\$1,924,957</u>

Judgment Payable:

\$800,000 judgment payable (David Bennett Living Trust) payable in Annual installments of \$266,667, final payment due December 2021, with interest at the statutory rate of 5.5%	<u>\$533,334</u>
Total Judgments Payable	<u>\$533,334</u>
Current portion	\$266,667
Non-current portion	<u>266,667</u>
Total Judgments Payable	<u>\$533,334</u>

Business-Type Activities Long-Term Debt

At June 30, 2019, the long-term debt payable from enterprise fund resources consisted of the following:

Revenue Bonds Payable:

2012 Refunding Series Revenue Bonds original issue amount of \$27,675,000, dated July 1, 2012, issued by Sapulpa Municipal Authority, secured by utility revenue and pledged sales tax, variable interest rate from 5.00% to 2.00%, final maturity on July 1, 2042	\$23,985,000
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CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

2013 Refunding Series Revenue Bonds original issue amount of	
\$42,320,000, dated July 1, 2012, issued by Sapulpa Municipal Authority, secured by utility revenue and pledged sales tax, interest rate from 5.00% to 1.60%, final maturity on July 1, 2043	<u>37,185,000</u>
Total Revenues Bonds Payable	61,170,000
Less: Unamortized Bond Discount – 2012 Series	(206,551)
Add: Unamortized Bond Premium – 2013 Series	<u>941,716</u>
Total Revenue Bonds Payable, net	<u>\$61,905,165</u>
Current portion	\$1,640,000
Non-current portion, net	<u>60,265,165</u>
Total Revenue Bonds Payable, net	<u>\$61,905,165</u>

Note Payable (direct borrowing):

\$7,850,000 note payable direct borrowing debt with Oklahoma Water Resources Resources Board used for wastewater system improvements, payable in semi-annual installments, final payment due September 2046, secured by water, sewer and sanitation net revenues and 1.3% sales tax, interest rate of 2.58%. In the event of default the lender may: 1) file suit for specific performance covenants, 2) accelerate the payment of principal and interest accrued on all notes, 3) appoint temporary trustees to take over, operate, and maintain the System, 4) file suit to enforce or enjoin action or inaction of parties under provisions of the note or sales tax agreement, 5) interest rate increases to 14% from date of default until date of payment	
	<u>\$ 720,263</u>
Total Note Payable	<u>\$ 720,263</u>
Current portion	\$ -0-
Non-current portion	<u>720,263</u>
Total Notes Payable	<u>\$ 720,263</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	\$ 18,033
Non-current portion	<u>165,351</u>
Total Accrued Compensated Absences	<u>\$183,384</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 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, interest rate 4.012%.	\$338,747
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CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
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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, interest rate 4.012%.	<u>377,314</u>
Total Water Contract Obligations	<u>\$716,061</u>
Current portion	\$ 35,728
Non-current portion	<u>680,333</u>
Total Water Contract Obligations	<u>\$716,061</u>

Due to Depositors:

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

Current portion	\$64,328
Non-current portion	<u>257,311</u>
Total Due to Depositors	<u>\$321,639</u>

Defeased Bonds Outstanding

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

1998 Series Capital Improvement Revenue Bonds – Defeased	\$4,001,000
2003A Series Revenue Bonds	<u>4,700,000</u>
Total Defeased Bonds Outstanding	<u>\$8,701,000</u>

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2019:

<u>Type of Debt</u>	<u>Balance July 01, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 14,025,000	\$ -	\$ 1,280,000	\$ 12,745,000	\$ 1,295,000
Revenue bonds payable	5,795,000	-	470,000	5,325,000	475,000
Capital lease obligation	351,154	588,183	129,849	809,488	179,543
Judgments payable	842,500	-	309,166	533,334	266,667
Accrued compensated absences	1,685,131	835,944	596,118	1,924,957	192,496
Total Governmental Activities	<u>\$ 22,698,785</u>	<u>\$ 1,424,127</u>	<u>\$ 2,785,133</u>	21,337,779	<u>\$ 2,408,706</u>
Unamortized bond premiums/discounts				127,205	
Total OPEB Liability				1,094,927	
Net Pension Liability				10,441,411	
Net Long-term Debt				<u>\$ 33,001,322</u>	
Reconciliation to Government-Wide Statement of Net Position:					
Due in One Year				\$ 2,408,706	
Due in More than One Year				30,592,616	
				<u>\$ 33,001,322</u>	
Business-Type Activities:					
Due to depositors	\$ 311,267	\$ 117,398	\$ 107,026	\$ 321,639	\$ 64,328
Water contract obligations (direct borrowing)	750,411	-	34,350	716,061	35,728
Notes payable (direct borrowing)	172,313	547,950	-	720,263	-
Revenue bonds payable	62,780,000	-	1,610,000	61,170,000	1,640,000
Accrued compensated absences	197,006	79,638	93,260	183,384	18,033
Total Business-Type Activities	<u>\$ 64,210,997</u>	<u>\$ 744,986</u>	<u>\$ 1,844,636</u>	63,111,347	<u>\$ 1,758,089</u>
Total OPEB Liability				377,561	
Unamortized bond premiums/discounts				735,165	
Net Long-term Debt				<u>\$ 64,224,073</u>	
Reconciliation to Government-Wide Statement of Net Position:					
Due in One Year				1,758,089	
Due in More than One Year				62,465,984	
				<u>\$ 64,224,073</u>	

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt, excluding accrued compensated absences, due to depositors, estimated claims liability, net pension liability and total OPEB liability as of June 30, 2019 are as follows:

<u>Year Ending June 30,</u>	<u>GOVERNMENTAL ACTIVITY DEBT</u>							
	<u>Capital Lease Obligations</u>		<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Judgments Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 179,543	\$ 17,208	\$ 1,295,000	\$ 369,261	\$ 475,000	\$ 151,228	\$ 266,667	\$ 34,667
2021	177,022	12,727	1,305,000	335,979	485,000	141,727	266,667	17,333
2022	175,012	7,681	1,315,000	306,723	495,000	131,421	-	-
2023	95,723	3,843	1,330,000	270,627	505,000	119,665	-	-
2024	59,857	2,642	1,110,000	233,643	515,000	104,515	-	-
2025-2029	122,331	2,667	3,625,000	769,350	2,850,000	277,405	-	-
2030-2034	-	-	2,250,000	240,515	-	-	-	-
2035-2036	-	-	515,000	16,299	-	-	-	-
Totals	<u>\$ 809,488</u>	<u>\$ 46,768</u>	<u>\$ 12,745,000</u>	<u>\$ 2,542,397</u>	<u>\$ 5,325,000</u>	<u>\$ 925,961</u>	<u>\$ 533,334</u>	<u>\$ 52,000</u>

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

Year Ending June 30,	BUSINESS-TYPE ACTIVITY DEBT					
	Revenue Bonds Payable		Direct Borrowing Notes Payable		Direct Borrowing Water Contract Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,640,000	\$ 2,473,715	\$ -	\$ 105,489	\$ 35,728	\$ 28,050
2021	1,670,000	2,439,953	115,000	197,588	37,867	26,590
2022	1,710,000	2,401,377	220,000	200,908	39,386	25,071
2023	1,750,000	2,358,078	220,000	195,153	40,967	23,490
2024	1,805,000	2,303,887	230,000	189,848	42,610	21,847
2025-2029	10,350,000	10,199,638	1,230,000	853,993	240,108	82,177
2030-2034	12,960,000	7,592,988	1,405,000	682,785	279,395	29,951
2035-2039	15,895,000	4,621,987	1,600,000	488,224	-	-
2039-2043	13,390,000	1,265,356	1,825,000	265,880	-	-
2044-2047	-	-	1,005,000	39,825	-	-
Totals	<u>\$ 61,170,000</u>	<u>\$ 35,656,979</u>	<u>\$ 7,850,000</u>	<u>\$ 3,219,693</u>	<u>\$ 716,061</u>	<u>\$ 237,176</u>
Amount left to draw			(7,129,737)			
			<u>\$ 720,263</u>			

Pledge of Future Revenues

Sales Tax and Utility Net Revenues Pledge - The City has pledged 40% of two cents (or 20%) of future sales tax revenues and net utility revenues to repay the following revenue bonds: \$27,675,000 2012 Refunding Revenue Bonds, and \$42,320,000 2013 Refunding Revenue Bonds. Proceeds from the bonds provided for the purchase or construction of capital assets. The bonds are payable from pledged sales tax revenues and net utility revenues. These bonds are payable through 2043. The total principal and interest payable for the remainder of the life of these bonds is \$96,826,979. Pledged sales taxes received in the current year were \$4,244,532 and net utility revenues were \$5,986,749 for total pledged revenues of \$10,231,281. Debt service payments of \$4,113,765 for the current fiscal year were 40.2% of total pledged revenues for these bonds.

3.G. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables at June 30, 2019, were as follows:

Receivable Fund	Payable Fund	Amount	Nature of Interfund Balance
General Fund	Insurance Fund	\$ 50,000	Temporary loan of cash
General Fund	Grants & Aids Fund	45,000	Temporary loan of cash
General Fund	Sewer Improvement Sales Tax Fund	25,000	Temporary loan of cash
		<u>\$ 120,000</u>	

Reconciliation to Fund Financial Statements:

	Due From	Due to	Net Interfund Balances
Governmental Funds	\$ 120,000	\$ (70,000)	\$ 50,000
Internal Service Funds	-	(50,000)	(50,000)
	<u>\$ 120,000</u>	<u>\$ (120,000)</u>	<u>\$ -</u>

Reconciliation to Statement of Net Position:

Net Interfund Balances	\$ -
BTA- Special Revenue Funds	25,000
Internal Balances	<u>\$ 25,000</u>

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

Interfund transfers for the year ended June 30, 2019 were as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	SMA	\$ 2,637,532	Pledged sales tax - bond indenture
General Fund	E-911	150,000	Supplemental operating transfer
General Fund	Restricted Construction Park/Rec Fund	22,900	Required revenue transfer
General Fund	GO Bond Construction Fund	131,000	Supplemental for capital project
SMA	General Fund	2,740,000	Supplemental operating transfer
SMA	General Fund	2,637,532	Return of pledged sales tax
SMA	Golf Course Fund	380,000	Supplemental operating transfer
SMA	Street and Alley	360,000	Supplemental operating transfer
SMA	Water & Sewer Sales Tax Fund	677,950	Supplemental operating transfer
SMA	Parks & Recreation Fund	307,000	Supplemental operating transfer
SMA	Cemetery Maintenance Fund	150,000	Supplemental operating transfer
SMA	Grants & Aid Fund	46,480	Grant program contribution
SMA	Library Fund	233,000	Supplemental operating transfer
SMA	Hunting & Fishing Fund	15,000	Supplemental operating transfer
Federal SAF	Grants & Aid Fund	5,670	Grant program contribution
Polson Apportionment Fund	General Fund	5,000	Supplemental operating transfer
Stormwater Management Fund	Street and Alley	20,000	Supplemental operating transfer
Cemetery Maintenance Fund	Cemetery Care Fund	10,759	12.5% revenue transfer - state law
Hotel/Motel Tax Fund	Park Development Fund	47,813	Required revenue transfer
Sewer Plant Sales Tax Fund	SMA	1,610,000	Supplemental for debt service
GO Sinking Fund	General Fund	5,526	Interest earnings
Water Resource Fund	SMA	1,033,790	Supplemental for debt service
Water Resource Fund	Water & Sewer Sales Tax Fund	4,552	Supplemental operating transfer
Total		<u>\$ 13,231,504</u>	

	Transfers In	Transfers Out	Reconciliation - BTA - Special Revenue Funds	Reclass BTA Sales Tax	Capital Asset Activity	Net Transfers/ Internal Activity
Reconciliation to Fund Financial Statements:						
Governmental Funds	\$ 7,022,232	\$ (5,664,542)	\$ 2,513,790	\$ (3,639,345)	\$ (3,405,572)	\$ (3,173,437)
Proprietary Funds	6,209,272	(7,566,962)	(2,513,790)	3,639,345	3,405,572	3,173,437
Total Transfers	<u>\$ 13,231,504</u>	<u>\$ (13,231,504)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

3.H. ALLOCATION OF INDIRECT EXPENSES

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

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

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

3.I. FUND BALANCES AND NET POSITION

Fund Balance

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	General Fund	G.O. Bond Construction	Other Governmental Funds	TOTAL
Fund Balances:				
Nonspendable:				
Inventory	\$ 8,753	-	\$ 124,605	\$ 133,358
Sub-total Nonspendable	8,753	-	124,605	133,358
Restricted for:				
Law enforcement	-	-	99,847	99,847
Major Thoroughfares	-	-	475,671	475,671
Increment District	-	-	277	277
Animal control	-	-	5,464	5,464
Juvenile Justice programs	-	-	29,397	29,397
Economic Development	-	-	730,587	730,587
Capital Improvements	-	2,265,486	5,370,178	7,635,664
Debt Service	-	-	970,059	970,059
Sub-total Restricted	-	2,265,486	7,681,480	9,946,966
Assigned to:				
Subsequent Year Budget	1,162,049	-	-	1,162,049
Hunting & Fishing	36,115	-	-	36,115
Library	83,798	-	-	83,798
Swimming Pool	53,310	-	-	53,310
Streets	-	-	184,580	184,580
Cemetery	-	-	94,314	94,314
Parks	-	-	137,177	137,177
Major Thoroughfares	-	-	106,666	106,666
Water & Sewer maintenance	-	-	181,585	181,585
Animal control	-	-	553	553
E911	-	-	49,648	49,648
Juvenile Justice programs	-	-	904	904
Economic Development	-	-	56,909	56,909
Capital Improvements	-	-	722,270	722,270
Sub-total Assigned	1,335,272	-	1,534,606	2,869,878
Unassigned	814,506	-	25,705	840,211
TOTAL FUND BALANCES	\$ 2,158,531	2,265,486	\$ 9,366,396	\$ 13,790,413

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, 2019, is comprised of the following:

Enterprise Funds:	
2012 Revenue Bond Trust Accounts	12,688
2013 Revenue Bond Trust Accounts	630,470
Restricted per bond indenture	643,158
Less: Accrued interest payable	(376,829)
Total Restricted for Debt Service	<u>\$ 266,329</u>

NOTE 4. OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

The City participates in three employee pension systems as follows:

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

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

	<u>Governmental Activities</u>
Net Pension Liability (Asset)	
Police Pension System	\$ (358,222)
Firefighter's Pension System	10,799,633
Total Net Pension Liability	<u>\$ 10,441,411</u>
Deferred Outflows of Resources	
Police Pension System	\$ 655,778
Firefighter's Pension System	2,927,611
Total Deferred Outflows of Resources	<u>\$ 3,583,389</u>
Deferred Inflows of Resources	
Police Pension System	\$ 363,365
Firefighter's Pension System	1,426,913
Total Deferred Inflows of Resources	<u>\$ 1,790,278</u>

Oklahoma Police Pension and Retirement System

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

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

CITY OF SAPULPA
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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 \$309,869. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$297,490 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$293,496. 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, 2019, the City reported an asset of \$358,222 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2018. 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, 2018. Based upon this information, the City's proportion was 0.7520145%.

For the year ended June 30, 2019, the City recognized pension expense of \$243,601. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,116	\$ 335,654
Changes of assumptions	156,449	-
Net difference between projected and actual earnings on pension plan investments	186,539	-
Changes in proportion	-	23,904
City contributions during measurement date	805	3,807
City contributions subsequent to the measurement date	309,869	-
Total	<u>\$ 655,778</u>	<u>\$ 363,365</u>

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
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The \$309,869 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase/decrease of the net pension asset/liability in the year ended June 30, 2020. 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:		
2020	\$	177,774
2021		64,731
2022		(203,232)
2023		(66,369)
2024		9,640
	<u>\$</u>	<u>(17,456)</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	3.5% to 10% 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:	<p>Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.</p> <p>Active employees (post-retirement): RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.</p> <p>Disabled pensioners: Blue Collar Healthy Combined table with age set forward 4 years.</p>

The actuarial assumptions used in the July 1, 2018, 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, 2018, are summarized in the following table:

CITY OF SAPULPA
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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	4.53%
Domestic equity	5.86%
International equity	8.83%
Real estate	6.58%
Private equity	9.21%
Commodities	5.06%

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

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability (asset)	\$ 1,661,681	\$ (358,222)	\$ (2,065,821)

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 \$419,008. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$975,727 (modified-accrual); these on-behalf payments did not meet the criteria of a special funding situation. For full-accrual reporting the amount of on-behalf payments made were \$962,614.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2019, the City reported a liability of \$10,799,633 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2018. Based upon this information, the City's proportion was 0.959416% percent.

For the year ended June 30, 2019, the City recognized pension expense of \$(78,767). At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,255,739	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	897,361
Changes in proportion and differences between City contributions and proportionate share of contributions	250,009	513,583
City contributions during the measurement date	2,855	15,969
City contributions subsequent to the measurement date	419,008	-
Total	\$ 2,927,611	\$ 1,426,913

The \$419,008 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, 2020. 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:

2020	\$ 395,243
2021	277,414
2022	(18,455)
2023	275,722
2024	151,766
Total	\$ 1,081,690

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	4.37%
Domestic equity	47%	7.01%
International equity	15%	8.83%
Real estate	10%	6.58%
Other assets	8%	5.70%

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:

	<u>1% Decrease</u> 6.5%	<u>Current Discount</u> Rate 7.5%	<u>1% Increase</u> 8.5%
City's proportionate share of the net pension liability	\$ 14,145,382	\$ 10,799,633	\$ 7,989,724

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

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, 2019, the following amounts related to the defined contribution plan:

Employee contributions made	\$ 121,795
Employer (City) contributions made	\$ 118,799

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 make a contribution 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 2019 were \$10,938 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	172
Inactives or beneficiaries currently receiving benefit payments	<u>8</u>
Total	<u>180</u>

Total OPEB Liability – The City’s total OPEB liability of \$1,472,488 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions - The total OPEB liability as of June 30, 2019 was determined based on an actuarial valuation prepared as of June 30, 2018 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 3.88%, based on June 30, 2018 published Bond Buyer GO 20 Index
- Termination – Civilian employees are based on withdrawal assumptions used in the OkMRF 2018 actuarial report. Rates for police and firefighters are based on termination assumptions in the 2017 OPPRS and OFPRS 2017 actuarial valuation reports.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

- Retirement Age:

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

Years of Service	Retirement Rate	
	Police	Fire
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 rates - Plan year dependent rates graded from 4.87% to 6.09%
- Mortality Rates - The RPH-2014 Total mortality table is a current mortality table used for valuation purposes and the MP-2017 mortality projection used is the most current available.

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

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

	Total OPEB Liability
Balances Beginning of Year	\$ 1,390,731
Changes for the Year:	
Service cost	80,529
Interest expense	52,957
Changes in assumptions	-
Benefits paid	(51,729)
Net changes	81,757
Balances Ending of Year	\$ 1,472,488
Governmental Activities	\$ 1,094,927
Business-Type Activities	377,561
	\$ 1,472,488

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 3.88%, 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 (2.88%) or 1-percentage-point higher (4.88) than the current rate:

	1% Decrease 2.88%	Current Discount Rate - 3.88%	1% Increase 4.88%
Employer's Total OPEB Liability	\$ 1,617,509	\$ 1,472,488	\$ 1,341,247

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 5.00%, 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 (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1% Decrease 4.00%	Healthcare Costs Trend Rates 5.00%	1% Increase 6.00%
Employer's Total OPEB Liability	\$ 1,299,718	\$ 1,472,488	\$ 1,676,625

4.B. TAX ABATEMENTS

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

4.C. RISK MANAGEMENT

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

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

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

(1) Liability Protection Plan

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

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

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

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

CITY OF SAPULPA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

(2) Worker's Compensation Plan

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

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

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

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

Claims Liability Analysis

The claims liabilities related to the above noted health and life risks of loss that are retained are reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The City is no longer self-insured and the remaining balance represents run-off claims. For the risk management internal service self-insurance fund, changes in the claims liability for the City from July 1, 2016, to June 30, 2019, are as follows:

	<u>Health & Life</u>
Claim liability, June 30, 2016	\$ 14,141
Claims and changes in estimates	-
Claims payments	(14,141)
Claim liability, June 30, 2017	-
Claims and changes in estimates	-
Claims payments	-
Claim liability, June 30, 2018	-
Claims and changes in estimates	-
Claims payments	-
Claim liability, June 30, 2019	\$ -
Assets available to pay claims at June 30, 2019	\$ 23,643

4.D. COMMITMENTS AND CONTINGENCIES

Commitments:

Construction Commitments

The City had the following construction commitments outstanding at June 30, 2019 with balances left on the contract:

1. Construction of Youth Sports Complex; Contractors (project management) – D C Bass & Sons Construction Company; original contract - \$1,199,553; Change Orders - \$346,044; remaining contract - \$881,570.
2. Construction of Animal Shelter; Contractors (project management) – D C Bass & Sons Construction Company; original contract - \$991,501; remaining contract - \$21,482.
3. Construction on Sanitary Sewer Basin No. 2 and No. 4 Improvements; Contractors – MSB Construction, LLC.; original contract -\$1,550,419; remaining contract – \$315,409.

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 2018-2019 totaled \$37,131. See Note 3.F. for further debt disclosures.

Contingencies:

Grant Program Involvement

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

Litigation

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

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

Asset Retirement Obligation

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of June 30, 2019, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs and obtaining an estimate of those costs in the subsequent fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 1,170,458	\$ 1,419,610	\$1,530,280	\$110,670
Resources (Inflows):				
TAXES:				
Sales tax	12,123,749	13,323,749	13,233,981	(89,768)
Use tax	650,000	725,000	1,166,089	441,089
Franchise tax	775,000	775,000	730,599	(44,401)
Payment in lieu of tax	325,000	325,000	290,124	(34,876)
Total Taxes	<u>13,873,749</u>	<u>15,148,749</u>	<u>15,420,793</u>	<u>272,044</u>
LICENSES AND PERMITS:				
Building permits	30,000	30,000	36,579	6,579
Trade permits	40,000	40,000	38,409	(1,591)
Resident construction park/rec fees	8,000	28,000	22,900	(5,100)
Occupation/business	55,000	55,000	91,447	36,447
Other permits	6,600	6,600	7,895	1,295
Total License and Permits	<u>139,600</u>	<u>159,600</u>	<u>197,230</u>	<u>37,630</u>
INTERGOVERNMENTAL:				
Alcoholic beverage tax	123,000	123,000	161,230	38,230
Cigarette/tobacco tax	143,000	143,000	116,832	(26,168)
Total Intergovernmental	<u>266,000</u>	<u>266,000</u>	<u>278,062</u>	<u>12,062</u>
CHARGES FOR SERVICES:				
Fire run fees	425,000	425,000	443,742	18,742
Fire run charges	5,000	5,000	22,781	17,781
Inspection fees	55,000	55,000	45,720	(9,280)
Special assessments	3,000	3,000	2,537	(463)
Other fees	15,000	25,000	26,008	1,008
Court collection fees	64,000	79,000	74,608	(4,392)
Shelter fees	2,500	2,500	3,765	1,265
Engineering fees	7,000	7,000	5,500	(1,500)
Weed abatement	6,000	6,000	23,747	17,747
Pet adoption	3,500	3,500	1,528	(1,972)
Total Charges for Services	<u>586,000</u>	<u>611,000</u>	<u>649,936</u>	<u>38,936</u>
FINES AND FORFEITURES	<u>550,225</u>	<u>550,225</u>	<u>497,731</u>	<u>(52,494)</u>
INVESTMENT INCOME	<u>2,525</u>	<u>2,525</u>	<u>13,301</u>	<u>10,776</u>
MISCELLANEOUS:				
Antenna tower rental	79,380	79,380	79,917	537
Reimbursements	20,000	28,462	45,528	17,066
Donations	14,000	14,000	14,828	828
Rental income	33,000	33,000	33,004	4
Miscellaneous	13,500	13,500	13,928	428
Total Miscellaneous	<u>159,880</u>	<u>168,342</u>	<u>187,205</u>	<u>18,863</u>
OTHER FINANCING SOURCES:				
Transfers from other funds	5,174,340	5,415,276	5,388,058	(27,218)
Total Other Financing Sources	<u>5,174,340</u>	<u>5,415,276</u>	<u>5,388,058</u>	<u>(27,218)</u>
Total Resources (Inflows)	<u>20,752,319</u>	<u>22,321,717</u>	<u>22,632,316</u>	<u>310,599</u>
Amounts available for appropriation	<u>\$21,922,777</u>	<u>\$23,741,327</u>	<u>\$24,162,596</u>	<u>\$421,269</u>

(Continued)

CITY OF SAPULPA, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
GENERAL FUND
For the fiscal year ended June 30, 2019

(Continued)

Charges to Appropriations (Outflows):	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
ADMINISTRATION:				
City Council:				
Materials and supplies	200	200	120	80
Other services and charges	90,200	90,200	69,744	20,456
Total City Council	90,400	90,400	69,864	20,536
City Manager:				
Personal services	232,400	233,400	218,407	14,993
Materials and supplies	6,200	13,784	13,096	688
Other services and charges	7,900	7,900	6,390	1,510
Total City Manager	246,500	255,084	237,893	17,191
City Clerk:				
Personal services	201,820	202,720	183,052	19,668
Materials and supplies	4,550	4,550	3,417	1,133
Other services and charges	9,390	9,490	9,108	382
Capital outlay	-	-	-	-
Total City Clerk	215,760	216,760	195,577	21,183
Finance:				
Personal services	304,650	305,150	292,956	12,194
Materials and supplies	6,000	6,000	2,078	3,922
Other services and charges	125,400	125,400	114,111	11,289
Total Finance	436,050	436,550	409,145	27,405
Treasurer:				
Personal services	29,900	29,900	28,137	1,763
Other services and charges	465	465	75	390
Total Treasurer	30,365	30,365	28,212	2,153
Personnel:				
Personal services	107,678	108,678	102,865	5,813
Materials and supplies	1,580	1,580	494	1,086
Other services and charges	22,090	22,420	5,313	17,107
Total Personnel	131,348	132,678	108,672	24,006
Code Enforcement:				
Personal services	56,007	49,007	47,323	1,684
Materials and supplies	3,000	2,400	2,223	177
Other services and charges	18,300	18,900	4,999	13,901
Total Central Purchasing	77,307	70,307	54,545	15,762
Central Purchasing:				
Personal services	57,670	73,670	67,225	6,445
Materials and supplies	250	350	313	37
Other services and charges	2,150	2,050	379	1,671
Total Central Purchasing	60,070	76,070	67,917	8,153
Building Inspector:				
Personal services	129,358	121,208	107,489	13,719
Materials and supplies	2,700	2,828	1,938	890
Other services and charges	8,780	8,802	6,376	2,426
Total Building Inspector	140,838	132,838	115,803	17,035
TOTAL ADMINISTRATION	1,428,638	1,441,052	1,287,628	153,424

(Continued)

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2019

(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT:				
Central Garage:				
Personal services	116,540	116,540	115,636	904
Materials and supplies	5,500	5,500	2,895	2,605
Other services and charges	13,700	13,700	7,217	6,483
Total Central Garage	<u>135,740</u>	<u>135,740</u>	<u>125,748</u>	<u>9,992</u>
General Government:				
Personal services	42,630	48,230	48,169	61
Materials and supplies	20,750	30,150	23,246	6,904
Other services and charges	527,167	561,228	533,961	27,267
Capital Outlay	5,600	16,539	10,939	5,600
Debt Service	27,924	28,401	28,401	-
Total General Government	<u>624,071</u>	<u>684,548</u>	<u>644,716</u>	<u>39,832</u>
Reserve:				
Other services and charges	100,000	167,800	164,144	3,656
Total Reserve	<u>144,000</u>	<u>211,800</u>	<u>164,144</u>	<u>47,656</u>
TOTAL GENERAL GOVERNMENT	<u>903,811</u>	<u>1,032,088</u>	<u>934,608</u>	<u>97,480</u>
LEGAL AND JUDICIAL:				
City Attorney:				
Personal services	189,470	201,870	198,376	3,494
Materials and supplies	3,100	3,100	1,375	1,725
Other services and charges	40,200	35,206	25,595	9,611
Capital outlay	12,500	25,594	18,252	7,342
Total City Attorney	<u>245,270</u>	<u>265,770</u>	<u>243,598</u>	<u>22,172</u>
Municipal Court:				
Personal services	44,179	44,179	42,553	1,626
Materials and supplies	700	700	586	114
Other services and charges	79,100	96,100	90,124	5,976
Total Municipal Court	<u>123,979</u>	<u>140,979</u>	<u>133,263</u>	<u>7,716</u>
TOTAL LEGAL AND JUDICIAL	<u>369,249</u>	<u>406,749</u>	<u>376,861</u>	<u>29,888</u>

(Continued)

CITY OF SAPULPA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE (Budgetary Basis)
 GENERAL FUND
 For the fiscal year ended June 30, 2019

(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC SAFETY:				
Police:				
Personal services	3,926,600	4,001,600	3,774,255	227,345
Materials and supplies	148,000	148,000	125,170	22,830
Other services and charges	246,500	264,978	201,885	63,093
Capital outlay	-	-	413,183	(413,183)
Total Police	<u>4,321,100</u>	<u>4,414,578</u>	<u>4,514,493</u>	<u>(99,915)</u>
Fire:				
Personal services	4,641,734	4,718,434	4,629,824	88,610
Materials and supplies	115,670	108,864	101,177	7,687
Other services and charges	206,337	213,765	192,588	21,177
Debt Service	-	1,323	1,323	-
Total Fire	<u>4,963,741</u>	<u>5,042,386</u>	<u>4,924,912</u>	<u>117,474</u>
Animal Control:				
Personal services	126,042	127,292	113,424	13,868
Materials and supplies	9,000	9,300	7,899	1,401
Other services and charges	13,500	13,200	10,779	2,421
Total Animal Control	<u>148,542</u>	<u>149,792</u>	<u>132,102</u>	<u>17,690</u>
Civil Defense:				
Personal services	15,445	15,445	13,620	1,825
Other services and charges	12,500	12,500	11,111	1,389
Total Civil Defense	<u>27,945</u>	<u>27,945</u>	<u>24,731</u>	<u>3,214</u>
TOTAL PUBLIC SAFETY	<u>9,461,328</u>	<u>9,634,701</u>	<u>9,596,238</u>	<u>38,463</u>
URBAN DEVELOPMENT:				
Personal services	105,515	142,515	140,454	2,061
Materials and supplies	6,600	7,100	4,164	2,936
Other services and charges	33,840	44,340	30,394	13,946
Capital outlay	-	-	-	-
TOTAL URBAN DEVELOPMENT	<u>145,955</u>	<u>193,955</u>	<u>175,012</u>	<u>18,943</u>
OTHER FINANCING USES:				
Transfers to other funds	9,250,813	10,313,113	10,220,124	92,989
Total Other Financing Uses	<u>9,250,813</u>	<u>10,313,113</u>	<u>10,220,124</u>	<u>92,989</u>
Total Charges to Appropriations	<u>21,559,794</u>	<u>23,021,658</u>	<u>22,590,471</u>	<u>431,187</u>
Ending Budgetary Fund Balance	<u>\$362,983</u>	<u>\$719,669</u>	<u>\$1,572,125</u>	<u>\$852,456</u>

**CITY OF SAPULPA, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the fiscal year ended June 30, 2019**

Budget Law

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

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

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

Budgetary Accounting

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

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

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

CITY OF SAPULPA, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the fiscal year ended June 30, 2019

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	\$ 22,632,316
Differences - budget to GAAP:	
Sales tax recognized as inflows of budgetary resources but are not revenues for financial reporting purposes.	(7,278,692)
State payments made on-behalf of police and fire pension not considered a budgetary resources	1,273,217
Revenues from combined accounts:	
Hunting & Fishing Account	51,933
Hunting & Fishing Account - Transfer In	15,000
Library Account	194,124
Library Account - Transfer In	233,000
Swimming Pool Account	118,902
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$ 17,239,800
Total Revenues - General Fund	\$ 11,603,742
Transfer In - General Fund	5,636,058
Total revenues and transfers in - General Fund	\$ 17,239,800
Uses/Outflows of appropriations	
Actual amounts (budgetary basis) "total appropriations" from the budgetary comparison schedule	\$ 22,590,471
Differences - budget to GAAP:	
Transfer of sales tax to various funds recognized as outflows of budgetary resources but are not uses for financial reporting purposes.	(7,278,692)
State payments made on-behalf of police and fire pension not considered a budgetary expenditure	1,273,217
Expenditures from combined accounts:	
Hunting & Fishing Account	46,732
Library Account	412,247
Swimming Pool Account	124,861
Total expenditures and transfers out as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$ 17,168,836
Total expenditures - General Fund	\$ 14,227,404
Transfer out - General Fund	2,941,432
Total expenditures and transfers out - General Fund	\$ 17,168,836

CITY OF SAPULPA, OKLAHOMA
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2019

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

	2019	2018
Total OPEB Liability		
Service cost	\$ 80,529	\$ 77,521
Interest	52,957	52,911
Change in assumptions	-	-
Benefit payments	(51,729)	(51,729)
Net change in total OPEB liability	81,757	78,703
Total OPEB liability - beginning	1,390,731	1,312,028
Total OPEB liability - ending	\$ 1,472,488	\$ 1,390,731
 Covered employee payroll	 \$ 8,048,015	 \$ 7,045,261
 Total OPEB liability as a percentage of covered employee payroll	 18.30%	 19.74%

Notes to Schedule:

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

CITY OF SAPULPA, OKLAHOMA
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2019

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-employee 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%

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

Notes to Schedule:

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

CITY OF SAPULPA, OKLAHOMA
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2019

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>
Statutorily required contribution	\$ 296,349	\$ 292,430	\$ 279,750	\$ 298,868	\$ 309,869
Contributions in relation to the statutorily 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-employee 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%

Notes to Schedule:

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

CITY OF SAPULPA, OKLAHOMA
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2019

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-employee 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%

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

Notes to Schedule:

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

CITY OF SAPULPA, OKLAHOMA
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2019

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-employee 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%

Notes to Schedule:

*Only five 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, 2019

	General Fund	Hunting & Fishing Account	Library Account	Swimming Pool Account	Total General Fund Accounts
ASSETS					
Cash and cash equivalents	\$ 664,647	\$ 37,534	\$ 76,852	\$ 76,199	\$ 855,232
Investments	128,680	-	-	-	128,680
Deposits with insurance pool	171,910	-	-	-	171,910
Accrued interest receivable	635	-	-	-	635
Due from other funds	120,000	-	-	-	120,000
Due from other governments	984,695	-	21,873	-	1,006,568
Franchise tax receivable	173,560	-	-	-	173,560
Court fine receivable, net	750,050	-	-	-	750,050
Other receivables	138	2,093	-	4,400	6,631
Inventory	8,753	-	-	-	8,753
Total assets	<u>\$ 3,003,068</u>	<u>\$ 39,627</u>	<u>\$ 98,725</u>	<u>\$ 80,599</u>	<u>\$ 3,222,019</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 205,180	\$ 3,512	\$ 9,356	\$ 21,713	\$ 239,761
Accrued payroll liabilities	54,139	-	5,571	5,576	65,286
Due to other governments	5,915	-	-	-	5,915
Escrow deposits	51,179	-	-	-	51,179
Refundable court bonds	6,723	-	-	-	6,723
Total liabilities	<u>323,136</u>	<u>3,512</u>	<u>14,927</u>	<u>27,289</u>	<u>368,864</u>
DEFERRED INFLOW OF RESOURCES					
Deferred revenue	<u>694,624</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>694,624</u>
Fund balances:					
Non-spendable	8,753	-	-	-	8,753
Assigned	1,162,049	36,115	83,798	53,310	1,335,272
Unassigned	814,506	-	-	-	814,506
Total fund balances	<u>1,985,308</u>	<u>36,115</u>	<u>83,798</u>	<u>53,310</u>	<u>2,158,531</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,003,068</u>	<u>\$ 39,627</u>	<u>\$ 98,725</u>	<u>\$ 80,599</u>	<u>\$ 3,222,019</u>

City of Sapulpa
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts
For the Year Ended June 30, 2019

	<u>General Fund</u>	<u>Hunting & Fishing Account</u>	<u>Library Account</u>	<u>Swimming Pool Account</u>	<u>Total General Fund Accounts</u>
REVENUES					
Taxes	\$ 8,142,101	\$ -	\$ 165,425	\$ -	\$ 8,307,526
Intergovernmental	1,551,279	-	19,349	-	1,570,628
Charges for services	649,936	26,797	120	114,706	791,559
Fines and forfeitures	497,731	-	1,652	-	499,383
Licenses and permits	197,230	24,953	-	-	222,183
Investment income	13,301	182	467	474	14,424
Miscellaneous	187,205	1	7,111	3,722	198,039
Total revenues	<u>11,238,783</u>	<u>51,933</u>	<u>194,124</u>	<u>118,902</u>	<u>11,603,742</u>
EXPENDITURES					
Current:					
Administration	1,287,628	-	-	-	1,287,628
General government	895,268	-	-	-	895,268
Legal and judicial	358,609	-	-	-	358,609
Public safety	10,454,949	-	-	-	10,454,949
Urban development	175,012	-	-	-	175,012
Culture and recreation	-	29,181	378,392	123,588	531,161
Capital Outlay	442,374	17,551	33,855	1,273	495,053
Debt Service:					
Principal	25,841	-	-	-	25,841
Interest	3,883	-	-	-	3,883
Total expenditures	<u>13,643,564</u>	<u>46,732</u>	<u>412,247</u>	<u>124,861</u>	<u>14,227,404</u>
Excess (deficiency) of revenues over expenditures	<u>(2,404,781)</u>	<u>5,201</u>	<u>(218,123)</u>	<u>(5,959)</u>	<u>(2,623,662)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,388,058	15,000	233,000	-	5,636,058
Transfers out	(2,941,432)	-	-	-	(2,941,432)
Proceeds from long-term debt	413,183	-	-	-	413,183
Total other financing sources and uses	<u>2,859,809</u>	<u>15,000</u>	<u>233,000</u>	<u>-</u>	<u>3,107,809</u>
Net change in fund balances	455,028	20,201	14,877	(5,959)	484,147
Fund balances - beginning	1,530,280	15,914	68,921	59,269	1,674,384
Fund balances - ending	<u>\$ 1,985,308</u>	<u>\$ 36,115</u>	<u>\$ 83,798</u>	<u>\$ 53,310</u>	<u>\$ 2,158,531</u>

City of Sapulpa
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

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	Poison Apportionment Fund	Grants & Aid Fund
ASSETS													
Cash and cash equivalents	\$ 52,301	\$ 175,432	\$ 110,203	\$ 67,129	\$ 340,488	\$ 98,970	\$ 7,082	\$ 27,209	\$ 29,729	\$ 168,124	\$ -	\$ 6,777	\$ 4,408
Investments	35,196	5,000	-	32,658	226,238	13,000	-	-	-	-	-	-	-
Deposits with fiscal agent	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	21,873	16,645	43,747	-	43,747	87,494	-	35,987	-	-	-	-	155,632
Interest receivable	-	-	-	212	1,438	-	-	-	-	-	-	-	-
Court fines receivable, net of allowance	-	-	-	-	-	-	-	-	21,112	-	-	-	-
Other receivable	-	-	136	-	-	-	50	-	-	26,096	-	-	-
Inventory	-	-	-	-	23,407	49,360	-	-	-	-	-	-	-
Total assets	\$ 109,370	\$ 197,077	\$ 154,086	\$ 99,999	\$ 635,318	\$ 248,824	\$ 7,132	\$ 63,196	\$ 50,841	\$ 194,220	\$ -	\$ 6,777	\$ 160,040
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES													
Liabilities:													
Accounts payable	\$ 8,840	\$ 3,966	\$ 8,000	\$ -	\$ 28,486	\$ 9,162	\$ 1,115	\$ 6,168	\$ 2,515	\$ 20,086	\$ -	\$ 6,500	\$ 50,718
Accrued payroll payable	6,216	8,531	8,909	-	-	8,717	-	7,380	172	582	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	45,000
Due to other governments	-	-	-	-	-	-	-	-	(1,319)	-	-	-	-
Refundable court bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	15,056	12,497	16,909	-	28,486	17,879	1,115	13,548	1,368	20,668	-	6,500	95,718
DEFERRED INFLOW OF RESOURCES													
Deferred revenue	-	-	-	152	1,088	-	-	-	19,172	-	-	-	38,617
Fund balances:													
Non-spendable	-	-	-	-	23,407	49,360	-	-	-	-	-	-	-
Restricted	-	-	-	99,847	475,671	-	5,464	-	29,397	120,314	-	277	-
Assigned	94,314	184,580	137,177	-	106,666	181,585	553	49,648	904	53,238	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	25,705
Total fund balances	94,314	184,580	137,177	99,847	605,744	230,945	6,017	49,648	30,301	173,552	-	277	25,705
Total liabilities, deferred inflows, and fund balances	\$ 109,370	\$ 197,077	\$ 154,086	\$ 99,999	\$ 635,318	\$ 248,824	\$ 7,132	\$ 63,196	\$ 50,841	\$ 194,220	\$ -	\$ 6,777	\$ 160,040

City of Sapulpa
 Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2019

	Capital Project Funds										Debt Service Fund		
	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	G.O. Sinking Fund	Total Governmental Funds
ASSETS													
Cash and cash equivalents	\$ 53,223	\$ 86,254	\$ 84,849	\$ 96,498	\$ 41,503	\$ 239,892	\$ 90,641	\$ 12,923	\$ 1,366,786	\$ 3,367	\$ 2,002,220	\$ 571,456	\$ 5,737,464
Investments	-	-	433,407	-	-	102,134	200,000	568,204	625,432	-	-	365,952	2,607,221
Deposits with fiscal agent	-	-	-	-	-	-	-	-	-	-	-	188	188
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	21,873	21,873	-	87,494	174,987	32,817	218,734	218,734	-	471,644	1,653,281
Interest receivable	-	-	1,152	-	-	-	1,272	-	2,624	-	-	2,021	8,719
Court fines receivable, net of allowance	-	-	-	-	-	-	-	-	-	-	-	-	21,112
Other receivable	-	-	-	-	-	-	-	-	-	-	78	-	26,360
Inventory	-	-	-	-	-	-	51,838	-	-	-	-	-	124,605
Total assets	\$ 53,223	\$ 86,254	\$ 541,281	\$ 118,371	\$ 41,503	\$ 429,520	\$ 518,738	\$ 613,944	\$ 2,213,576	\$ 222,101	\$ 2,002,298	\$ 1,411,261	\$ 10,178,950
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES													
Liabilities:													
Accounts payable	\$ -	\$ 21,178	\$ 5,580	\$ -	\$ -	\$ 8,500	\$ 1,490	\$ -	\$ -	\$ -	\$ 19,986	\$ -	\$ 202,290
Accrued payroll payable	-	-	-	-	-	-	-	-	-	-	-	-	40,507
Due to other funds	-	-	-	-	-	-	-	-	-	25,000	-	-	70,000
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-	(1,319)
Refundable court bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	21,178	5,580	-	-	8,500	1,490	-	-	25,000	19,986	-	311,478
DEFERRED INFLOW OF RESOURCES													
Deferred revenue	-	-	598	-	-	-	-	-	247	-	-	441,202	501,076
Fund balances:													
Non-spendable	-	-	-	-	-	-	51,838	-	-	-	-	-	124,605
Restricted	-	-	499,168	108,005	-	296,038	457,904	610,273	1,894,253	191,035	1,923,775	970,059	7,681,480
Assigned	53,223	65,076	35,935	10,366	41,503	124,982	7,506	3,671	319,076	6,066	58,537	-	1,534,606
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	25,705
Total fund balances	53,223	65,076	535,103	118,371	41,503	421,020	517,248	613,944	2,213,329	197,101	1,982,312	970,059	9,366,396
Total liabilities, deferred inflows, and fund balances	\$ 53,223	\$ 86,254	\$ 541,281	\$ 118,371	\$ 41,503	\$ 429,520	\$ 518,738	\$ 613,944	\$ 2,213,576	\$ 222,101	\$ 2,002,298	\$ 1,411,261	\$ 10,178,950

City of Sapulpa
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2019

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	\$ 165,425	\$ -	\$ 330,850	\$ -	\$ 330,850	\$ 661,699	\$ -	\$ -	\$ -	\$ 264,140	\$ -	\$ 204,860	\$ -
Intergovernmental	-	185,977	-	-	-	-	-	-	-	-	-	-	354,309
Charges for services	86,075	-	17,986	-	-	-	7,845	299,922	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	26,185	-	-	-	-
Investment income	908	1,512	647	795	4,106	1,310	43	726	244	1,068	-	192	(248)
Miscellaneous	631	-	9,604	17,811	-	459	-	-	-	-	40,000	-	205,222
Total revenues	253,039	187,489	359,087	18,606	334,956	663,468	7,888	300,648	26,429	265,208	40,000	205,052	559,283
EXPENDITURES													
Current:													
General government	406,345	-	-	-	-	-	5,463	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	478,823	24,102	-	-	-	158,807
Streets	-	576,400	-	-	212,194	-	-	-	-	-	-	-	8,448
Culture and recreation	-	-	617,085	-	-	-	-	-	-	-	-	-	-
Urban development	-	-	-	-	-	-	-	-	-	163,941	40,000	-	-
Water	-	-	-	-	-	832,954	-	-	-	-	-	-	-
Wastewater	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	10,313	-	8,125	24,210	-	-	-	-	-	-	-	376,499	274,980
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	416,658	576,400	625,210	24,210	212,194	832,954	5,463	478,823	24,102	163,941	40,000	376,499	442,235
Excess (deficiency) of revenues over expenditures	(163,619)	(388,911)	(266,123)	(5,604)	122,762	(169,486)	2,425	(178,175)	2,327	101,267	-	(171,447)	117,048
OTHER FINANCING SOURCES (USES)													
Transfers in	150,000	380,000	307,000	-	-	134,552	-	150,000	-	-	-	-	52,150
Transfers out	(10,759)	-	-	(5,670)	-	-	-	-	-	(47,813)	-	(5,000)	-
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	139,241	380,000	307,000	(5,670)	-	134,552	-	150,000	-	(47,813)	-	(5,000)	52,150
Net change in fund balances	(24,378)	(8,911)	40,877	(11,274)	122,762	(34,934)	2,425	(28,175)	2,327	53,454	-	(176,447)	169,198
Fund balances - beginning	118,692	193,491	96,300	111,121	482,982	265,879	3,592	77,823	27,974	120,098	-	176,724	(143,493)
Fund balances - ending	\$ 94,314	\$ 184,580	\$ 137,177	\$ 99,847	\$ 605,744	\$ 230,945	\$ 6,017	\$ 49,648	\$ 30,301	\$ 173,552	\$ -	\$ 277	\$ 25,705

City of Sapulpa
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended June 30, 2019

	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		G.O. Sinking Fund
REVENUES													
Taxes	\$ -	\$ -	\$ 165,425	\$ 165,425	\$ -	\$ 661,699	\$ 1,323,398	\$ 256,565	\$ 1,654,248	\$ 1,654,248	\$ -	\$ 2,120,808	\$ 9,959,640
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	540,286
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	411,828
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	26,185
Investment income	382	528	4,750	843	285	1,757	2,711	2,705	21,238	337	35,056	8,810	90,705
Miscellaneous	-	43,784	-	-	-	-	740	-	-	-	4,377	-	322,628
Total revenues	<u>382</u>	<u>44,312</u>	<u>170,175</u>	<u>166,268</u>	<u>285</u>	<u>663,456</u>	<u>1,326,849</u>	<u>259,270</u>	<u>1,675,486</u>	<u>1,654,585</u>	<u>39,433</u>	<u>2,129,618</u>	<u>11,351,272</u>
EXPENDITURES													
Current:													
General government	-	-	8,407	-	-	-	-	-	-	-	-	2,450	422,665
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	661,732
Streets	-	-	-	-	-	-	-	-	20,764	-	-	-	817,806
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	617,085
Urban development	-	-	-	-	-	-	-	-	-	-	-	-	203,941
Water	-	-	-	-	-	-	-	-	-	-	-	-	832,954
Wastewater	-	-	-	-	-	4,254	-	-	-	-	-	-	4,254
Capital outlay	-	132,109	105,924	178,163	-	779,642	69,027	-	338,787	-	77,103	-	2,374,882
Debt service:													
Principal	-	-	-	-	-	31,870	45,912	-	496,225	-	-	1,330,133	1,904,140
Interest	-	-	-	-	-	3,218	4,830	-	165,346	-	-	718,142	891,536
Total expenditures	<u>-</u>	<u>132,109</u>	<u>114,331</u>	<u>178,163</u>	<u>-</u>	<u>818,984</u>	<u>119,769</u>	<u>-</u>	<u>1,021,122</u>	<u>-</u>	<u>77,103</u>	<u>2,050,725</u>	<u>8,730,995</u>
Excess (deficiency) of revenues over expenditures	<u>382</u>	<u>(87,797)</u>	<u>55,844</u>	<u>(11,895)</u>	<u>285</u>	<u>(155,528)</u>	<u>1,207,080</u>	<u>259,270</u>	<u>654,364</u>	<u>1,654,585</u>	<u>(37,670)</u>	<u>78,893</u>	<u>2,620,277</u>
OTHER FINANCING SOURCES (USES)													
Transfers in	22,900	47,813	-	-	10,759	-	-	-	-	-	-	-	1,255,174
Transfers out	-	-	-	-	-	-	(1,038,342)	-	-	(1,610,000)	-	(5,526)	(2,723,110)
Proceeds from long-term debt	-	-	-	-	-	175,000	-	-	-	-	-	-	175,000
Total other financing sources (uses)	<u>22,900</u>	<u>47,813</u>	<u>-</u>	<u>-</u>	<u>10,759</u>	<u>175,000</u>	<u>(1,038,342)</u>	<u>-</u>	<u>-</u>	<u>(1,610,000)</u>	<u>-</u>	<u>(5,526)</u>	<u>(1,292,936)</u>
Net change in fund balances	23,282	(39,984)	55,844	(11,895)	11,044	19,472	168,738	259,270	654,364	44,585	(37,670)	73,367	1,327,341
Fund balances - beginning	29,941	105,060	479,259	130,266	30,459	401,548	348,510	354,674	1,558,965	152,516	2,019,982	896,692	8,039,055
Fund balances - ending	<u>\$ 53,223</u>	<u>\$ 65,076</u>	<u>\$ 535,103</u>	<u>\$ 118,371</u>	<u>\$ 41,503</u>	<u>\$ 421,020</u>	<u>\$ 517,248</u>	<u>\$ 613,944</u>	<u>\$ 2,213,329</u>	<u>\$ 197,101</u>	<u>\$ 1,982,312</u>	<u>\$ 970,059</u>	<u>\$ 9,366,396</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2019

	<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	\$ -	\$ 165,425	\$ 165,425	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	182,000	185,977	3,977
Charges for services	90,000	86,075	(3,925)	-	-	-
Investment income	325	908	583	1,000	1,512	512
Miscellaneous	-	631	631	-	-	-
Total revenues	<u>90,325</u>	<u>253,039</u>	<u>162,714</u>	<u>183,000</u>	<u>187,489</u>	<u>4,489</u>
EXPENDITURES						
Departmental:						
General government	453,212	416,658	36,554	-	-	-
Streets	-	-	-	726,740	576,400	150,340
Total Expenditures	<u>453,212</u>	<u>416,658</u>	<u>36,554</u>	<u>726,740</u>	<u>576,400</u>	<u>150,340</u>
Excess (deficiency) of revenues over expenditures	<u>(362,887)</u>	<u>(163,619)</u>	<u>199,268</u>	<u>(543,740)</u>	<u>(388,911)</u>	<u>154,829</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	316,547	150,000	(166,547)	380,000	380,000	-
Transfers out	(11,250)	(10,759)	491	-	-	-
Total other financing sources and uses	<u>305,297</u>	<u>139,241</u>	<u>(166,056)</u>	<u>380,000</u>	<u>380,000</u>	<u>-</u>
Net change in fund balances	(57,590)	(24,378)	33,212	(163,740)	(8,911)	154,829
Fund balances - beginning	118,627	118,692	65	199,019	193,491	(5,528)
Fund balances - ending	<u>\$ 61,037</u>	<u>\$ 94,314</u>	<u>\$ 33,277</u>	<u>\$ 35,279</u>	<u>\$ 184,580</u>	<u>\$ 149,301</u>

(Continued)

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2019

(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	\$ -	\$ 330,850	\$ 330,850	\$ -	\$ -	\$ -
Charges for services	12,500	17,986	5,486	-	-	-
Investment income	150	647	497	500	795	295
Miscellaneous	9,600	9,604	4	-	17,811	17,811
Total revenues	<u>22,250</u>	<u>359,087</u>	<u>336,837</u>	<u>500</u>	<u>18,606</u>	<u>18,106</u>
EXPENDITURES						
Departmental:						
Culture and recreation	701,363	625,210	76,153	-	-	-
Public safety	-	-	-	24,210	24,210	-
Total Expenditures	<u>701,363</u>	<u>625,210</u>	<u>76,153</u>	<u>24,210</u>	<u>24,210</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(679,113)</u>	<u>(266,123)</u>	<u>412,990</u>	<u>(23,710)</u>	<u>(5,604)</u>	<u>18,106</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	640,094	307,000	(333,094)	-	-	-
Transfers out	-	-	-	(6,400)	(5,670)	730
Total other financing sources and uses	<u>640,094</u>	<u>307,000</u>	<u>(333,094)</u>	<u>(6,400)</u>	<u>(5,670)</u>	<u>730</u>
Net change in fund balances	(39,019)	40,877	79,896	(30,110)	(11,274)	18,836
Fund balances - beginning	83,966	96,300	12,334	109,857	111,121	1,264
Fund balances - ending	<u>\$ 44,947</u>	<u>\$ 137,177</u>	<u>\$ 92,230</u>	<u>\$ 79,747</u>	<u>\$ 99,847</u>	<u>\$ 20,100</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2019

(Continued)

	Major Thoroughfare Fund			Water & Sewer Sales Tax Fund		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ -	\$ 330,850	\$ 330,850	\$ -	\$ 661,699	\$ 661,699
Investment income	2,000	4,106	2,106	600	1,310	710
Miscellaneous	-	-	-	-	459	459
Total revenues	<u>2,000</u>	<u>334,956</u>	<u>332,956</u>	<u>600</u>	<u>663,468</u>	<u>662,868</u>
EXPENDITURES						
Departmental:						
Streets	335,000	212,194	122,806	-	-	-
Water	-	-	-	962,281	832,954	129,327
Total Expenditures	<u>335,000</u>	<u>212,194</u>	<u>122,806</u>	<u>962,281</u>	<u>832,954</u>	<u>129,327</u>
Excess (deficiency) of revenues over expenditures	<u>(333,000)</u>	<u>122,762</u>	<u>455,762</u>	<u>(961,681)</u>	<u>(169,486)</u>	<u>792,195</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	333,094	-	(333,094)	801,187	134,552	(666,635)
Total other financing sources and uses	<u>333,094</u>	<u>-</u>	<u>(333,094)</u>	<u>801,187</u>	<u>134,552</u>	<u>(666,635)</u>
Net change in fund balances	94	122,762	122,668	(160,494)	(34,934)	125,560
Fund balances - beginning	389,447	482,982	93,535	318,400	265,879	(52,521)
Fund balances - ending	<u>\$ 389,541</u>	<u>\$ 605,744</u>	<u>\$ 216,203</u>	<u>\$ 157,906</u>	<u>\$ 230,945</u>	<u>\$ 73,039</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2019

(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	\$ 15,550	\$ 7,845	\$ (7,705)	\$ 277,922	\$ 299,922	\$ 22,000
Investment income	15	43	28	400	726	326
Total revenues	<u>15,565</u>	<u>7,888</u>	<u>(7,677)</u>	<u>278,322</u>	<u>300,648</u>	<u>22,326</u>
EXPENDITURES						
Departmental:						
General government	15,000	5,463	9,537	-	-	-
Public safety	-	-	-	512,835	478,823	34,012
Total Expenditures	<u>15,000</u>	<u>5,463</u>	<u>9,537</u>	<u>512,835</u>	<u>478,823</u>	<u>34,012</u>
Excess (deficiency) of revenues over expenditures	<u>565</u>	<u>2,425</u>	<u>1,860</u>	<u>(234,513)</u>	<u>(178,175)</u>	<u>56,338</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	150,000	150,000	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund balances	565	2,425	1,860	(84,513)	(28,175)	56,338
Fund balances - beginning	3,523	3,592	69	99,171	77,823	(21,348)
Fund balances - ending	<u>\$ 4,088</u>	<u>\$ 6,017</u>	<u>\$ 1,929</u>	<u>\$ 14,658</u>	<u>\$ 49,648</u>	<u>\$ 34,990</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2019

(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	\$ -	\$ -	\$ -	\$ 255,000	\$ 264,140	\$ 9,140
Fines and forfeitures	31,000	26,185	(4,815)	-	-	-
Investment income	200	244	44	200	1,068	868
Total revenues	<u>31,200</u>	<u>26,429</u>	<u>(4,771)</u>	<u>255,200</u>	<u>265,208</u>	<u>10,008</u>
EXPENDITURES						
Departmental:						
Public safety	25,850	24,102	1,748	-	-	-
Urban development	-	-	-	293,933	163,941	129,992
Total Expenditures	<u>25,850</u>	<u>24,102</u>	<u>1,748</u>	<u>293,933</u>	<u>163,941</u>	<u>129,992</u>
Excess (deficiency) of revenues over expenditures	<u>5,350</u>	<u>2,327</u>	<u>(3,023)</u>	<u>(38,733)</u>	<u>101,267</u>	<u>140,000</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	-	(47,813)	(47,813)	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,813)</u>	<u>(47,813)</u>	<u>-</u>
Net change in fund balances	5,350	2,327	(3,023)	(86,546)	53,454	140,000
Fund balances - beginning	30,446	27,974	(2,472)	120,008	120,098	90
Fund balances - ending	<u>\$ 35,796</u>	<u>\$ 30,301</u>	<u>\$ (5,495)</u>	<u>\$ 33,462</u>	<u>\$ 173,552</u>	<u>\$ 140,090</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2019

(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	\$ 206,500	\$ 204,860	\$ (1,640)	\$ 240,000	\$ 256,565	\$ 16,565
Investment income	500	192	(308)	1,250	2,705	1,455
Total revenues	<u>207,000</u>	<u>245,052</u>	<u>38,052</u>	<u>241,250</u>	<u>299,270</u>	<u>58,020</u>
EXPENDITURES						
Departmental:						
General government	376,500	376,499	1	-	-	-
Total Expenditures	<u>376,500</u>	<u>416,499</u>	<u>(39,999)</u>	<u>-</u>	<u>40,000</u>	<u>(40,000)</u>
Excess (deficiency) of revenues over expenditures	<u>(169,500)</u>	<u>(171,447)</u>	<u>(1,947)</u>	<u>241,250</u>	<u>259,270</u>	<u>18,020</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	(5,000)	(5,000)	-	-	-	-
Total other financing sources and uses	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(174,500)	(176,447)	(1,947)	241,250	259,270	18,020
Fund balances - beginning	176,716	176,724	8	354,289	354,674	385
Fund balances - ending	<u>\$ 2,216</u>	<u>\$ 277</u>	<u>\$ (1,939)</u>	<u>\$ 595,539</u>	<u>\$ 613,944</u>	<u>\$ 18,405</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2019

(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	\$ 70	\$ 382	\$ 312	\$ 4,800	\$ 35,056	\$ 30,256
Miscellaneous	-	-	-	-	4,377	4,377
Total revenues	<u>70</u>	<u>382</u>	<u>312</u>	<u>4,800</u>	<u>39,433</u>	<u>34,633</u>
EXPENDITURES						
Departmental:						
Streets	-	-	-	1,918,882	77,103	1,841,779
Total Expenditures	-	-	-	1,918,882	77,103	1,841,779
Excess (deficiency) of revenues over expenditures	<u>70</u>	<u>382</u>	<u>312</u>	<u>(1,914,082)</u>	<u>(37,670)</u>	<u>1,876,412</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	28,000	22,900	(5,100)	-	-	-
Total other financing sources and uses	<u>28,000</u>	<u>22,900</u>	<u>(5,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	28,070	23,282	(4,788)	(1,914,082)	(37,670)	1,876,412
Fund balances - beginning	11,564	29,941	18,377	2,013,616	2,019,982	6,366
Fund balances - ending	<u>\$ 39,634</u>	<u>\$ 53,223</u>	<u>\$ 13,589</u>	<u>\$ 99,534</u>	<u>\$ 1,982,312</u>	<u>\$ 1,882,778</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2019

(Continued)

	Park Development Fund			Fire Cash Fund		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 165,425	\$ 165,425
Investment income	150	528	378	2,500	4,750	2,250
Miscellaneous	43,784	43,784	-	-	-	-
Total revenues	<u>43,934</u>	<u>44,312</u>	<u>378</u>	<u>2,500</u>	<u>170,175</u>	<u>167,675</u>
EXPENDITURES						
Departmental:						
Culture and recreation	160,931	132,109	28,822	-	-	-
Public safety	-	-	-	204,352	114,331	90,021
Total Expenditures	<u>160,931</u>	<u>132,109</u>	<u>28,822</u>	<u>204,352</u>	<u>114,331</u>	<u>90,021</u>
Excess (deficiency) of revenues over expenditures	<u>(116,997)</u>	<u>(87,797)</u>	<u>29,200</u>	<u>(201,852)</u>	<u>55,844</u>	<u>257,696</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	47,813	47,813	-	166,547	-	(166,547)
Total other financing sources and uses	<u>47,813</u>	<u>47,813</u>	<u>-</u>	<u>166,547</u>	<u>-</u>	<u>(166,547)</u>
Net change in fund balances	(69,184)	(39,984)	29,200	(35,305)	55,844	91,149
Fund balances - beginning	102,795	105,060	2,265	479,242	479,259	17
Fund balances - ending	<u>\$ 33,611</u>	<u>\$ 65,076</u>	<u>\$ 31,465</u>	<u>\$ 443,937</u>	<u>\$ 535,103</u>	<u>\$ 91,166</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2019

(Continued)

	Police Cash Fund			Cemetery Care Fund		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ -	\$ 165,425	\$ 165,425	\$ -	\$ -	\$ -
Investment income	500	843	343	125	285	160
Total revenues	<u>500</u>	<u>166,268</u>	<u>165,768</u>	<u>125</u>	<u>285</u>	<u>160</u>
EXPENDITURES						
Departmental:						
General government	-	-	-	10,260	-	10,260
Public safety	184,000	178,163	5,837	-	-	-
Total Expenditures	<u>184,000</u>	<u>178,163</u>	<u>5,837</u>	<u>10,260</u>	<u>-</u>	<u>10,260</u>
Excess (deficiency) of revenues over expenditures	<u>(183,500)</u>	<u>(11,895)</u>	<u>171,605</u>	<u>(10,135)</u>	<u>285</u>	<u>10,420</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	166,547	-	(166,547)	11,250	10,759	(491)
Total other financing sources and uses	<u>166,547</u>	<u>-</u>	<u>(166,547)</u>	<u>11,250</u>	<u>10,759</u>	<u>(491)</u>
Net change in fund balances	(16,953)	(11,895)	5,058	1,115	11,044	9,929
Fund balances - beginning	127,552	130,266	2,714	29,432	30,459	1,027
Fund balances - ending	<u>\$ 110,599</u>	<u>\$ 118,371</u>	<u>\$ 7,772</u>	<u>\$ 30,547</u>	<u>\$ 41,503</u>	<u>\$ 10,956</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2019

(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	\$ -	\$ 661,699	\$ 661,699	\$ -	\$ 1,323,398	\$ 1,323,398
Investment income	1,200	1,757	557	1,100	2,711	1,611
Miscellaneous	175,000	175,000	-	-	740	740
Total revenues	<u>176,200</u>	<u>838,456</u>	<u>662,256</u>	<u>1,100</u>	<u>1,326,849</u>	<u>1,325,749</u>
EXPENDITURES						
Departmental:						
General government	131,909	107,591	24,318	-	-	-
Culture and recreation	321,050	297,728	23,322	-	-	-
Public safety	15,000	14,300	700	-	-	-
Streets	246,009	212,060	33,949	-	-	-
Water	19,947	19,777	170	385,939	119,769	266,170
Wastewater	119,005	87,548	31,457	-	-	-
Utility maintenance	287,275	79,980	207,295	-	-	-
Total Expenditures	<u>1,140,195</u>	<u>818,984</u>	<u>321,211</u>	<u>385,939</u>	<u>119,769</u>	<u>266,170</u>
Excess (deficiency) of revenues over expenditures	<u>(963,995)</u>	<u>19,472</u>	<u>983,467</u>	<u>(384,839)</u>	<u>1,207,080</u>	<u>1,591,919</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	666,187	-	(666,187)	1,332,375	-	(1,332,375)
Transfers out	-	-	-	(1,038,790)	(1,038,342)	(448)
Total other financing sources and uses	<u>666,187</u>	<u>-</u>	<u>(666,187)</u>	<u>293,585</u>	<u>(1,038,342)</u>	<u>(1,332,823)</u>
Net change in fund balances	(297,808)	19,472	317,280	(91,254)	168,738	259,992
Fund balances - beginning	454,060	401,548	(52,512)	318,910	348,510	29,600
Fund balances - ending	<u>\$ 156,252</u>	<u>\$ 421,020</u>	<u>\$ 264,768</u>	<u>\$ 227,656</u>	<u>\$ 517,248</u>	<u>\$ 289,592</u>

City of Sapulpa
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
 Budget and Actual - Nonmajor Governmental Funds
 For the Year ended June 30, 2019

(Continued)

	Street Improvement Sales Tax Fund			Sewer Plant Sales Tax Fund		
	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Final	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes	\$ -	\$ 1,654,248	\$ 1,654,248	\$ -	\$ 1,654,248	\$ 1,654,248
Investment income	5,000	21,238	16,238	100	337	237
Total revenues	<u>5,000</u>	<u>1,675,486</u>	<u>1,670,486</u>	<u>100</u>	<u>1,654,585</u>	<u>1,654,485</u>
EXPENDITURES						
Departmental:						
Streets	1,659,707	1,021,122	638,585	-	-	-
Total Expenditures	<u>1,659,707</u>	<u>1,021,122</u>	<u>638,585</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,654,707)</u>	<u>654,364</u>	<u>2,309,071</u>	<u>100</u>	<u>1,654,585</u>	<u>1,654,485</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,665,469	-	(1,665,469)	1,665,469	-	(1,665,469)
Transfers out	-	-	-	(1,610,000)	(1,610,000)	-
Total other financing sources and uses	<u>1,665,469</u>	<u>-</u>	<u>(1,665,469)</u>	<u>55,469</u>	<u>(1,610,000)</u>	<u>(1,665,469)</u>
Net change in fund balances	10,762	654,364	643,602	55,569	44,585	(10,984)
Fund balances - beginning	1,402,881	1,558,965	156,084	124,026	152,516	28,490
Fund balances - ending	<u>\$ 1,413,643</u>	<u>\$ 2,213,329</u>	<u>\$ 799,686</u>	<u>\$ 179,595</u>	<u>\$ 197,101</u>	<u>\$ 17,506</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2019

	<u>Grants & Aid Fund</u>			<u>G.O. Sinking 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	\$ -	\$ -	\$ -	\$ 2,228,875	\$ 2,120,808	\$ (108,067)
Intergovernmental	2,195,251	354,309	(1,840,942)	-	-	-
Investment income	100	(248)	(348)	4,500	8,810	4,310
Miscellaneous	1,559,386	205,222	(1,354,164)	-	-	-
Total revenues	<u>3,754,737</u>	<u>559,283</u>	<u>(3,195,454)</u>	<u>2,233,375</u>	<u>2,129,618</u>	<u>(103,757)</u>
EXPENDITURES						
Departmental:						
General government	-	-	-	2,206,253	2,050,725	155,528
Parks and recreation	134,501	31,734	102,767	-	-	-
Public safety	239,869	170,848	69,021	-	-	-
Streets	130,955	106,823	24,132	-	-	-
Stormwater	225,829	46,480	179,349	-	-	-
Wastewater	2,911,914	86,350	2,825,564	-	-	-
Total Expenditures	<u>3,643,068</u>	<u>442,235</u>	<u>3,200,833</u>	<u>2,206,253</u>	<u>2,050,725</u>	<u>155,528</u>
Excess (deficiency) of revenues over expenditures	<u>111,669</u>	<u>117,048</u>	<u>5,379</u>	<u>27,122</u>	<u>78,893</u>	<u>51,771</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	64,180	52,150	12,030	-	-	-
Transfers out	-	-	-	(5,526)	(5,526)	-
Total other financing sources and uses	<u>64,180</u>	<u>52,150</u>	<u>12,030</u>	<u>(5,526)</u>	<u>(5,526)</u>	<u>-</u>
Net change in fund balances	175,849	169,198	(6,651)	21,596	73,367	51,771
Fund balances - beginning	-	(143,493)	(143,493)	879,020	896,692	17,672
Fund balances - ending	<u>\$ 175,849</u>	<u>\$ 25,705</u>	<u>\$ (150,144)</u>	<u>\$ 900,616</u>	<u>\$ 970,059</u>	<u>\$ 69,443</u>

City of Sapulpa
Schedule of Revenues, Expenditures, and Changes in Fund Balance - (Budgetary Basis)
Budget and Actual - Nonmajor Governmental Funds
For the Year ended June 30, 2019

	G.O. Bond Construction fund		
	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental	102,700	-	(102,700)
Investment income	20,000	51,104	31,104
Miscellaneous	649,750	653,250	3,500
Total revenues	772,450	704,354	(68,096)
EXPENDITURES			
Departmental:			
Culture and recreation	1,918,454	698,348	1,220,106
Public safety	1,215,207	1,178,879	36,328
Water	98,328	98,328	-
Wastewater	2,320,924	1,364,060	956,864
Total Expenditures	5,552,913	3,339,615	2,213,298
Excess (deficiency) of revenues over expenditures	(4,780,463)	(2,635,261)	2,145,202
OTHER FINANCING SOURCES (USES)			
Transfers in	131,000	131,000	-
Total other financing sources and uses	131,000	131,000	-
Net change in fund balances	(4,649,463)	(2,504,261)	2,145,202
Fund balances - beginning	4,768,666	4,769,747	1,081
Fund balances - ending	\$ 119,203	\$ 2,265,486	\$ 2,146,283

City of Sapulpa
Combining Schedule of Net Position
SMA Utility Fund Accounts
June 30, 2019

	Enterprise Fund Accounts				Total
	SMA Utility	Stormwater Management Account	Sewer System Development Account	Series 2012 Revenue Bond Construction Account	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 392,564	\$ 105,303	\$ 109,185	\$ 15	\$ 607,067
Restricted cash and cash equivalents	696,851	-	-	-	696,851
Investments	100,000	1,310,020	-	-	1,410,020
Interest receivable	1,223	8,215	-	-	9,438
Accounts receivable, net	872,155	79,579	-	-	951,734
Other receivables	320,509	-	500	-	321,009
Total current assets	<u>2,383,302</u>	<u>1,503,117</u>	<u>109,685</u>	<u>15</u>	<u>3,996,119</u>
Non-current assets:					
Restricted investments	276,181	-	-	-	276,181
Prepaid bond insurance	527,907	-	-	-	527,907
Capital Assets:					
Land and other non-depreciable assets	9,604,901	-	-	-	9,604,901
Other capital assets, net of depreciation	51,308,121	-	-	-	51,308,121
Total non-current assets	<u>61,717,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,717,110</u>
Total assets	<u>64,100,412</u>	<u>1,503,117</u>	<u>109,685</u>	<u>15</u>	<u>65,713,229</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding	3,874,139	-	-	-	3,874,139
Total deferred outflows	<u>3,874,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,874,139</u>
LIABILITIES					
Current liabilities:					
Accounts payable	531,245	7,259	36,000	-	574,504
Accrued payroll liabilities	29,295	3,372	-	-	32,667
Accrued interest payable	376,829	-	-	-	376,829
Unearned revenue	-	-	-	-	-
Current portion of:					
Due to depositors	64,328	-	-	-	64,328
Water contract obligations	35,728	-	-	-	35,728
Revenue bonds payable	1,640,000	-	-	-	1,640,000
Accrued compensated absences	15,712	-	-	-	15,712
Total current liabilities	<u>2,693,137</u>	<u>10,631</u>	<u>36,000</u>	<u>-</u>	<u>2,739,768</u>
Non-current liabilities:					
Due to depositors	257,313	-	-	-	257,313
Notes payable	720,263	-	-	-	720,263
Water contract obligations	680,333	-	-	-	680,333
Revenue bonds payable, net	60,265,165	-	-	-	60,265,165
Accrued compensated absences	141,404	3,052	-	-	144,456
Total OPEB liability	245,415	-	-	-	245,415
Total non-current liabilities	<u>62,309,893</u>	<u>3,052</u>	<u>-</u>	<u>-</u>	<u>62,312,945</u>
Total liabilities	<u>65,003,030</u>	<u>13,683</u>	<u>36,000</u>	<u>-</u>	<u>65,052,713</u>
NET POSITION					
Net investment in capital assets	2,165,935	-	-	-	2,165,935
Restricted for debt service	266,329	-	-	-	266,329
Unrestricted	539,257	1,489,434	73,685	15	2,102,391
Total net position	<u>\$ 2,971,521</u>	<u>\$ 1,489,434</u>	<u>\$ 73,685</u>	<u>\$ 15</u>	<u>\$ 4,534,655</u>

City of Sapulpa
Combining Schedule of Revenues, Expenses and Changes in Net Position
SMA Utility Fund Accounts
For the Year Ended June 30, 2019

	Enterprise Fund Accounts				Total
	SMA Utility	Stormwater Management Account	Sewer System Development Account	Series 2012 Revenue Bond Construction Account	
REVENUES					
Water charges	\$ 4,499,075	\$ -	\$ -	\$ -	\$ 4,499,075
Sewer charges	3,962,441	-	-	-	3,962,441
Sanitation	1,753,293	-	-	-	1,753,293
Water taps	22,250	-	-	-	22,250
Sewer taps	17,500	-	-	-	17,500
Late charges	185,902	-	-	-	185,902
Trucked water	163,923	-	-	-	163,923
Stormwater	-	864,438	-	-	864,438
Miscellaneous	189,993	-	-	-	189,993
Total operating revenues	<u>10,794,377</u>	<u>864,438</u>	<u>-</u>	<u>-</u>	<u>11,658,815</u>
OPERATING EXPENSES					
General government	241,660	-	-	-	241,660
Administration	169,568	-	-	-	169,568
Utility collections	314,131	-	-	-	314,131
Water treatment plant	1,696,614	-	-	-	1,696,614
Industrial pretreatment	69,546	-	557,150	-	626,696
Wastewater treatment plant	954,925	-	-	-	954,925
Stormwater management	-	301,021	-	-	301,021
Sanitation	1,423,685	-	-	-	1,423,685
Depreciation expense	1,895,601	-	-	-	1,895,601
Total Operating Expenses	<u>6,765,730</u>	<u>301,021</u>	<u>557,150</u>	<u>-</u>	<u>7,623,901</u>
Operating income (loss)	<u>4,028,647</u>	<u>563,417</u>	<u>(557,150)</u>	<u>-</u>	<u>4,034,914</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	39,409	16,444	373	8	56,234
Miscellaneous	128,515	22,318	-	-	150,833
Interest expense and fiscal charges	(3,230,514)	-	-	-	(3,230,514)
Total non-operating revenue (expenses)	<u>(3,062,590)</u>	<u>38,762</u>	<u>373</u>	<u>8</u>	<u>(3,023,447)</u>
Income (loss) before contributions and transfers	<u>966,057</u>	<u>602,179</u>	<u>(556,777)</u>	<u>8</u>	<u>1,011,467</u>
Capital contributions	3,730,024	-	-	-	3,730,024
Interaccount transfers - net	129,391	(129,391)	-	-	-
Transfers in	5,281,322	-	547,950	-	5,829,272
Transfers out	(7,500,482)	(66,480)	-	-	(7,566,962)
Change in net position	<u>2,606,312</u>	<u>406,308</u>	<u>(8,827)</u>	<u>8</u>	<u>3,003,801</u>
Total net position - beginning	<u>365,209</u>	<u>1,083,126</u>	<u>82,512</u>	<u>7</u>	<u>1,530,854</u>
Total net position - ending	<u>\$ 2,971,521</u>	<u>\$ 1,489,434</u>	<u>\$ 73,685</u>	<u>\$ 15</u>	<u>\$ 4,534,655</u>

CITY OF SAPULPA, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2019

Federal Grantor/Pass through agency Grantor/Program Title	Federal CFDA Number	Grant #	Award Amount	Federal Expenditures
FEDERAL AWARDS:				
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Passed through Oklahoma Highway Safety Office:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT-19-03-19-18	\$ 36,300	\$ 17,406
Highway Safety Grant	20.600	PT-19-03-19-18	2,800	-
Highway Safety Grant	20.600	OP-18-03-08-17	35,000	12,012
Subtotal of CFDA 20.600			<u>37,800</u>	<u>12,012</u>
Subtotal of Highway Safety			<u>74,100</u>	<u>29,418</u>
Passed through Oklahoma Tourism and Recreation Department:				
Recreational Trails Program	20.219	NRT-RT 17(100)	160,000	33,713
Total Department of Transportation			<u>234,100</u>	<u>63,131</u>
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES:</u>				
State Aid	45.310	FY 19 State Aid	15,914	13,318
ODOL CE Conference Grant	45.310	CE Conference Grant	3,156	1,960
Total Institute of Museum and Library Services			<u>19,070</u>	<u>15,278</u>
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>				
Passed through Tulsa County:				
2018 CDBG Urban County - Street Improvements	14.218	B-18-UC-40-0001	152,448	-
2017 CDBG Urban County - Street Improvements	14.218	B-17-UC-40-0001	130,955	106,823
2016 CDBG Urban County - Street Improvements	14.218	B-16-UC-40-0001	116,864	-
Subtotal of Tulsa County			<u>400,267</u>	<u>106,823</u>
Total Department of Housing and Urban Development			<u>400,267</u>	<u>106,823</u>
<u>U.S. DEPARTMENT OF COMMERCE:</u>				
Investments for Public Works and Economic Development Facilities	11.300	EDA 08-01-05221	1,500,000	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>				
Assistance to Firefighters Grant	97.044	EMW-2017-FO-05930	293,191	113,627
TOTAL FEDERAL AWARDS			<u>\$ 2,446,628</u>	<u>\$ 298,859</u>

Notes to Schedule of Expenditures of Federal Awards

Note A - Significant Accounting Policies - The accompanying schedule of expenditures of federal awards is prepared on the

STATISTICAL SECTION

CITY OF SAPULPA, OKLAHOMA
NET ASSETS/NET POSITION BY COMPONENT
Last Ten Fiscal Years
June 30, 2019
TABLE 1

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Invested in capital assets, net of related debt	\$ 28,413,297 *	\$ 25,253,598	\$ 25,864,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment in capital assets	-	-	-	24,658,364	28,299,654	34,911,581	37,695,132	39,647,053	42,314,122	41,159,105
Restricted	3,851,607 *	3,492,437	2,440,222	3,982,888	3,508,280	2,177,147	2,246,070	3,460,194	4,468,667	5,187,945
Unrestricted	(157,338)	1,710,363	908,507	14,733	(525,971)	(11,149,035) ***	(10,551,864) ***	(9,865,680) ***	(10,122,305) ***	(8,008,802) ***
Total governmental activities net assets	\$ 32,107,566	\$ 30,456,398	\$ 29,213,201	\$ 28,655,985	\$ 31,281,963	\$ 25,939,693	\$ 29,389,338	\$ 33,241,567	\$ 36,660,484	\$ 38,338,248
Business-type activities										
Invested in capital assets, net of related debt	\$ (6,587,407)	\$ (5,289,977)	\$ (5,593,983)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment in capital assets	-	-	-	(6,020,714)	(4,880,098)	(4,661,216)	(4,739,349)	(1,481,179)	(204,354)	2,852,099
Restricted	3,076,143 **	3,198,295	2,852,635	383,690	764,732	1,250,754	694,330	697,854	721,995	915,268
Unrestricted	5,296,191 **	4,203,008	4,131,268	6,956,283	2,802,982	1,074,381	3,096,006	2,345,547	2,368,358	2,495,276
Total business-type activities net assets	\$ 1,784,927	\$ 2,111,326	\$ 1,389,920	\$ 1,319,259	\$ (1,312,384)	\$ (2,336,081)	\$ (949,013)	\$ 1,562,222	\$ 2,885,999	\$ 6,262,643
Primary government										
Invested in capital assets, net of related debt	\$ 21,825,890	\$ 19,963,621	\$ 20,270,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment in capital assets	-	-	-	18,637,650	23,419,556	30,250,365	32,955,783	38,165,874	42,109,768	44,011,204
Restricted	6,927,750	6,690,732	5,292,857	4,366,578	4,273,012	3,427,901	2,940,400	4,158,048	5,190,662	6,103,213
Unrestricted	5,138,853	5,913,371	5,039,775	6,971,016	2,277,011	(10,074,654)	(7,455,858)	(7,520,133)	(7,753,947)	(5,513,526)
Total primary government net assets	\$ 33,892,493	\$ 32,567,724	\$ 30,603,121	\$ 29,975,244	\$ 29,969,579	\$ 23,603,612	\$ 28,440,325	\$ 34,803,789	\$ 39,546,483	\$ 44,600,891

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

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

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

CITY OF SAPULPA, OKLAHOMA
 CHANGES IN NET ASSETS/POSITION
 Last Ten Fiscal Years
 June 30, 2019
 TABLE 2

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
Administration	\$ 1,068,277	\$ 1,070,144	\$ 1,111,318	\$ 1,176,999	\$ 1,161,305	\$ 1,147,479	\$ 1,222,715	\$ 1,351,137	\$ 1,306,270	\$ 1,392,780
General government	1,167,575	1,251,192	1,408,140	1,389,891	1,355,737	1,498,532	1,310,220	1,206,167	1,364,855	1,461,436
Legal and judicial	281,752	289,703	311,262	326,787	356,413	360,529	351,084	345,408	310,484	385,385
Public safety	10,312,829	10,075,409	10,504,023	10,848,677	10,949,137	10,313,168	10,138,938	10,465,597	11,096,287	10,226,923
Urban development	453,837	420,914	435,616	485,346	502,722	487,448	412,479	307,727	240,837	768,945
Streets	2,429,735	2,174,486	2,703,737	1,745,231	1,271,007	2,555,471	1,754,903	1,306,127	1,769,022	1,760,452
Culture and recreation	1,281,735	1,383,426	1,395,653	1,483,769	1,479,655	1,541,965	1,463,855	1,437,105	1,524,113	1,521,404
Interest on long-term debt	449,233	661,342	627,376	628,875	500,720	645,615	670,007	725,486	600,320	649,405
Total governmental activities expenses	17,444,973	17,326,616	18,497,125	18,085,575	17,576,696	18,550,207	17,324,201	17,144,754	18,212,188	18,166,730
Business-type activities:										
Water operations	3,781,367	4,200,477	4,304,460	4,920,543	4,353,733	4,065,753	4,061,194	3,967,948	4,206,034	4,284,903
Wastewater operations	6,437,587	6,520,715	6,783,694	6,013,722	5,496,979	5,457,768	5,056,817	5,061,205	4,931,561	4,837,348
Sanitation operations	1,290,756	1,254,592	1,318,230	1,326,338	1,320,618	1,402,766	1,398,335	1,485,048	1,546,076	1,584,119
Stormwater maintenance	581,406	389,019	363,981	307,344	382,874	471,518	407,900	479,443	458,541	559,553
Golf course operations	709,765	728,809	777,581	763,120	766,627	845,914	795,604	816,663	808,562	746,335
Interest charges - governmental activities	279,547	159,201	135,689	3,320	1,910	-	-	-	-	-
Total business-type activities expenses	13,080,428	13,252,813	13,683,635	13,334,387	12,322,741	12,243,719	11,719,850	11,810,307	11,950,774	12,012,258
Total primary government expenses	\$ 30,525,401	\$ 30,579,429	\$ 32,180,760	\$ 31,419,962	\$ 29,899,437	\$ 30,793,926	\$ 29,044,051	\$ 28,955,061	\$ 30,162,962	\$ 30,178,988
Program Revenues										
Governmental activities:										
Charges for services:										
Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General government	309,656	243,474	305,011	351,610	346,197	383,677	416,739	370,386	413,385	438,957
Legal and judicial	-	-	-	-	-	-	-	-	-	-
Public safety	1,449,726	1,280,684	1,296,598	1,336,141	1,562,331	1,566,859	1,313,925	1,277,984	1,212,768	868,830
Urban development	-	-	-	-	-	-	-	-	-	-
Streets	1,880	1,410	2,200	2,025	2,160	2,985	3,950	4,295	4,210	2,537
Culture and recreation	121,714	195,097	231,450	251,688	231,384	249,950	236,603	219,787	224,696	215,526
Operating grants and contributions	1,545,268	1,381,450	1,480,098	1,755,551	1,454,026	1,367,842	1,507,551	1,482,451	1,394,624	1,680,814
Capital grants and contributions	705,061	279,978	247,842	653,744	3,013,628	5,940,352	2,504,535	2,628,693	888,960	110,323
Total governmental activities program revenues	4,133,305	3,382,093	3,563,199	4,350,759	6,609,726	9,511,665	5,983,303	5,983,596	4,138,643	3,316,987

(Continued)

TABLE 2
(Continued)

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services:										
Water operations	4,219,649	4,355,677	4,489,675	4,567,882	4,550,607	4,269,833	4,857,419	4,944,803	5,085,638	4,897,220
Wastewater operations	3,266,234	3,230,851	3,227,839	3,519,075	3,367,955	3,557,465	3,701,235	3,628,741	3,772,659	3,979,941
Sanitation operations	1,340,625	1,340,120	1,375,304	1,433,791	1,446,311	1,605,453	1,658,509	1,737,669	1,848,351	1,917,216
Stormwater operations	786,841	824,475	850,247	904,277	925,114	861,917	860,229	860,819	866,218	864,438
Golf course operations	416,658	420,077	339,711	374,750	465,583	356,469	377,844	352,376	362,914	341,908
Capital grants and contributions	-	-	-	82,868	-	65,587	-	709,501	904,740	-
Total business-type activities program revenues	10,030,007	10,171,200	10,282,776	10,882,643	10,755,570	10,716,724	11,455,236	12,233,909	12,840,520	12,000,723
Total primary government program revenues	\$ 14,163,312	\$ 13,553,293	\$ 13,845,975	\$ 15,233,402	\$ 17,365,296	\$ 20,228,389	\$ 17,438,539	\$ 18,217,505	\$ 16,979,163	\$ 15,317,710
Net (Expense)/Revenue										
Governmental activities:	\$ (13,944,523)	\$ (14,933,926)	\$ (13,734,816)	\$ (10,966,970)	\$ (10,966,970)	\$ (9,038,542)	\$ (11,340,898)	\$ (11,161,158)	\$ (14,073,545)	\$ (14,849,743)
Business-type activities:	(3,222,806)	(3,051,611)	(3,051,611)	(1,440,098)	(1,567,171)	(1,526,995)	(264,614)	423,602	889,746	(11,535)
Total primary government net expense	\$ (17,167,329)	\$ (18,446,361)	\$ (16,786,427)	\$ (12,407,068)	\$ (12,534,141)	\$ (10,565,537)	\$ (11,605,512)	\$ (10,737,556)	\$ (13,183,799)	\$ (14,861,278)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 11,285,695	\$ 11,726,417	\$ 12,526,584	\$ 11,819,642	\$ 12,283,297	\$ 12,700,633	\$ 12,574,124	\$ 12,738,375	\$ 13,551,549	\$ 14,656,635
Ad valorem property taxes	1,443,683	1,754,809	1,708,703	1,630,259	1,281,765	1,880,483	1,299,375	2,001,667	1,870,647	2,120,808
Franchise and public service taxes	505,361	518,026	566,894	536,362	543,345	559,510	654,804	537,161	760,254	730,599
Payment in lieu of taxes	439,767	439,422	428,810	489,500	471,073	550,090	515,291	657,214	251,431	420,288
Hotel/motel taxes	185,685	189,002	191,443	215,883	196,538	233,668	233,289	226,145	238,006	264,140
Tax apportionment revenue	-	-	-	-	-	-	-	61,120	125,004	204,860
E-911 taxes	217,442	215,068	201,751	212,641	218,150	194,726	178,383	239,336	302,246	299,922
Intergovernmental revenue not restricted to specific programs	252,939	269,260	275,705	256,192	243,731	260,352	259,548	270,648	272,745	278,062
Investment income	76,078	88,060	57,462	34,713	21,745	19,857	41,612	62,587	98,796	144,570
Miscellaneous	1,705,317	325,436	250,669	181,936	335,570	150,704	339,546	139,931	137,061	581,060
Transfers-Internal activity	(1,674,075)	(3,232,145)	(2,517,292)	(879,543)	(1,316,581)	(346,991)	(1,305,429)	(1,920,797)	(590,258)	(3,173,437)
Total governmental activities	14,437,892	12,293,355	13,690,729	14,497,585	14,278,633	16,203,032	14,790,543	15,013,387	17,017,481	16,527,507
Business-type activities:										
Sales and use taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	54,785	34,294	13,163	29,845	25,728	15,902	8,173	10,328	20,108	62,710
Miscellaneous	143,181	141,573	148,998	151,710	154,862	140,405	338,080	156,508	160,082	152,032
Transfers - Internal activity	1,674,075	3,232,145	2,517,292	879,543	1,316,581	346,991	1,305,429	1,920,797	590,258	3,173,437
Total business-type activities	1,872,041	3,408,012	2,679,453	1,061,098	1,497,171	503,298	1,651,682	2,087,633	770,448	3,388,179
Total primary government	\$ 16,309,933	\$ 15,701,367	\$ 16,370,182	\$ 15,558,683	\$ 15,775,804	\$ 16,706,330	\$ 16,442,225	\$ 17,101,020	\$ 17,787,929	\$ 19,915,686
Change in Net Assets/Position										
Governmental activities	\$ 493,369	\$ (2,640,571)	\$ (44,087)	\$ 3,530,615	\$ 3,311,663	\$ 7,164,490	\$ 3,449,645	\$ 3,852,229	\$ 2,943,936	\$ 1,677,764
Business-type activities	(1,350,765)	(104,423)	(372,158)	(379,000)	(70,000)	(1,023,697)	1,387,068	2,511,235	1,660,194	3,376,644
Total primary government	\$ (857,396)	\$ (2,744,994)	\$ (416,245)	\$ 3,151,615	\$ 3,241,663	\$ 6,140,793	\$ 4,836,713	\$ 6,363,464	\$ 4,604,130	\$ 5,054,408

CITY OF SAPULPA, OKLAHOMA
FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 June 30, 2019
TABLE 3

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Reserved	\$ 199,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,432,329	-	-	-	-	-	-	-	-	-
Nonspendable	-	28,044	28,251	10,187	8,903	8,790	8,772	8,757	8,753	8,753
Committed	-	9,151	-	7,753	7,074	8,912	12,467	-	-	-
Assigned	-	1,396,679	1,327,870	476,068	642,999	1,527,532	1,275,512	1,061,401	951,579	1,335,272
Unassigned	-	766,562	530,398	632,889	873,660	680,328	385,543	661,453	714,052	814,506
Total general fund	<u>\$ 1,632,217</u>	<u>\$ 2,200,436</u>	<u>\$ 1,886,519</u>	<u>\$ 1,126,897</u>	<u>\$ 1,532,636</u>	<u>\$ 2,225,562</u>	<u>\$ 1,682,294</u>	<u>\$ 1,731,611</u>	<u>\$ 1,674,384</u>	<u>\$ 2,158,531</u>
All Other Governmental Funds										
Reserved	\$ 25,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	3,612,778	-	-	-	-	-	-	-	-	-
Debt service funds	599,612	-	-	-	-	-	-	-	-	-
Capital project funds	6,227,208	-	-	-	-	-	-	-	-	-
Nonspendable	-	104,823	102,348	71,860	72,754	75,111	78,884	91,939	82,509	124,605
Restricted	-	7,319,538	4,605,853	4,733,237	3,389,744	11,623,625	11,982,145	11,777,932	11,337,476	9,946,966
Assigned	-	890,861	954,633	539,397	576,895	897,512	1,141,779	1,283,031	1,532,310	1,534,606
Unassigned	-	-	-	(80,945)	(278,756)	(260,993)	(43,051)	(492)	(143,493)	25,705
Total all other governmental funds	<u>\$ 10,465,035</u>	<u>\$ 8,315,222</u>	<u>\$ 5,662,834</u>	<u>\$ 5,263,549</u>	<u>\$ 3,760,637</u>	<u>\$ 12,335,255</u>	<u>\$ 13,159,757</u>	<u>\$ 13,152,410</u>	<u>\$ 12,808,802</u>	<u>\$ 11,631,882</u>
GRAND TOTAL	<u>\$ 12,097,252</u>	<u>\$ 10,515,658</u>	<u>\$ 7,549,353</u>	<u>\$ 6,390,446</u>	<u>\$ 5,293,273</u>	<u>\$ 14,560,817</u>	<u>\$ 14,842,051</u>	<u>\$ 14,884,021</u>	<u>\$ 14,483,186</u>	<u>\$ 13,790,413</u>

CITY OF SAPULPA, OKLAHOMA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
June 30, 2019
TABLE 4

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Sales and use taxes	\$ 11,285,695	\$ 11,726,417	\$ 12,526,584	\$ 11,819,642	\$ 12,283,297	\$ 12,700,633	\$ 12,574,124	\$ 12,738,375	\$ 13,551,549	\$ 14,656,635
Franchise and public service taxes	506,484	519,306	568,534	543,696	543,345	559,510	654,804	537,161	760,254	730,599
Ad valorem taxes	1,443,683	1,754,809	1,708,703	1,630,259	1,279,523	1,880,483	1,669,375	2,062,787	1,995,651	2,325,668
Payment in lieu of tax	444,814	433,956	432,744	457,178	471,073	465,666	327,694	509,743	326,330	290,124
Hotel/motel taxes	185,685	189,002	191,443	215,883	196,538	233,668	233,289	226,145	238,006	264,140
Intergovernmental	1,839,296	1,605,417	1,856,450	1,875,191	2,496,953	2,779,875	4,535,982	2,223,951	1,931,682	2,110,914
Charges for services	812,468	957,381	1,031,133	1,075,463	1,069,476	1,082,318	1,062,759	1,118,387	1,177,610	1,203,387
Fines and forfeitures	986,075	854,646	792,458	819,632	1,005,125	825,191	702,745	699,366	548,370	525,568
Licenses and permits	152,398	103,452	144,708	170,794	171,406	201,452	224,647	178,401	200,685	222,183
Investment income	81,871	94,987	57,562	36,161	21,284	20,611	36,837	61,256	95,513	156,233
Miscellaneous	1,825,979	458,196	442,424	348,064	435,900	307,719	551,099	295,327	238,084	1,173,917
Total Revenues	19,564,448	18,697,569	19,752,743	18,991,963	19,973,920	21,057,126	22,573,355	20,650,899	21,063,734	23,659,368
Expenditures:										
Administration	1,026,696	1,053,102	1,101,748	1,142,548	1,171,955	1,146,026	1,200,718	1,271,459	1,284,305	1,287,628
General government	1,098,311	1,082,186	1,196,497	1,587,391	1,138,947	1,416,531	1,391,966	1,188,280	1,224,546	1,317,933
Legal and judicial	252,601	259,345	283,797	295,223	324,632	330,599	313,227	308,989	308,234	358,609
Public safety	9,316,475	9,536,063	10,262,800	10,464,141	10,301,401	10,212,606	10,392,436	10,176,360	10,563,840	11,176,840
Urban development	441,909	564,694	430,531	481,545	502,286	658,295	430,378	337,512	231,899	378,953
Streets	1,213,348	1,076,534	837,637	989,421	856,310	1,759,652	921,631	675,147	801,925	817,806
Culture and recreation	1,017,099	1,108,269	1,115,128	1,123,818	1,094,492	1,167,813	1,254,560	1,201,433	1,238,370	1,182,568
Water	670,992	657,752	762,727	807,385	852,745	840,011	824,241	887,295	830,353	832,954
Wastewater	257,700	294,054	-	379	111,708	-	-	-	26,000	134,704
Capital outlay	3,150,245	4,027,730	4,806,244	3,059,420	3,801,541	3,710,229	6,319,488	3,312,081	4,101,086	5,984,619
Debt service:										
Principal	1,160,665	1,049,457	1,424,883	1,908,668	2,149,087	2,660,090	2,973,312	1,783,508	1,872,172	1,929,981
Interest and fiscal charges	543,216	661,522	623,224	660,062	510,795	644,865	666,696	765,209	633,839	895,419
Total Expenditures	20,149,257	21,370,708	22,845,216	22,520,001	22,815,899	24,546,717	26,688,653	21,907,273	23,116,569	26,298,014
Excess of revenues over (under) expenditures	(584,809)	(2,673,139)	(3,092,473)	(3,528,038)	(2,841,979)	(3,489,591)	(4,115,298)	(1,256,374)	(2,052,835)	(2,638,646)
Other financing sources (uses) and special item:										
Transfers in	6,119,686	6,780,870	6,425,466	6,795,543	7,530,391	7,348,812	5,981,157	6,145,938	6,124,230	7,022,232
Transfers out	(6,038,545)	(6,218,191)	(6,715,298)	(5,905,112)	(6,270,528)	(5,786,493)	(5,756,942)	(5,130,338)	(5,272,230)	(5,664,542)
Payment to escrow	(246,740)	-	-	(6,002,824)	-	-	-	-	-	-
Debt proceeds	6,935,000	528,866	-	6,450,534	153,643	11,160,000	4,172,317	133,712	-	588,183
Bond premium	25,035	-	-	-	-	34,816	-	-	-	-
Judgements	-	-	416,000	24,312	331,300	-	-	129,000	800,000	-
Special item - proceeds from sale of capital assets	-	-	-	8,881	-	-	-	20,032	-	-
Total other financing sources (uses) and special item	6,794,436	1,091,545	126,168	1,371,334	1,744,806	12,757,135	4,396,532	1,298,344	1,652,000	1,945,873
Net change in fund balances	\$ 6,209,627	\$ (1,581,594)	\$ (2,966,305)	\$ (2,156,704)	\$ (1,097,173)	\$ 9,267,544	\$ 281,234	\$ 41,970	\$ (400,835)	\$ (692,773)
Debt service as a percentage of noncapital expenditures	10.0%	9.9%	11.4%	13.2%	16.3%	15.9%	17.9%	13.7%	15.5%	14.3%

CITY OF SAPULPA, OKLAHOMA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 Last Ten Fiscal Years
 June 30, 2019
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
2010	\$ 1,443,683	\$ 10,865,027	\$ 420,668	\$ 505,361	\$ 439,767	\$ 185,685	\$ 217,442	\$ 14,077,633
2011	1,754,809	11,279,672	446,745	518,026	439,422	189,002	215,068	14,842,744
2012	1,708,703	11,812,789	713,795	566,894	428,810	191,443	201,751	15,624,185
2013	1,630,259	11,427,776	391,866	543,696	457,178	215,883	212,641	14,879,299
2014	1,279,523	11,692,608	590,689	543,345	471,073	196,538	218,150	14,991,926
2015	1,880,483	12,087,467	613,166	559,510	465,666	233,668	194,726	16,034,686
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

CITY OF SAPULPA, OKLAHOMA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
June 30, 2019
TABLE 6

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Assessed Value	Homestead Exemption	Net Assessed Value	Estimated Actual Value
2010	92,742,957	16,797,588	7,962,450	117,502,995	5,007,064	112,495,931	937,466,092
2011	96,762,154	21,583,589	7,820,264	126,166,007	5,119,339	121,046,668	1,008,722,233
2012	99,214,387	18,249,449	7,887,602	125,351,438	5,137,937	120,213,501	1,001,779,175
2013	103,002,397	17,782,728	8,378,146	129,163,271	5,250,466	123,912,805	1,032,606,708
2014	105,689,967	17,282,094	6,514,937	129,486,998	4,309,270	125,177,728	1,043,147,733
2015	108,275,772	19,619,921	6,417,131	134,312,824	5,291,198	129,021,626	1,075,180,217
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

Source: County Excise Board

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

CITY OF SAPULPA, OKLAHOMA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
 Last Ten Fiscal Years
 June 30, 2019
TABLE 7

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>(1) Overlapping Rates</u>			<u>Total Levy</u>
	<u>Sinking Fund</u>	<u>Sapulpa School District</u>	<u>County</u>	<u>Vo Tech School District</u>	
2010	12.80	67.99	22.26	13.26	116.31
2011	14.54	66.53	22.02	13.26	116.35
2012	14.19	65.66	21.84	13.26	114.95
2013	13.44	66.08	20.16	13.26	112.94
2014	10.24	67.39	20.22	13.26	111.11
2015	15.23	67.36	21.30	13.26	117.15
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

Source: County Excise Board

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

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

CITY OF SAPULPA, OKLAHOMA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR
 June 30, 2019
 TABLE 8

Taxpayer	Type of Business	Rank	2019	
			Taxable Assessed Value	Percentage of Net Total Assessed Value
Oklahoma Gas & Electric	Utility	1	3,809,336	2.509%
Ardagh Glass, Inc.	Glass/Manufacturing	2	3,778,362	2.489%
Solaray Corp	Distribution/Sunglasses	3	2,987,246	1.967%
Enogex LLC	Gas/Pipeline	4	2,271,889	1.496%
Sulzer Chemtech, Inc.	Chemical Engineering/ Manufacturing	5	1,837,602	1.210%
Sagebrush Pipeline Equip., Inc.	Pipeline	6	1,597,837	1.052%
Rolled Alloys LP	Metal Supplies	7	1,565,570	1.031%
CoxCom LLC	Leased Equipment	8	1,457,603	0.960%
Enable Ok Intrastate Transmisison	Gas/Pipeline	9	1,259,913	0.830%
Oklahoma Natural Gas ONEOK	Gas/Pipeline	10	1,115,832	0.735%
Berry Global Films, LLC	Plastic Packaging	11	1,079,163	0.711%
Totals			<u>\$ 22,760,353</u>	<u>14.99%</u>

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

**CITY OF SAPULPA, OKLAHOMA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
June 30, 2019
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
2010	1,440,594	1,377,667	96%	66,016	1,443,683	100.2%	112,495,931	12.81
2011	1,765,619	1,693,609	96%	61,200	1,754,809	99.4%	121,046,668	14.54
2012	1,705,446	1,580,190	93%	61,300	1,641,490	96.2%	120,213,501	14.19
2013	1,665,883	1,579,411	95%	58,253	1,637,664	98.3%	123,912,805	13.44
2014	1,281,372	1,224,170	96%	55,353	1,279,523	99.9%	125,177,728	10.24
2015	1,965,293	1,808,677	92%	71,806	1,880,483	95.7%	129,021,626	15.23
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

Estimate of Needs, County Report

CITY OF SAPULPA, OKLAHOMA
SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
June 30, 2019
TABLE 10

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.500%	4.500%	4.500%
Tulsa County	1.017%	1.017%	0.850%	0.850%	0.917%	0.917%	0.917%	0.367%	0.367%	0.367%
State of Oklahoma	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%
Total	9.517%	9.517%	9.350%	9.350%	9.417%	9.417%	9.417%	9.367%	9.367%	9.367%

Oklahoma Tax Commission

CITY OF SAPULPA, OKLAHOMA
TAXABLE SALES BY CATEGORY
Last Ten Fiscal Years
June 30, 2019
TABLE 11

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Agriculture, forestry, and fishing	\$ 1,737	\$ 1,489	\$ 944	\$ 287	\$ (11)	\$ 2	\$ 12	\$ 63	\$ 22	224
Mining	167	215,917	362,179	87,504	72,905	99,305	58,055	56,750	51,380	2,240
Construction	7,388	4,765	18,846	24,992	32,766	22,196	5,583	16,947	(2,013)	17,866
Manufacturing	176,934	124,884	176,357	198,718	191,519	191,415	182,869	245,049	186,922	204,878
Transportation	6,169	5,572	5,074	130,867	211,423	200,910	235,295	252,317	261,441	261,884
Communications and utilities:										
Communications	474,240	448,798	478,749	364,050	264,794	281,842	286,571	357,230	342,486	253,926
Electric, gas, and sanitary services	915,850	899,809	934,241	904,052	912,652	914,509	855,692	873,048	875,324	903,233
Wholesale trade	737,948	798,444	1,041,494	1,008,727	1,031,499	1,180,595	1,161,478	1,187,704	1,423,865	1,651,388
Retail trade:										
Building materials, hardware, garden supply and mobile home dealer	456,872	432,603	415,583	455,622	468,238	510,290	510,416	650,171	722,616	827,498
General merchandise stores	2,770,815	2,730,322	2,779,177	2,734,168	2,730,900	2,986,164	2,936,387	2,976,458	3,041,583	3,179,313
Food stores	1,427,977	1,436,346	1,441,341	1,148,175	1,104,023	1,291,229	1,317,747	1,043,474	965,874	824,575
Automotive dealers and gasoline service stations	520,171	606,846	643,713	703,990	731,878	747,507	752,321	745,614	757,065	769,683
Apparel and accessory stores	149,291	153,207	161,950	155,788	147,636	139,801	148,863	147,220	148,593	139,065
Furniture, home furnishings and equipment stores	375,155	328,787	335,028	450,360	175,198	193,479	157,939	139,403	163,277	179,050
Eating and drinking places	1,451,177	1,551,048	1,597,674	1,580,635	1,572,118	1,680,998	1,685,045	1,737,414	1,834,286	1,858,664
Miscellaneous retail	542,471	570,924	588,785	642,640	1,021,678	910,867	1,044,786	1,139,562	1,284,497	1,596,919
Finance, insurance, and real estate	9,946	15,396	19,559	26,121	174,950	168,302	177,994	200,296	190,877	202,629
Services:										
Hotels and motels	158,052	141,417	128,824	173,262	257,499	200,200	229,848	175,919	228,797	260,960
Personal services	39,573	35,748	29,263	54,574	50,175	79,379	99,646	53,082	51,006	31,944
Business services	180,842	202,161	207,055	175,085	29,697	37,775	39,154	74,717	86,412	103,216
Automotive repair services and garages	97,997	187,408	81,241	51,634	47,919	53,676	53,766	70,751	76,371	83,484
Miscellaneous repair services	6,281	10,291	10,905	13,919	7,935	7,629	14,131	12,441	18,117	20,104
Motion pictures	77,814	67,459	58,141	18,203	38,868	35,062	32,460	27,098	37,869	49,451
Other services	324,263	337,146	372,786	217,979	116,619	60,567	27,289	21,575	11,175	27,168
Nonclassifiable establishments	47,288	44,686	55,412	122,392	379,110	219,190	109,585	89,604	37,218	46,500
	<u>\$ 10,956,418</u>	<u>\$ 11,351,473</u>	<u>\$ 11,944,321</u>	<u>\$ 11,443,744</u>	<u>\$ 11,771,988</u>	<u>\$ 12,212,889</u>	<u>\$ 12,122,932</u>	<u>\$ 12,293,907</u>	<u>\$ 12,795,060</u>	<u>\$ 13,495,861</u>

CITY OF SAPULPA, OKLAHOMA
RATIO FOR OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
June 30, 2019
TABLE 12

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Per Capita
	General Obligation Bonds	Notes Payable	Revenue Bonds	Capital Leases Payable	Judgments Payable	Revenue Bonds Payable	Capital Leases Payable	Notes Payable	Water Contract Obligations		
2010	15,565,000	-	-	406,686	210,266	68,984,806	-	511,863	3,186,929	88,865,550	4,197
2011	14,905,000	-	-	746,025	18,333	68,506,065	-	392,617	2,922,612	87,490,652	4,259
2012	13,895,000	-	-	349,476	416,000	68,006,852	-	266,883	2,647,690	85,581,901	4,166
2013	13,130,000	-	1,920,000	343,534	301,645	69,995,000	-	137,079	2,361,740	88,188,998	4,271
2014	11,905,000	-	1,315,000	343,109	484,397	69,335,000	-	201,663	2,064,317	85,648,486	4,119
2015	14,450,000	-	7,605,000	225,130	228,081	67,940,000	-	118,880	1,754,960	92,322,051	4,431
2016	16,365,000	-	6,700,000	474,466	110,433	65,870,000	-	76,321	1,433,192	91,029,412	4,423
2017	15,300,000	-	6,255,000	445,824	85,000	64,345,000	-	32,965	1,098,515	87,562,304	4,184
2018	14,025,000	-	5,795,000	351,154	842,500	62,780,000	-	172,313	750,412	84,716,379	4,065
2019	12,745,000	-	5,325,000	809,488	533,334	61,170,000	-	720,263	716,061	82,019,146	3,943

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, 2019
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
2010	20,544	112,526,167	15,565,000	599,612	14,965,388	13.30%	728
2011	20,544	121,046,668	14,905,000	853,802	14,051,198	11.61%	684
2012	20,648	120,213,501	13,895,000	930,536	12,964,464	10.78%	628
2013	20,793	123,912,805	13,130,000	889,056	12,240,944	9.88%	589
2014	20,836	125,177,728	11,905,000	354,392	11,550,608	9.23%	554
2015	20,544	129,021,626	14,450,000	368,329	14,081,671	10.91%	685
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

(1) Oklahoma Department of Commerce Projection

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

CITY OF SAPULPA, OKLAHOMA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2019
TABLE 14

<u>Jurisdiction</u>	<u>Net (1) Debt Outstanding</u>	<u>Percentage (2) Applicable to City of Sapulpa</u>	<u>Amount Applicable to City of Sapulpa</u>
Direct - City of Sapulpa	\$ 11,756,444	100.00%	\$11,756,444
Overlapping: Sapulpa School District	15,370,427	67.19%	10,327,681
Overlapping: Lone Star School District	1,010,143	52.11%	526,384
Overlapping: Tulsa School District	173,466,462	0.27%	461,559
Total	<u>\$201,603,476</u>		<u>\$22,084,125</u>

Outstanding bond debt-06-30-19

(1) Gross general bonded debt outstanding less debt service reserves.

(2) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the City of Sapulpa.

CITY OF SAPULPA, OKLAHOMA
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
 June 30, 2019
TABLE 15

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 11,249,593	\$ 12,104,667	\$ 12,021,350	\$ 12,391,281	\$ 12,517,773	\$ 12,902,163	\$ 14,169,595	\$ 14,641,104	\$ 14,379,464	\$ 15,183,250
Total net debt applicable to limit	<u>4,742,950</u>	<u>4,362,650</u>	<u>3,982,350</u>	<u>8,465,000</u>	<u>7,765,000</u>	<u>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>\$ 6,506,643</u>	<u>\$ 7,742,017</u>	<u>\$ 8,039,000</u>	<u>\$ 3,926,281</u>	<u>\$ 4,752,773</u>	<u>\$ 3,907,163</u>	<u>\$ 4,814,595</u>	<u>\$ 5,831,104</u>	<u>\$ 6,264,464</u>	<u>\$ 7,768,250</u>
Total net debt applicable to the limit as a percentage of debt limit	42.16%	36.04%	33.13%	68.31%	62.03%	69.72%	66.02%	60.17%	56.43%	48.84%

Legal Debt Margin Calculation for Fiscal Year 2018

Net assessed valuation	\$ 151,832,504
Debt limit (10% of total assessed value)	15,183,250
Debt applicable to limit:	
General obligation bonds	12,745,000
Less: Street or utility bonds outstanding	<u>5,330,000</u>
Total net debt applicable to limit	<u>7,415,000</u>
Legal debt margin	<u>\$ 7,768,250</u>

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

CITY OF SAPULPA, OKLAHOMA
THE SAPULPA MUNICIPAL AUTHORITY
UTILITY SYSTEMS DIVISION
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
June 30, 2019
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>
2010	Series 2002 A and Series 2006	12,954,276	4,724,154	8,230,122	2,867,928	2.87
	Series 2002 A	9,661,621	4,724,154	4,937,467	2,867,928	1.72
	Series 2003 A & B	12,954,276	4,724,154	8,230,122	3,292,376	2.50
	Series 2009 A & B	12,954,276	4,724,154	8,230,122	3,292,376	2.50
2011	Series 2002 A and Series 2006	13,416,715	4,961,892	8,454,823	2,975,546	2.84
	Series 2002 A	9,779,479	4,961,892	4,817,587	2,975,546	1.62
	Series 2003 A & B	13,416,715	4,961,892	8,454,823	3,158,256	2.68
	Series 2009 A & B	13,416,715	4,961,892	8,454,823	3,158,256	2.68
2012	Series 2002 A and Series 2006	13,942,643	4,954,359	8,988,284	2,975,546	3.02
	Series 2002 A	9,952,205	4,954,359	4,997,846	2,975,546	1.68
	Series 2003 A & B	13,942,643	4,954,359	8,988,284	3,158,256	2.85
	Series 2009 A & B	13,942,643	4,954,359	8,988,284	3,158,256	2.85
2013	Series 2012 and 2013 Refunding	14,266,099	5,033,068	9,233,031	4,095,687	2.25
2014	Series 2012 and 2013 Refunding	14,042,548	5,571,732	8,470,816	4,095,687	2.07
2015	Series 2012 and 2013 Refunding	14,171,125	5,154,402	9,016,723	4,095,687	2.20
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

(1) Excludes depreciation and amortization expense.

CITY OF SAPULPA, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
June 30, 2019
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)
2010	20,544	838,051	40,793	38.9	5,765	7.4%
2011	20,544	838,051	40,793	38.9	5,753	6.0%
2012	20,648	872,089	42,236	34.8	5,596	5.6%
2013	20,793	942,962	45,350	34.7	5,654	5.2%
2014	20,836	983,875	47,220	34.9	5,782	4.6%
2015	20,544	1,089,777	53,046	34.0	5,672	4.3%
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%

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, 2019
TABLE 18

<u>2019</u>			
<u>Employer</u>	<u>Product/Business</u>	<u>Rank</u>	<u>Employees</u>
BIOS Corporation	Health Care and Social Assistance	1	1,300
Sapulpa Public Schools	Education Services	2	603
T. D. Williamson	Manufacturing/Engineering Equipment	3	400
Ardagh	Manufacturing/Engineering Equipment	4	372
Walmart Supercenter	Retail	5	290
American Heritage Bank	Financial Institution	6	286
Paragon Industries	Pipe Manufacturing	7	250
City of Sapulpa	Local Government	8	218
Green Bay Packaging	Corrugated Boxes	9	200
John Christner Trucking	Transportation	10	185
Mid-America Automotive	Automotive Services	11	150
Bennett Steel, Inc.	Commercial Steel Fabrication	11	150
Totals			<u><u>4,404</u></u>

Obtained from Steve Hardt, Economic Developer
City of Sapulpa

CITY OF SAPULPA, OKLAHOMA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 June 30, 2019
TABLE 19

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government:										
Management Services	5	5	5	5	5	5	5	5	5	5
Finance	5	5	5	5	5	5	5	5	5	5
Planning	3	3	3	3	3	3	3	3	3	3
Building	2	2	2	2	2	2	2	2	2	2
Community Image	1	1	1	1	1	1	1	1	1	1
Court	3	3	3	3	3	3	3	3	3	3
Treasurer										
Human Resources	1	1	1	1	1	1	1	1	1	1
MIS										
Legal	2	2	2	2	2	2	2	2	2	2
Cemetery	6	6	6	6	6	6	6	6	6	6
Other (FM, VM, Tort, FM, DCC)	5	5	5	5	5	5	5	5	5	5
Utility Accounting	7	6	6	6	6	6	6	6	6	6
Total General Government	40	39								
Public Safety and Judiciary:										
Police										
Officers	47	47	47	43	43	40	43	47	46	47
Civilians	12	12	12	11	11	11	11	11	12	12
Animal Welfare	3	3	2	2	2	2	2	2	2	3
Fire:										
Firefighters & Officers	48	48	49	49	49	49	47	49	50	50
Civilians	1	1	1	1	1	1	1	1	1	1
Central Communications/EM										
Total Public Safety and Judiciary	111	111	111	106	106	103	104	110	111	113
Transportation:										
Streets	12	12	12	12	12	12	12	12	12	12
Total Transportation	12									
Cultural, Parks and Recreation:										
Parks and Recreations	7	7	7	7	7	7	7	7	7	7
Library	5	5	5	5	5	5	5	5	5	5
Golf Course	5	5	5	5	5	5	5	6	5	7
Total Cultural, Parks and Recreation	17	18	17	19						
Public Works:										
Solid Waste Collection	0	0	0	0	0	0	0	0	0	0
Utility Maintenance	15	11	11	11	11	12	12	11	11	11
Water Treatment	8	8	8	8	8	8	8	8	8	8
Wastewater Treatment	12	12	12	12	13	13	13	12	12	12
Industrial Pretreatment/Stormwater Management	5	5	4	3	4	4	4	3	3	4
Total Public Works	40	36	35	34	36	37	37	34	34	35
Total Full-Time Employees by Function/Program	220	215	214	208	210	208	209	213	213	218

CITY OF SAPULPA, OKLAHOMA
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years
 June 30, 2019
 TABLE 20

<u>Function/Program</u>	<u>FY</u> <u>2010</u>	<u>FY</u> <u>2011</u>	<u>FY</u> <u>2012</u>	<u>FY</u> <u>2013</u>	<u>FY</u> <u>2014</u>	<u>FY</u> <u>2015</u>	<u>FY</u> <u>2016</u>	<u>FY</u> <u>2017</u>	<u>FY</u> <u>2018</u>	<u>FY</u> <u>2019</u>
General Government										
Buildings	17	17	17	17	17	17	17	17	17	17
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone Offices	1	1	1	1	1	1	1	1	1	1
Patrol units	39	35	35	35	33	32	32	35	39	44
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Trucks	12	14	14	13	12	12	11	14	14	14
Vehicles	9	9	8	8	8	10	11	9	9	11
Trailer Vans					4	4	4	4	4	4
Boats					2	2	2	1	2	2
Refuse Collection										
Collection trucks	0	0	0	0	0	0	0	0	0	0
Streets										
Street miles	209	209	209	209	209	209	209	209	209	209
Streetlights	1407	1410	1410	1410	1410	1410	1410	1410	1410	1410
Traffic signals	23	23	23	23	23	23	23	23	23	23
Parks and recreation										
Acreage	487	487	487	487	487	487	487	487	487	487
Playgrounds	12	12	12	12	12	12	12	12	12	12
Baseball/softball diamonds	14	14	14	14	14	14	14	14	14	14
Soccer/football fields	12	12	12	12	12	12	12	12	12	12
Community Center	1	1	1	1	1	1	1	1	1	1
Pool	1	1	1	1	1	1	1	1	1	1
Golf course	1	1	1	1	1	1	1	1	1	1
Library										
Buildings	2	2	2	2	2	2	2	2	2	2
Public Transportation										
Buses	N/A									
Trolley	N/A									
Cemetery										
Plots	52,595	31,550	46,725	52,850	35,750	34,150	34,150	27,225	101	100
Vehicles & Machinery	17	17	17	17	17	17	17	17	17	17
Water										
Water mains (miles)	94	94	94	94	94	94	94	94	94	94
Fire hydrants	820	822	822	888	860	547	547	570	577	578
Storage capacity (thousands of g	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, 2019
 TABLE 21

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Physical Arrests	1262	1002	917	1106	863	1078	1021	1135	990	899
*Parking Violations	413	9	48	42	17	12	7	4	6	2
Traffic Violations	8978	8392	8137	8159	8728	5830	4350	4340	4180	3425
Fire										
Emergency Responses	1845	2789	2741	2901	3137	2924	2587	3475	3537	3873
Fires Extinguished	188	280	287	295	206	224	143	234	154	147
Inspections	174	209	130	210	310	175	44	140	189	125
Solid Waste Collection										
Solid Waste Collected (Tons Per Day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recyclables Collected (Tons Per Day)	N/A	N/A	N/A	NA	NA	NA	NA	NA	NA	NA
Other Public Works										
Potholes Repaired:										
Asphalt Patching (Tons)	472	400	597	640	452	485	404	572	420	226
Concrete Patching (Cubic Yards)	38	26	4	10	10	10	10	0	6	5
Parks & Recreation										
Athletic Field-Agreements										
Sapulpa Little League (# of Fields Used)	14	14	14	14	14	14	14	14	14	14
Sapulpa Youth Soccer (# of Fields Used)	12	12	12	12	12	12	12	12	12	12
Sapulpa Girls Softball (# of Fields Used)	10	10	10	10	10	10	10	10	10	10
Community Center/Park Rentals	237		81	83	97	143	140	140	163	193
Senior Citizen- Meals Served	7140	7417	7500	4780	4000	5750	5769	1476	1100	2131
-Sr. Center Lunch Program										
Water										
Connections	6516	6478	6486	6498	6552	6557	6537	6544	6504	6541
Water Main Breaks	25-50	100-150	50-100	100-150	50	50-100	50-100	50-100	50-100	50-100
Average Daily Consumption (Thousands of Gallons)	3142	3169	3062	2991	3036	2612	3014	2666	2482	2452
Peak Daily Consumption (Thousands of Gallons)	4896	5234	5932	5063	4643	3974	4795	4068	3634	3587
Wastewater										
Average Daily Sewage Treatment (Thousands of Gallons)	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000
Transit										
Total Route Miles-Trolleys & Broncho	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Route Miles-Rt-37	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Passengers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Various City Departments

INTERNAL CONTROL AND COMPLIANCE SECTION



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

To the Honorable Mayor and Members of the City Council
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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 28, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads 'Arledge & Associates, P.C.'.

February 28, 2020