



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
for Year Ending June 30, 2014

*The City of Sand Springs, Oklahoma*





**CITY OF SAND SPRINGS, OKLAHOMA**

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

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

**Prepared by the  
Department of Finance  
Kelly Lamberson – Finance Director  
Julie Casteen – Budget Officer  
Jamie Muns-Dobson – Accountant**

[www.sandspringsok.org](http://www.sandspringsok.org)

**City of Sand Springs 100 E Broadway Sand Springs, Oklahoma 74063**



**CITY OF SAND SPRINGS, OKLAHOMA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**CITY OF SAND SPRINGS, OKLAHOMA  
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# INTRODUCTION

## *Section*







## City of Sand Springs

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Sand Springs,  
Oklahoma 74063

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December 31, 2014

Honorable Mayor, members of the City Council and the Citizens of the City of Sand Springs, Oklahoma:

The Comprehensive Annual Financial Report of the City of Sand Springs (the "City") for the year ended June 30, 2014, is hereby submitted as mandated by the city charter and state statutes. The City is required to publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts.

Responsibility of both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. We believe the information, as presented, is accurate in all material aspects and that all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial activities have been included.

The City's financial statements have been audited by Arledge & Associates, P.C., a firm of licensed certified public accountants. The independent audit was conducted to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent auditor has issued an unqualified ("clean") opinion on the City's financial statements for the year ended June 30, 2014. The independent auditor's report is presented as the first component of the financial section of this report.

Management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

## **Profile of the Government**

Sand Springs is located in Northeast Oklahoma, six miles west of Tulsa. The City was incorporated as a city in 1912, just five years after statehood. The city is continually flourishing with an area of 22 square miles, an extended growth area of 150 square miles, and a city population estimated by INCOG at 19,339.

The City has been governed by the Council-Manager form of government since the adoption of a charter in 1969. This form of government most closely resembles the private sector with the Manager serving as the Chief Executive Officer, the Mayor as the Chairman of the Board, and the Council as the Board of Directors.

The City Council is the legislative body for the City of Sand Springs. It is comprised of the Mayor, Vice-Mayor and five council members who are elected to serve three-year terms. The seven members represent each of the City's six wards; one member serving an at-large position. The City Council members are also the Trustees of the Sand Springs Municipal Authority.

The duties of the Council include, but are not limited to, adopting the City's annual budget, adopting ordinances, establishing personnel policies, appointing or electing members of all quasi-legislative boards and commissions, enacting legislation, regulating all other fiscal affairs of the City, and appointing the City Manager.

The City provides its residents with a variety of municipal services, including police and fire protection, comprehensive land use, planning and zoning services, parks and recreational activities, cultural events, and the construction and maintenance of highways, streets and other infrastructure. The City also provides water, wastewater, stormwater, and solid waste services to its residents under the legal entity of the Sand Springs Municipal Authority (SSMA). SSMA is a public trust created under applicable Oklahoma statutes on March 14, 1966, with the City named as the beneficiary thereof. These utility systems operate for the benefit of the City of Sand Springs and are an integral part of City operations. The City owns and operates an 18-hole golf course, The Canyons at Blackjack Ridge, and the Sand Springs-Pogue Airport under the SSMA. SSMA's financial statements are blended into the City's financial statements and together they comprise the City's primary financial presentation. The City is also financially accountable for a legally separate economic development authority (SSEDA) and a legally separate cultural – historical trust (SSCHMTA). Both of these entities are reported separately within the City's financial statements. Additional information on these legally separate entities can be found in the notes to the financial statements (see Note 1.A).

The City operates on a fiscal year basis, beginning July 1<sup>st</sup> and ending June 30<sup>th</sup>. All funds of the City with revenues and expenditures are required to have annual

budgets. The City Manager's proposed operating budget for the fiscal year commencing the following July 1 is submitted to the City Council prior to June 1. A public hearing is held prior to June 15 to obtain citizen comments. Subsequent to the public hearing but not later than seven days prior to July 1, the budget is adopted by resolution of the City Council. The adopted budget is filed with the Office of State Auditor and Inspector. The appropriated budget is prepared by fund, function and department. All supplemental appropriations require City Council approval. The City Manager may transfer appropriations between departments without City Council approval. Supplemental appropriations must also be filed with the Office of the State Auditor and Inspector.

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities. The commitments will be honored during the subsequent year.

In accordance with Title 60 of the Oklahoma State Statutes the Sand Springs Economic Development Authority and the Sand Springs Cultural and Historical Museum Trust Authority prepare an annual budget and submit a copy to the City as beneficiary.

### **Local Economy**

The City relies on sales and other taxes to fund the majority of its governmental operations. These revenue streams are volatile and consequently the City's finances are directly impacted by economic conditions and weather patterns. During the calendar year 2014, taxable sales began to recover after the sales tax slump in 2013 and the fiscal year 2014 ended up with a 3.5% increase over prior year. However, billed water volume took a hit during the fiscal year as the City experienced milder temperatures during the summer months, causing water consumption to go down by 2.6% from prior year.

Other indicators show continued stabilization of the local economy. Building permits have increased in 2013 by 16% and construction values went up 4.9%. Per capita personal income grew in the Tulsa metropolitan area by 1.1% to \$52,843 and the unemployment rate went down 11.5% to 4.6%. The net assessed value in Sand Springs also increased by 2.3%.

### **Major Initiatives**

The City worked on several initiatives and construction projects during FY14. City staff continues to work with the developer to attract businesses to the River West development area. Most recently, a Holiday Inn Express began construction in this area with an estimated value of \$3.57 million. Other businesses are expected to follow suit.

The Sand Springs citizens approved a \$2,365,000 GO bond package to fund various park improvements, including two splash pads, as well as improvements to the Canyons of Black Jack Ridge golf course facilities, Sand Springs Museum, and Keystone Ancient Forest trails and infrastructure. Those projects were in various design phases and are ongoing.

The City began work on three major projects that are being funded mostly with a \$30M revenue bond package approved in 2012. The first is for the new Spring Lake Complex, which will house Public Works administration, Fleet maintenance, Facilities management along with a central warehouse, Street Maintenance, Water Maintenance, Solid Waste, and a vehicle wash bay. This project is estimated to cost \$8 million. The final design was completed and construction began in the summer of 2014. The second project is for a new 41<sup>st</sup> Street elevated water tower estimated at \$2,730,000 and is expected to be completed in spring 2015. The final project to be funded with these revenue bonds is the Wastewater Treatment Plant improvement project which will include constructing a new 4-cell sequential batch reactor. This project is still in the design phase with an estimated cost of \$18 million.

Other major projects the City worked on through the fiscal year included the airport runway overlay project, which consisted of asphalt overlays of the runway, crack repair and seal coat of both taxiways and the Northwest Apron, and construction of a new Northwest Apron taxiway, which required the relocation of four utility segments. This project cost approximately \$3.3 million, largely funded by the FAA, and was completed in September 2013. Another major project currently under way is the Main Street improvement project with an estimated cost of \$11 million. Right of way plans have been completed and construction is anticipated to begin in late 2015.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the 24th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the

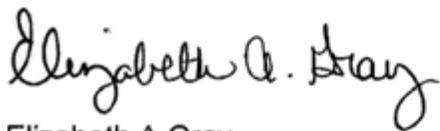
Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received its 18th consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year 2013. This award recognizes conformance with the highest standards for preparation of state and local popular reports. The popular report is an easily understandable financial report on all activities for the general public at large.

The preparation of this Comprehensive Annual Financial Report is a combined effort of the Accounting staff of the Finance Department with the professional assistance of Crawford & Associates, P.C. Our sincere appreciation is extended to all who contributed to its preparation.

We would also like to thank the Mayor and the members of the City Council for their leadership, encouragement and support in strengthening and improving the fiscal policies of the City of Sand Springs.

Respectfully Submitted,



Elizabeth A Gray  
City Manager



Kelly A Lamberson  
Finance Director

**CITY OF SAND SPRINGS, OKLAHOMA**

**PRINCIPAL OFFICIALS and STAFF**

**JUNE 30, 2014**

MAYOR AND CITY COUNCIL

Mike Burdge	Mayor	Ward 3	John Fothergill	Councilmember	Ward 4
Dean Nichols	Councilmember	Ward 2	Brian Jackson	Vice Mayor	Ward 6
Michael Phillips	Councilmember	Ward 1	James Rankin	Councilmember	At-Large
Harold Neal	Councilmember	Ward 5			

FINANCE COMMITTEE

Mike Burdge	Chairman	Elizabeth Gray	Member
Dean Nichols	Member	Kelly Lamberson	Member
Harold Neal	Member	Julie Casteen	Member

ADMINISTRATION

Elizabeth Gray	City Manager	Kelly Lamberson	Finance Director
Derek Campbell	Public Works Director	Vacant	City Planner
Kim Booth	Human Resources Director	Grant Gerondale	Parks Director
Daniel Bradley	Police Chief	Mike Wood	Fire Chief
David Weatherford	City Attorney	Janice Almy	City Clerk
Kasey St. John	Marketing & Special Projects Manager		

ACCOUNTING STAFF

Julie Casteen	Budget Officer	Jamie Muns-Dobson	Accountant
Arlena Barnes	Purchasing Agent	Samantha Portilloz	Accounts Payable Specialist





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Sand Springs  
Oklahoma**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# FINANCIAL

## *Section*





## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council of the  
City of Sand Springs, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sand Springs, Oklahoma (the "City"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, 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, 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***

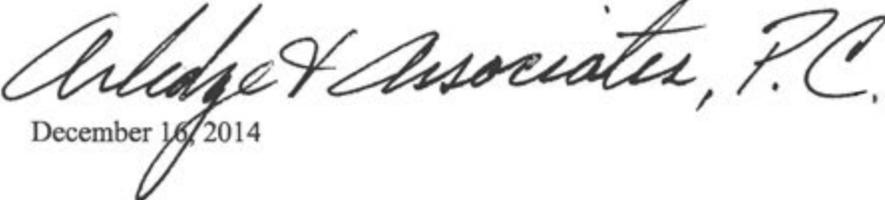
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a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

The other supplementary information is the responsibility of management and was 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 supplementary 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 December 16, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

  
December 16, 2014

**MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

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As Management of the City of Sand Springs, we offer readers this narrative overview and analysis of the financial activities of the City of Sand Springs for the fiscal year ended June 30, 2014. We encourage readers to use this information in conjunction with the City's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The City's total net position increased by \$1.5 million and the assets and deferred outflows of the City continued to exceed its liabilities and deferred inflows at June 30, 2014, by \$122 million (net position). Of this amount, \$26.8 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2014, the City's governmental funds reported combined ending fund balances of \$30.6 million.
- At the end of fiscal year 2014, unassigned fund balance for the General Fund was \$3.1 million or 18.8% of General Fund revenues.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements presented herein include all of the activities of the City of Sand Springs (the "City"), the Sand Springs Municipal Authority (the "Authority") and other component units. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type, along with two discretely-presented component units.

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. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt).

### **Reporting the City as a Whole - Statements of Net Position and Activities**

This discussion and analysis is intended to serve as an introduction to the City of Sand Springs' basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 21 & 22, respectively) report information about the City as a whole and about its activities in a way that helps answer questions. 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 statements report the City's net position and changes in net position from the prior year. You can think of the City's net position – the difference between assets, and 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 non-financial 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 of the City.

The Statement of Net Position and the Statement of Activities are divided into three types 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, sewer, stormwater and refuse utilities are reported here, along with the golf course and airport enterprises.
- Discretely-presented component units -- These account for activities of the City's reporting entity that do not meet the criteria for blending.

### **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. The City of Sand Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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. All of the funds of the City of Sand Springs can be divided into two categories: governmental funds and proprietary funds.

**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**CITY OF SAND SPRINGS, OKLAHOMA**  
**JUNE 30, 2014**

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*Governmental funds* -- Most of the City's basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year. These funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". 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. Enterprise funds are one type of proprietary funds and are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, solid waste collection and disposal services, stormwater drainage, the operations of the municipal golf course, and the operations of the municipal airport. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to gain understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 31-67 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which includes General Fund Budgetary Comparison Schedule, Notes to Required Supplemental Information Budgetary Comparison Schedule and Schedule of OPEB Status and Funding Progress. Other supplementary information includes Combining and Individual Fund Financial Statements and Schedules, Budgetary Comparison Combining schedules for governmental funds, Cash Flow Statements for component units and a Schedule of Debt Service. This information can be found on pages 69-91 of this report.

Also included in this report is the Statistical Section which can be found on pages 93-117. This section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of the City of Sand Springs.

MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The largest portion of the City's net position reflects investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. This year the net investment in capital assets amounted to \$83.7 million. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. The Discretely-Presented Component Units are excluded from the following table.

**The City of Sand Springs' Net Position**  
(expressed in \$ 000's)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and other assets	\$ 19,340	\$ 16,828	\$ 48,311	\$ 48,357	\$ 67,651	\$ 65,185
Capital assets	37,309	39,967	66,754	66,431	104,063	106,398
<b>Total assets</b>	<b>56,649</b>	<b>56,795</b>	<b>115,065</b>	<b>114,788</b>	<b>171,714</b>	<b>171,583</b>
Deferred Outflows of Resources:						
Deferred amount on refunding	44	59	-	-	44	59
Liabilities:						
Long-term liabilities	8,879	7,461	38,850	40,397	47,729	47,858
Other liabilities	1,199	1,070	817	2,201	2,016	3,271
<b>Total liabilities</b>	<b>10,078</b>	<b>8,531</b>	<b>39,667</b>	<b>42,598</b>	<b>49,745</b>	<b>51,129</b>
Net position:						
Net investment in capital assets	33,255	32,506	50,419	50,562	83,674	83,068
Restricted	9,113	8,213	2,468	2,141	11,581	10,354
Unrestricted	4,247	7,604	22,511	19,487	26,758	27,091
<b>Total net position</b>	<b>\$ 46,615</b>	<b>\$ 48,323</b>	<b>\$ 75,398</b>	<b>\$ 72,190</b>	<b>\$ 122,013</b>	<b>\$ 120,513</b>

A portion of the City's net position, \$11.6 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$26.8 million, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year the City is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**CITY OF SAND SPRINGS, OKLAHOMA**  
**JUNE 30, 2014**

The following table reflects the changes in the City's net position as a result of revenue collection and payment of expenses during the fiscal year. A comparison is made between the two fiscal years to show the change in net position.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program revenues:						
Charges for Services	\$ 1,622	\$ 1,552	\$ 14,889	\$ 14,235	\$ 16,511	\$ 15,787
Grants & Contributions	1,105	1,366	-	-	1,105	1,366
Capital Grants & Contributions	78	3,238	674	3,347	752	6,585
General Revenues:						
Sales & Use Tax	10,884	11,728	-	-	10,884	11,728
Other Taxes	2,719	2,193	-	-	2,719	2,193
Other General Revenues	950	793	45	45	995	838
<b>Total Revenues</b>	<b>17,358</b>	<b>20,870</b>	<b>15,608</b>	<b>17,627</b>	<b>32,966</b>	<b>38,497</b>
<b>Program Expenses:</b>						
General Government	2,662	1,164	-	-	2,662	1,164
Planning & Zoning	137	124	-	-	137	124
Financial Administration	892	778	-	-	892	778
Public Safety	8,482	8,239	-	-	8,482	8,239
Highways & Streets	2,296	2,307	-	-	2,296	2,307
Health & Welfare	38	36	-	-	38	36
Culture & Recreation	1,335	1,181	-	-	1,335	1,181
Economic Development	718	504	-	-	718	504
General Properties	600	606	-	-	600	606
Interest on Long-term Debt	202	187	-	-	202	187
Water	-	-	7,217	7,276	7,217	7,276
Wastewater	-	-	3,542	3,455	3,542	3,455
Solid Waste	-	-	1,373	1,343	1,373	1,343
Storm Water	-	-	388	326	388	326
Airport	-	-	765	647	765	647
Golf Course	-	-	819	788	819	788
<b>Total Expenses</b>	<b>17,362</b>	<b>15,126</b>	<b>14,104</b>	<b>13,835</b>	<b>31,466</b>	<b>28,961</b>
Excess/(Deficiency)	(4)	5,744	1,504	3,792	1,500	9,536
Net Transfers	(1,704)	(3,018)	1,704	3,018	-	-
<b>Increase/(Decrease) in Net Position</b>	<b>(1,708)</b>	<b>2,726</b>	<b>3,208</b>	<b>6,810</b>	<b>1,500</b>	<b>9,536</b>
<b>Beginning net position</b>	<b>48,323</b>	<b>45,597</b>	<b>72,190</b>	<b>65,380</b>	<b>120,513</b>	<b>110,977</b>
<b>Ending net position</b>	<b>\$ 46,615</b>	<b>\$ 48,323</b>	<b>\$ 75,398</b>	<b>\$ 72,190</b>	<b>\$ 122,013</b>	<b>\$ 120,513</b>

In governmental activities, capital grants and contributions decreased from prior year by \$3.2 million. In prior year, the highways & streets function received \$3.0 million in capital contributions. General government expenses increased approximately \$1.5 or 129% due to the loss on the sale of land in the amount of \$1.2 million.

MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014

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In business-type activities, charges for services increased over prior year of approximately \$654,000 showing increases in each activity.

**Governmental Activities**

The City's governmental activities' decrease in net position of \$1.7 million represents a 3.5% decrease, which is primarily due to the \$1.5 million loss on the sale of land.

**Business-type Activities**

The business-type activities' increase in net position of \$3.2 million represents a 4.4% increase in net position.

Overall, total business-type activities' revenues are sufficient to cover their total business-type activities' expenses. Individually, Water, Solid Waste, Stormwater, and Airport revenues cover more than their expenses, and make up for the revenue deficiencies in the Wastewater and Golf business-type functions.

**A FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As the City completed its 2014 fiscal year, the governmental funds reported a combined fund balance of \$30.6 million, or an 18.4% increase from the prior year. The enterprise funds reported combined net position of \$62.5 million, or a 1.5% increase from 2013. The fund balance and net position restrictions are listed below.

Fund Balance Classifications:	
Nonspendable	\$ 30,035
Restricted	18,013,380
Assigned	9,469,665
Unassigned	3,129,894
Total Fund Balance	<u>\$ 30,642,974</u>
Enterprise Funds Net Position Restrictions:	
Restricted for debt service	\$ 2,378,419
Total Net Position Restrictions	<u>\$ 2,378,419</u>

**Other fund highlights include:**

For the year ended June 30, 2014, the General Fund's total fund balance increased by \$334,062, or 6.5%, due to an increase in taxes, intergovernmental, and service revenues and offset by a smaller increase in overall expenses. The Council has established a policy for maintaining the unassigned fund balance in the General Fund at not less than 15% of net revenues. Net revenues equals total revenues less required sales tax transfers out. The total unassigned fund balance at year end was 25.9% of net revenues.

- The Street Improvement Fund's total fund balance increased by \$922,331 in order to accumulate the funds needed to complete large projects in the near future.
- The SSMA Solid Waste Fund reported a decrease in net position, after transfers, for the year, but overall the total change in net position for the enterprise funds was an increase of \$0.9 million.

**General Fund Budgetary Highlights**

Comparing the fiscal year 2014 original budget (or adopted) General Fund expenditures and transfers amount of \$17,971,611 to the final budgeted amount of \$19,024,941 shows a net increase of \$1,053,330 or 5.9%. Total original budgeted revenues and transfers were revised from \$16,929,557 to \$17,751,799, an increase of \$822,242 or 4.9%.

General Fund actual revenues and transfers totaled \$37,057 more than final estimates, while expenditures and transfers out were under final appropriations by \$1,574,119. Public safety, highways & streets, and facilities management departments were the primary reason, coming in approximately \$1.6 million under budget appropriations.

**CAPITAL ASSETS & DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2014, the City had \$104 million invested in capital assets including land, buildings, machinery and equipment, park facilities, water, sewer and stormwater systems, roads and bridges. This represents a net decrease of \$2.3 million over last year.

Following are details regarding the change in the City's capital assets for the year ending June 30, 2014.<sup>1</sup>

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<sup>1</sup> For more detailed information on capital asset activity please refer to page 51, Note 3.D. Capital Assets

MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014

**The City of Sand Springs' Capital Assets**  
(expressed in \$ 000's)

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 9,802	\$ 11,497	\$ 2,169	\$ 2,169	\$ 11,971	\$ 13,666
Buildings	8,535	8,311	22,081	22,081	30,616	30,392
Improvements & Other	4,054	3,970	26,653	26,653	30,707	30,623
Equipment	8,398	7,648	4,726	4,688	13,124	12,336
Infrastructure	39,936	38,433	56,142	55,852	96,078	94,285
Intangible	-	-	6,703	6,703	6,703	6,703
Construction-in-progress	1,371	2,824	11,681	8,984	13,052	11,808
<b>Totals</b>	<b>72,096</b>	<b>72,683</b>	<b>130,155</b>	<b>127,130</b>	<b>202,251</b>	<b>199,813</b>
Less Depreciation	(34,787)	(32,716)	(63,401)	(60,699)	(98,188)	(93,415)
<b>Totals, Net</b>	<b>\$ 37,309</b>	<b>\$ 39,967</b>	<b>\$ 66,754</b>	<b>\$ 66,431</b>	<b>\$ 104,063</b>	<b>\$ 106,398</b>

This year's more significant capital asset additions include utility infrastructure improvements of approximately \$2.1 million in construction in progress and various machinery and equipment in capital asset additions.

**Debt Administration**

At year-end, the City had \$47.1 million in long-term debt outstanding, which represents a \$218,217 decrease from the prior year. These debts are further detailed as follows: <sup>2</sup>

**The City of Sand Springs' Long-term Debt**  
(expressed in \$ 000's)

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds, Net	\$ 7,165	\$ 5,720	\$ -	\$ -	\$ 7,165	\$ 5,720
Capital Lease Obligations	515	626	-	-	515	626
Notes Payable	-	-	8,147	9,070	8,147	9,070
Revenue Bonds	-	-	29,830	30,510	29,830	30,510
Accrued Compensation	749	729	274	260	1,023	989
Utility Deposits	-	-	461	444	461	444
<b>Totals</b>	<b>\$ 8,429</b>	<b>\$ 7,075</b>	<b>\$ 38,712</b>	<b>\$ 40,284</b>	<b>\$ 47,141</b>	<b>\$ 47,359</b>

<sup>2</sup> For more detailed information on long-term debt activity please refer to page 53, Note 3.E. Long-Term Debt

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The economic outlook for Sand Springs continues to show improvement. This is largely evident by the 3.5% increase in taxable sales in fiscal year 2014 over prior year. The City also saw increased franchise tax as well as hotel and motel tax revenues. However, water volume sold during the year fell short of projections and continues to remain low during the summer months due to milder temperatures than experienced in previous years, affecting water revenues. In 2013, building permits increased by 16% and construction values increased 4.9%. Net assessed property values in Sand Springs rose by 2.3% over prior year. Per capita personal income for Tulsa County increased 1.1% to \$52,843 and the county-wide unemployment rate improved from 5.2% down to 4.6%. The City of Sand Springs continues to take advantage of lower interest rates by refinancing debt when it is fiscally beneficial, but remains conservative in its spending. Overall, the local economy appears to remain fairly stable but the City continues to build ending fund balances and net assets in the event it changes.

## **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 Office at 100 E. Broadway, Sand Springs, Oklahoma or phone at (918) 246-2518. This report may be found on the City's website, [www.sandspringsok.org](http://www.sandspringsok.org).



**Sand Springs**

O K L A H O M A

## BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
  - Governmental funds
  - Proprietary (enterprise) funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.



**City of Sand Springs, Oklahoma**  
**Statement of Net Position**  
**June 30, 2014**

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Museum Trust Authority</u>	<u>Economic Development Authority</u>
<b>ASSETS</b>					
Cash and equivalents	\$ 8,498,966	\$ 38,793,765	\$ 47,292,731	\$ 158,520	\$ 2,401
Investments	8,220,913	7,580,118	15,801,031	-	6,274
Interest receivable	8,318	2,478	10,796	-	-
Accounts receivable, net	607,008	1,696,674	2,303,682	-	-
Due from other governmental agencies	1,975,133	100,257	2,075,390	-	-
Inventories	21,746	133,955	155,701	-	-
Other assets	8,288	3,271	11,559	-	-
Capital assets:					
Capital assets, nondepreciable	11,173,373	20,553,198	31,726,571	-	-
Other capital assets, net of depreciation	26,135,515	46,201,345	72,336,860	-	-
Total Assets	<u>56,649,260</u>	<u>115,065,061</u>	<u>171,714,321</u>	<u>158,520</u>	<u>8,675</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amount on refunding	43,981	-	43,981	-	-
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	735,166	503,766	1,238,932	320	-
Accrued interest payable	64,438	230,677	295,115	-	-
Accrued payroll liabilities	206,042	77,057	283,099	-	-
Due to other governmental agencies	138,956	3,918	142,874	58	-
Amounts held in escrow	54,885	-	54,885	-	-
Unearned revenue	-	1,477	1,477	-	-
Long-term liabilities:					
Due within one year	1,184,883	1,662,188	2,847,071	-	-
Due in more than one year	7,694,230	37,187,915	44,882,145	-	-
Total Liabilities	<u>10,078,600</u>	<u>39,666,998</u>	<u>49,745,598</u>	<u>378</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	33,255,246	50,419,150	83,674,396	-	-
Restricted for:					
Capital projects	8,029,787	89,765	8,119,552	-	-
Public safety	231,982	-	231,982	-	-
Debt service	480,351	2,378,419	2,858,770	-	-
Economic development	349,252	-	349,252	-	-
Other projects	21,148	-	21,148	-	-
Unrestricted	4,246,875	22,510,729	26,757,604	158,142	8,675
Total Net Position	<u>\$ 46,614,641</u>	<u>\$ 75,398,063</u>	<u>\$ 122,012,704</u>	<u>\$ 158,142</u>	<u>\$ 8,675</u>

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma  
Statement of Activities  
For the Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Museum Trust Authority	Economic Development Authority	
					Governmental Activities	Business-type Activities			Total
<b>Primary government</b>									
Governmental Activities	\$ 2,662,169	\$ 303,965	\$ 23,082	\$ 42,616	\$ (2,292,506)	\$ -	\$ (2,292,506)	\$ -	
General government	136,407	9,873	-	-	(126,534)	-	(126,534)	-	
Planning and zoning	891,880	-	-	-	(891,880)	-	(891,880)	-	
Financial administration	8,482,160	1,201,771	902,105	-	(6,378,284)	-	(6,378,284)	-	
Public safety	2,295,442	1,294	180,392	35,408	(2,078,348)	-	(2,078,348)	-	
Highways and streets	38,152	-	-	-	(38,152)	-	(38,152)	-	
Health and welfare	1,334,749	104,868	-	-	(1,229,881)	-	(1,229,881)	-	
Culture and recreation	718,360	-	-	-	(718,360)	-	(718,360)	-	
Economic development	600,341	-	-	-	(600,341)	-	(600,341)	-	
Facilities management and fleet maintenance	202,090	-	-	-	(202,090)	-	(202,090)	-	
Interest on long-term debt	17,361,750	1,621,771	1,105,579	78,024	(14,556,376)	-	(14,556,376)	-	
Total governmental activities									
<b>Business-type activities</b>									
Water operations	7,217,517	7,838,862	-	70,000	-	691,345	691,345	-	
Wastewater operations	3,542,099	3,305,188	-	109,072	-	(127,839)	(127,839)	-	
Solid waste operations	1,373,312	1,794,651	-	-	-	421,339	421,339	-	
Stormwater operations	387,534	1,016,272	-	-	-	628,738	628,738	-	
Airport operations	765,017	398,421	-	494,562	-	127,966	127,966	-	
Golf course operations	818,843	535,236	-	-	-	(283,607)	(283,607)	-	
Total business-type activities	14,104,322	14,888,630	-	673,634	-	1,457,942	1,457,942	-	
Total primary government	\$ 31,466,072	\$ 16,510,401	\$ 1,105,579	\$ 751,658	(14,556,376)	1,457,942	(13,098,434)	-	
<b>Component Units</b>									
Culture and recreation	\$ 3,123	\$ 13,411	\$ 4,778	\$ -	-	-	15,066	-	
Economic development	4,900	-	-	-	-	-	-	(4,900)	
Total component units	\$ 8,023	\$ 13,411	\$ 4,778	\$ -	-	-	15,066	(4,900)	
<b>General revenues:</b>									
Taxes:									
Sales and use taxes					10,883,650	-	10,883,650	-	
Property taxes					406,950	-	406,950	-	
Franchise taxes					833,193	-	833,193	-	
Abatement taxes					30,404	-	30,404	-	
E-911 taxes					142,163	-	142,163	-	
Hotel/Motel taxes					157,200	-	157,200	-	
Payment in lieu of tax					1,149,337	-	1,149,337	-	
Grants and contributions not restricted to specific programs					723,417	-	723,417	-	
Unrestricted investment earnings					189,547	39,496	229,043	78	
Miscellaneous					36,714	5,823	42,537	-	
Transfers					(1,704,747)	1,704,747	-	-	
Total general revenues and transfers					12,847,828	1,750,066	14,597,894	78	
Change in net position					(1,708,548)	3,208,008	1,499,460	15,144	
Net position - beginning					48,323,189	72,190,055	120,513,244	142,998	
Net position - ending					\$ 46,614,641	\$ 75,398,063	\$ 122,012,704	\$ 158,142	

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma  
Balance Sheet  
Governmental Funds  
June 30, 2014**

	<u>General Fund</u>	<u>Street Improvement</u>	<u>Capital Improvement Water/Wastewater</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,241,279	\$ 2,395,751	\$ 6,944,250	\$ 6,286,728	\$ 17,868,008
Investments	1,713,339	5,486,896	2,606,012	1,925,545	11,731,792
Accrued interest receivable	2,093	4,961	842	1,947	9,843
Taxes receivable, net	161,357	-	-	-	161,357
Due from other governments	1,736,244	-	-	177,789	1,914,033
Court fines receivable, net	344,155	-	-	-	344,155
Other receivables	262,853	-	-	-	262,853
Inventories	21,746	-	-	-	21,746
Prepaid items	8,288	-	-	-	8,288
Total assets	<u>\$ 6,491,354</u>	<u>\$ 7,887,608</u>	<u>\$ 9,551,104</u>	<u>\$ 8,392,009</u>	<u>\$ 32,322,075</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 245,038	\$ -	\$ 91,167	\$ 511,344	\$ 847,549
Payable to other governments	138,956	-	-	-	138,956
Retainage payable	-	-	-	18,951	18,951
Other accrued expenses	188,347	-	-	-	188,347
Amounts held in escrow	28,373	-	-	-	28,373
Other payables	29,931	-	-	-	29,931
Total liabilities	<u>630,645</u>	<u>-</u>	<u>91,167</u>	<u>530,295</u>	<u>1,252,107</u>
Deferred inflows of resources:					
Deferred revenues	350,562	-	-	76,432	426,994
Fund balances:					
Non-spendable	30,035	-	-	-	30,035
Restricted	524,551	7,807,089	8,968,433	713,307	18,013,380
Assigned	1,825,667	80,519	491,504	7,071,975	9,469,665
Unassigned	3,129,894	-	-	-	3,129,894
Total fund balances	<u>5,510,147</u>	<u>7,887,608</u>	<u>9,459,937</u>	<u>7,785,282</u>	<u>30,642,974</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 6,491,354</u>	<u>\$ 7,887,608</u>	<u>\$ 9,551,104</u>	<u>\$ 8,392,009</u>	<u>\$ 32,322,075</u>

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net**  
**Position**  
**June 30, 2014**

Total fund balance, governmental funds	\$	30,642,974
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 \$34,788,376		37,308,888
Certain other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds:		
Court fines receivable		344,155
Other receivables		1,500
Receivable from other governments		64,001
Deferred outflows of resources are not outflows that relate to the current period and therefore are not reported in the funds:		
Deferred amount on bond refunding		43,981
Capital project funds are used by management to purchase or construct certain capital assets for the City. The assets and liabilities of certain capital project funds are included in the business-type activities in the Statement of Net Position:		
Fund balance of the Water and Wastewater CIP Fund		(9,459,937)
Fund balance of the SSMA CIP Fund		(42,572)
Fund balance of the Airport CIP Fund		(89,765)
Fund balance of the Stormwater CIP Fund		(3,203,712)
Fund balance of the Golf Course CIP Fund		(51,321)
Certain long-term liabilities and related accounts are not due and payable from current financial resources and, therefore, are not reported in the funds:		
Accrued interest payable		(64,438)
General obligation bonds payable		(7,165,000)
Capital lease payable		(514,814)
Accrued compensated absences		(749,269)
Other post employment benefits obligation		(450,030)
Net Position of Governmental Activities in the Statement of Net Position	\$	46,614,641

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	<u>General Fund</u>	<u>Street Improvement</u>	<u>Capital Improvement Water/Wastewater</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 13,500,027	\$ -	\$ -	\$ 518,903	\$ 14,018,930
Fees and fines	432,401	-	-	-	432,401
Licenses and permits	179,498	-	-	-	179,498
Intergovernmental	1,377,175	-	-	596,472	1,973,647
Charges for services	1,026,307	-	109,475	6,950	1,142,732
Investment earnings	15,649	26,787	17,895	8,039	68,370
Miscellaneous	202,244	-	-	359,733	561,977
Total revenues	<u>16,733,301</u>	<u>26,787</u>	<u>127,370</u>	<u>1,490,097</u>	<u>18,377,555</u>
<b>EXPENDITURES</b>					
Current:					
General government	835,759	-	-	-	835,759
Planning and zoning	140,877	-	-	-	140,877
Financial administration	795,667	-	-	-	795,667
Public safety	8,012,482	-	-	-	8,012,482
Highways and streets	675,929	-	-	-	675,929
Health and welfare	34,219	-	-	-	34,219
Culture and recreation	1,086,835	-	-	-	1,086,835
Community and economic development	294,699	-	-	403,294	697,993
Facilities management and fleet maintenance	716,874	-	-	-	716,874
Debt Service:					
Principal	110,859	-	-	920,000	1,030,859
Interest and other charges	21,657	-	-	150,838	172,495
Capital Outlay	24,393	485,487	3,426,470	2,030,039	5,966,389
Total expenditures	<u>12,750,250</u>	<u>485,487</u>	<u>3,426,470</u>	<u>3,504,171</u>	<u>20,166,378</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,983,051</u>	<u>(458,700)</u>	<u>(3,299,100)</u>	<u>(2,014,074)</u>	<u>(1,788,823)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from long-term debt	-	-	-	2,367,241	2,367,241
Transfers in	1,790,187	1,768,531	5,540,829	2,018,976	11,118,523
Transfers out	(5,439,176)	(387,500)	(800,000)	(309,612)	(6,936,288)
Total other financing sources and uses	<u>(3,648,989)</u>	<u>1,381,031</u>	<u>4,740,829</u>	<u>4,076,605</u>	<u>6,549,476</u>
Net change in fund balances	334,062	922,331	1,441,729	2,062,531	4,760,653
Fund balances - beginning	5,176,085	6,965,277	8,018,208	5,722,751	25,882,321
Fund balances - ending	<u>\$ 5,510,147</u>	<u>\$ 7,887,608</u>	<u>\$ 9,459,937</u>	<u>\$ 7,785,282</u>	<u>\$ 30,642,974</u>

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma**  
**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, 2014**

Net change in fund balances - total governmental funds: \$ 4,760,653

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

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

Capital asset purchases capitalized	1,145,188
Book value of capital assets disposed or sold	(1,776,003)
Capital assets donated	40,862
Depreciation expense	(2,068,070)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. (37,038)

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:

Capital lease obligation principal payments	110,859
Capital lease obligation proceeds	(2,365,000)
General obligation bond principal payments	920,000

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

Changes in:	
Accrued interest	(14,935)
Amortization expense	(14,660)
Accrued compensated absences	(19,641)
Post employment benefit obligation	(64,044)

Capital project funds are used by management to purchase or construct certain capital assets for the City. The net change in fund balances of certain capital project funds are included in the business-type activities column of the Statement of Activities:

Water and Wastewater CIP	(1,441,729)
SSMA Capital Fund	10,408
Airport CIP Fund	(126,392)
Stormwater CIP Fund	(743,419)
Golf Course CIP Fund	(25,587)

Change in net position of governmental activities \$ (1,708,548)

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2014**

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Airport Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 3,059,297	\$ 2,540,463	\$ 595,691	\$ 119,495	\$ 213,659	\$ 226,611	\$ 6,755,216
Restricted cash and cash equivalents	768,974	106,746	-	-	-	-	875,720
Investments	1,312,558	396,086	427,600	-	-	-	2,136,244
Interest receivable	311	348	294	-	-	-	953
Accounts receivable, net	974,852	372,492	194,601	14,928	27,693	112,108	1,696,674
Inventories	126,380	-	-	7,575	-	-	133,955
Prepaid expenses	1,803	747	644	77	-	-	3,271
Total current assets	<u>6,244,175</u>	<u>3,416,882</u>	<u>1,218,830</u>	<u>142,075</u>	<u>241,352</u>	<u>338,719</u>	<u>11,602,033</u>
Noncurrent assets:							
Restricted cash and cash equivalents	-	129,666	-	-	-	-	129,666
Restricted investments	23,564,719	32,397	-	-	-	-	23,597,116
Capital assets, nondepreciable	14,654,010	1,643,221	-	3,892,716	346,572	16,679	20,553,198
Other capital assets, net	19,720,819	17,465,474	258,632	2,405,664	1,024,914	5,325,842	46,201,345
Total noncurrent assets	<u>57,939,548</u>	<u>19,270,758</u>	<u>258,632</u>	<u>6,298,380</u>	<u>1,371,486</u>	<u>5,342,521</u>	<u>90,481,325</u>
Total assets	<u>64,183,723</u>	<u>22,687,640</u>	<u>1,477,462</u>	<u>6,440,455</u>	<u>1,612,838</u>	<u>5,681,240</u>	<u>102,083,358</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	203,559	60,873	23,283	49,945	31,850	10,906	380,416
Accrued payroll liabilities	48,205	18,065	8,823	1,964	-	-	77,057
Accrued interest payable	187,967	42,710	-	-	-	-	230,677
Payable to other governments	-	3,894	-	-	-	-	3,894
Other accrued expenses	-	-	635	-	5,681	-	6,316
Unearned revenue	-	-	-	-	1,477	-	1,477
Current portion of:							
Compensated absences	33,032	10,147	9,458	1,123	-	-	53,760
Deposits subject to refund	148,249	-	-	-	-	-	148,249
Notes payable	225,200	536,332	-	-	38,647	-	800,179
Revenue bonds payable	541,232	-	-	-	-	-	541,232
Total current liabilities	<u>1,387,444</u>	<u>672,021</u>	<u>42,199</u>	<u>53,032</u>	<u>77,655</u>	<u>10,906</u>	<u>2,243,257</u>
Noncurrent liabilities:							
Compensated absences	132,128	40,589	37,832	10,107	-	-	220,656
Deposits subject to refund	312,265	-	-	-	-	-	312,265
Other postemployment benefit obligation	122,525	49,166	26,884	3,281	2,016	2,242	206,114
Notes payable	1,830,849	5,556,857	-	-	9,942	-	7,397,648
Revenue bonds payable	29,170,000	-	-	-	-	-	29,170,000
Total non-current liabilities	<u>31,567,767</u>	<u>5,646,612</u>	<u>64,716</u>	<u>13,388</u>	<u>11,958</u>	<u>2,242</u>	<u>37,306,683</u>
Total liabilities	<u>32,955,211</u>	<u>6,318,633</u>	<u>106,915</u>	<u>66,420</u>	<u>89,613</u>	<u>13,148</u>	<u>39,549,940</u>
<b>NET POSITION</b>							
Net investment in capital assets	24,181,215	13,015,506	258,632	6,298,380	1,322,896	5,342,521	50,419,150
Restricted for debt service	2,129,821	248,598	-	-	-	-	2,378,419
Unrestricted	4,917,476	3,104,903	1,111,915	75,655	200,329	325,571	9,735,849
Total net position	<u>\$ 31,228,512</u>	<u>\$ 16,369,007</u>	<u>\$ 1,370,547</u>	<u>\$ 6,374,035</u>	<u>\$ 1,523,225</u>	<u>\$ 5,668,092</u>	<u>62,533,418</u>

Capital project funds are used by management to purchase or construct certain capital assets for the City. The assets and liabilities of certain capital project governmental funds are included in the business-type activities in the Statement of Net Position:

Water and Wastewater CIP	9,459,937
SSMA Capital Fund	42,572
Airport CIP Fund	89,765
Stormwater CIP Fund	3,203,712
Golf Course CIP Fund	51,321

Revenue deferred in governmental capital project funds because the revenue is not available to pay fund liabilities has been recognized as revenue in the Statement of Activities for capital project funds classified as business type activities.

Total net position per Government-Wide financial statements 17,338  
\$ 75,398,063

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2014**

	<u>SSMA Water Utility Fund</u>	<u>SSMA Wastewater Utility Fund</u>	<u>SSMA Solid Waste Utility Fund</u>	<u>SSMA Airport Fund</u>	<u>SSMA Golf Fund</u>	<u>SSMA Stormwater Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>							
Charges for services	\$ 7,680,442	\$ 3,291,468	\$ 1,791,028	\$ 106,405	\$ 236,785	\$ 1,015,084	\$ 14,121,212
Miscellaneous	-	-	-	284,234	-	-	284,234
Total operating revenues	<u>7,680,442</u>	<u>3,291,468</u>	<u>1,791,028</u>	<u>390,639</u>	<u>236,785</u>	<u>1,015,084</u>	<u>14,405,446</u>
<b>OPERATING EXPENSES</b>							
Personal services	1,912,363	860,085	522,980	78,566	680	-	3,374,674
Operations and maintenance	2,186,325	1,064,949	749,161	412,249	369,740	182,486	4,964,910
Amortization	-	(5,666)	-	-	-	-	(5,666)
Depreciation	1,159,917	995,956	97,421	266,420	146,805	143,671	2,810,190
Total operating expenses	<u>5,258,605</u>	<u>2,915,324</u>	<u>1,369,562</u>	<u>757,235</u>	<u>517,225</u>	<u>326,157</u>	<u>11,144,108</u>
Operating income (loss)	<u>2,421,837</u>	<u>376,144</u>	<u>421,466</u>	<u>(366,596)</u>	<u>(280,440)</u>	<u>688,927</u>	<u>3,261,338</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Interest and investment revenue	12,167	2,792	1,985	42	84	100	17,170
Miscellaneous revenue	13,896	2,699	2	-	3,124	-	19,721
Loss on disposal of capital asset	(29,825)	-	-	-	-	-	(29,825)
Interest expense and fiscal agent charges	(1,085,483)	(177,520)	(129)	-	(3,167)	-	(1,266,299)
Debt issuance expense	(15,180)	(50,353)	-	-	-	-	(65,533)
Total non-operating revenue (expenses)	<u>(1,104,425)</u>	<u>(222,382)</u>	<u>1,858</u>	<u>42</u>	<u>41</u>	<u>100</u>	<u>(1,324,766)</u>
Income (loss) before contributions and transfers	1,317,412	153,762	423,324	(366,554)	(280,399)	689,027	1,936,572
Capital contributions	1,729,102	990,343	-	403,091	15,581	25,680	3,163,797
Transfers in	3,881,666	-	-	70,000	275,000	-	4,226,666
Transfers out	(6,765,329)	(43,000)	(750,000)	-	(25,572)	(825,000)	(8,408,901)
Change in net position	162,851	1,101,105	(326,676)	106,537	(15,390)	(110,293)	918,134
Total net position - beginning	31,065,661	15,267,902	1,697,223	6,267,498	1,538,615	5,778,385	61,615,284
Total net position - ending	<u>\$ 31,228,512</u>	<u>\$ 16,369,007</u>	<u>\$ 1,370,547</u>	<u>\$ 6,374,035</u>	<u>\$ 1,523,225</u>	<u>\$ 5,668,092</u>	<u>\$ 62,533,418</u>

Change in net position, per above \$ 918,134

Capital project funds are used by management to purchase or construct certain capital assets for the City. The activities of certain capital project governmental funds are included in the business-type activities in the

Statement of Activities:

Water and Wastewater CIP	1,441,729
SSMA Capital Fund	(10,408)
Airport CIP Fund	126,392
Stormwater CIP Fund	743,419
Golf Course CIP Fund	25,587

Revenue deferred in governmental capital project funds because the revenue is not available to pay fund liabilities has been recognized as revenue in the Statement of Activities for capital project funds classified as business type activities. (36,845)

Change in Business-Type Activities in Net Position per Government-Wide Financial Statements \$ 3,208,008

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2014**

	<u>SSMA Water Utility Fund</u>	<u>SSMA Wastewater Utility Fund</u>	<u>SSMA Solid Waste Utility Fund</u>	<u>SSMA Airport Fund</u>	<u>SSMA Golf Fund</u>	<u>SSMA Stormwater Fund</u>	<u>Total Proprietary Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 7,557,432	\$ 3,250,306	\$ 1,783,975	\$ 398,988	\$ 237,299	\$ 994,188	\$ 14,222,188
Payments to suppliers	(2,213,881)	(1,076,157)	(754,088)	(373,859)	(415,285)	(177,182)	(5,010,552)
Payments to employees	(1,876,357)	(847,944)	(515,815)	(76,844)	(680)	-	(3,317,640)
Receipts of customer meter deposits	123,366	-	-	-	-	-	123,366
Refunds of customer meter deposits	(106,351)	-	-	-	-	-	(106,351)
Net Cash Provided by (Used in) Operating Activities	<u>3,484,209</u>	<u>1,326,205</u>	<u>514,072</u>	<u>(51,815)</u>	<u>(178,666)</u>	<u>817,006</u>	<u>5,911,011</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers from other funds	3,881,666	-	-	70,000	275,000	-	4,226,666
Transfers to other funds	(6,765,329)	(43,000)	(750,000)	-	(25,572)	(825,000)	(8,408,901)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(2,883,663)</u>	<u>(43,000)</u>	<u>(750,000)</u>	<u>70,000</u>	<u>249,428</u>	<u>(825,000)</u>	<u>(4,182,235)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from capital debt	-	1,020,000	-	-	-	-	1,020,000
Principal paid on capital debt	(905,203)	(1,658,012)	(19,646)	-	(40,705)	-	(2,623,566)
Interest paid on capital debt	(1,084,563)	(183,039)	(205)	-	(3,176)	-	(1,270,983)
Debt issuance expense	(15,179)	(50,353)	-	-	-	-	(65,532)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(2,004,945)</u>	<u>(871,404)</u>	<u>(19,851)</u>	<u>-</u>	<u>(43,881)</u>	<u>-</u>	<u>(2,940,081)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Sale (Purchase) of investments	1,661,377	(382,406)	(250,001)	-	-	-	1,028,970
Interest and dividends	12,490	2,442	2,129	44	85	99	17,289
Net Cash Provided by (Used in) Investing Activities	<u>1,673,867</u>	<u>(379,964)</u>	<u>(247,872)</u>	<u>44</u>	<u>85</u>	<u>99</u>	<u>1,046,259</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>269,468</b>	<b>31,837</b>	<b>(503,651)</b>	<b>18,229</b>	<b>26,966</b>	<b>(7,895)</b>	<b>(165,046)</b>
<b>Balances - beginning of the year</b>	<b>3,558,803</b>	<b>2,745,038</b>	<b>1,099,342</b>	<b>101,266</b>	<b>186,693</b>	<b>234,506</b>	<b>7,925,648</b>
<b>Balances - end of the year</b>	<b><u>\$ 3,828,271</u></b>	<b><u>\$ 2,776,875</u></b>	<b><u>\$ 595,691</u></b>	<b><u>\$ 119,495</u></b>	<b><u>\$ 213,659</u></b>	<b><u>\$ 226,611</u></b>	<b><u>\$ 7,760,602</u></b>
<b>Reconciliation to Statement of Net Position:</b>							
Cash and cash equivalents	\$ 3,059,297	\$ 2,540,463	\$ 595,691	\$ 119,495	\$ 213,659	\$ 226,611	\$ 6,755,216
Restricted cash and cash equivalents	768,974	106,746	-	-	-	-	875,720
Noncurrent restricted cash and cash equivalents	-	129,666	-	-	-	-	129,666
	<b><u>\$ 3,828,271</u></b>	<b><u>\$ 2,776,875</u></b>	<b><u>\$ 595,691</u></b>	<b><u>\$ 119,495</u></b>	<b><u>\$ 213,659</u></b>	<b><u>\$ 226,611</u></b>	<b><u>\$ 7,760,602</u></b>

See accompanying notes to the Basic Financial Statements.

(Continued)

**City of Sand Springs, Oklahoma**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2014**

(Continued)

	<u>SSMA Water Utility Fund</u>	<u>SSMA Wastewater Utility Fund</u>	<u>SSMA Solid Waste Utility Fund</u>	<u>SSMA Airport Fund</u>	<u>SSMA Golf Fund</u>	<u>SSMA Stormwater Fund</u>	<u>Total Proprietary Funds</u>
<b>Reconciliation of operating income (loss) to net cash provided</b>							
<b>by operating activities:</b>							
Operating income (loss)	\$ 2,421,837	\$ 376,144	\$ 421,466	\$ (366,596)	\$ (280,440)	\$ 688,927	\$ 3,261,338
Adjustments to reconcile operating income (loss) to net cash provided							
by (used in) operating activities:							
Depreciation expense	1,159,917	995,956	97,421	266,420	146,805	143,671	2,810,190
Other non-operating revenues (expenses)	13,896	2,699	2	-	3,124	-	19,721
Amortization expense	-	(5,666)	-	-	-	-	(5,666)
Change in assets and liabilities:							
Receivables, net	(136,906)	(43,861)	(7,055)	8,349	1,723	(20,896)	(198,646)
Inventory	26,659	-	-	(1,215)	-	-	25,444
Unearned revenue	-	-	-	-	(4,333)	-	(4,333)
Prepaid expenses	(1,680)	(747)	(644)	(77)	(32,761)	-	(35,909)
Accounts payables	(52,535)	(10,527)	(4,284)	39,583	(12,784)	5,304	(35,243)
Customer meter deposits payable	17,015	-	-	-	-	-	17,015
Payable to other governments	-	66	-	-	-	-	66
Other accrued expenses	-	-	1	-	-	-	1
Other post-employment benefit obligation	16,259	6,053	3,523	452	-	-	26,287
Accrued payroll liabilities	11,566	3,405	657	569	-	-	16,197
Accrued compensated absences	8,181	2,683	2,985	700	-	-	14,549
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 3,484,209</b>	<b>\$ 1,326,205</b>	<b>\$ 514,072</b>	<b>\$ (51,815)</b>	<b>\$ (178,666)</b>	<b>\$ 817,006</b>	<b>\$ 5,911,011</b>
<b>Noncash activities:</b>							
Contributed capital assets - from governmental funds	\$ 1,659,102	\$ 881,271	\$ -	\$ 403,091	\$ 15,581	\$ 25,680	\$ 2,984,725
Contributed capital assets - from donor contributions	70,000	109,072	-	-	-	-	179,072
<b>Total Noncash Activities</b>	<b>\$ 1,729,102</b>	<b>\$ 990,343</b>	<b>\$ -</b>	<b>\$ 403,091</b>	<b>\$ 15,581</b>	<b>\$ 25,680</b>	<b>\$ 3,163,797</b>

See accompanying notes to the basic financial statements.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. FINANCIAL REPORTING ENTITY
- B. BASIS OF PRESENTATION
- C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING
- D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND EQUITY
- E. REVENUES, EXPENDITURES AND EXPENSES
- F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES
- G. USE OF ESTIMATES

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. FUND ACCOUNTING REQUIREMENTS
- B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS
- C. REVENUE RESTRICTIONS
- D. DEBT RESTRICTIONS AND COVENANTS
- E. FUND EQUITY / NET POSITION RESTRICTIONS
- F. BUDGETARY COMPLIANCE

NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

- A. DEPOSIT AND INVESTMENT RISKS
- B. ACCOUNTS RECEIVABLE
- C. RESTRICTED ASSETS
- D. CAPITAL ASSETS
- E. LONG-TERM DEBT
- F. INTERFUND TRANSACTIONS AND BALANCES
- G. FUND EQUITY

NOTE 4. OTHER NOTES

- A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS
- B. RISK MANAGEMENT
- C. COMMITMENTS AND CONTINGENCIES
- D. NEW ACCOUNTING PRONOUNCEMENTS



**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

**1.A. FINANCIAL REPORTING ENTITY**

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

Primary Government:	City of Sand Springs
Blended Component Unit:	Sand Springs Municipal Authority
Discretely Presented Component Units:	Sand Springs Economic Development Authority Sand Springs Cultural and Historical Museum Trust Authority

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" as amended by Statement 61 and includes all component units of which the City is fiscally accountable.

Each of these component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are 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 Authorities generally retain 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 Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

**BLENDED COMPONENT UNITS**

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City by appropriate fund category to comprise the primary government presentation.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

The component unit that is blended into the primary government’s fund categories is presented below:

<u>Component Unit</u>	<u>Brief Description/Inclusion Criteria</u>	<u>Included Funds</u>
Sand Springs Municipal Authority (SSMA)	Created March 14, 1966, to finance, develop and operate the water, wastewater, stormwater, and solid waste disposal facilities. Also, the Authority operates and maintains the golf course and airport facilities. The current City Council serves as the entire governing body (Trustees) of the SSMA. Any issuances of debt would require a two-thirds approval of the City Council. Management and staff of the City also serve as management and staff of the Authority.	Enterprise Funds: Water Fund Wastewater Fund Solid Waste Fund Airport Fund Golf Fund Stormwater Fund

**DISCRETELY PRESENTED COMPONENT UNITS**

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

Component units that are discretely presented in the City’s report are presented below:

Sand Springs Economic Development Authority (Economic Development Authority)	Created October 24, 1980, to promote and encourage development of industry and commerce on behalf of the City. This Trust was primarily set up to be the loan servicing agent for Community Development Block Grant Economic Development Loans, and lender for Oklahoma Industrial Finance Authority Loans to private enterprises. The SSEDA governing body is comprised of eight members; two appointed council members and six other members appointed by the full City Council. Any issuances of debt would require a two-thirds approval of the City Council.
Sand Springs Cultural and Historical Museum Trust Authority (Museum Trust Authority)	Created December 20, 1990, to promote cultural and historical activities within the City. The governing body is comprised of seven members appointed by the full City Council. No current City Council members serve on the board. Any issuance of debt would require a two-thirds approval of the City Council.

The discretely presented component units of the City do not issue separately audited component unit financial statements.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

RELATED ORGANIZATIONS

The following related organizations are not included in the financial reporting entity:

Sand Springs Development Authority	An Authority created on February 14, 1983, pursuant to Title 11 of Oklahoma Statutes, Sections 38-101, regarding urban renewal through private and public resources. This authority was created to formulate a workable program of urban renewal. The City appoints a voting majority of the organization's governing body; however, the City does not have the ability to impose its will on the governing body, nor does a financial benefit or burden relationship exist between the two. Of the governing body appointed, no member shall hold any other public office under the City.
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**1.B. BASIS OF PRESENTATION**

*Government-Wide Financial Statements:*

The statement of net position and statement of activities display information about the City as a whole. They include all funds of the reporting entity. 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.

*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 outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets (plus deferred outflows), liabilities (plus deferred inflows), 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), liabilities (plus deferred inflows), 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) or (b), but for which management has determined is of such significance to be reported as a major fund.

**NOTES TO BASIC FINANCIAL STATEMENTS  
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JUNE 30, 2014**

The funds of the financial reporting entity are described below.

**GOVERNMENTAL FUNDS**

**General Fund**

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund. It includes the Special Programs sub-fund account for reporting purposes. This sub-fund accounts for revenues assigned for specific public safety activities and recreational services provided by the City.

**Special Revenue Funds**

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

CDBG Home Investment Partnership Fund

**Debt Service Fund**

The Debt Service Fund is used to account for restricted ad-valorem taxes levied by the City for use in retiring general obligation bonds, court-assessed judgments, and their related interest and fiscal agent fees.

**Capital Project Funds**

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

- Street Improvement Fund
- Community Development Block Grant (CDBG) Fund – EDIF
- Park and Recreation Fund
- T.I.D. Cimarron Center Fund
- Short-term Capital Improvements Fund
- ODOC EECBG Fund
- Capital Improvement Fund
- Airport Construction Fund
- Stormwater Capital Improvement Fund
- SSMA Capital Fund
- 2002 General Obligation Bond Fund
- 2006 General Obligation Bond Fund
- 2014 General Obligation Bond Capital Improvement Fund
- Capital Improvement Water and Wastewater Fund
- Golf Course Capital Improvement Fund

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

PROPRIETARY FUNDS

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. 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:

- Sand Springs Municipal Authority (SSMA) - Water
- Sand Springs Municipal Authority (SSMA) - Wastewater
- Sand Springs Municipal Authority (SSMA) - Solid Waste
- Sand Springs Municipal Authority (SSMA) - Airport
- Sand Springs Municipal Authority (SSMA) - Golf
- Sand Springs Municipal Authority (SSMA) - Stormwater

COMPONENT UNITS

Discretely presented component units are separate legal entities whose governing body (in majority) is appointed by the Mayor or City Council, but whose governing body is not substantially the same as the City Council nor is an entity established to provide services primarily to the primary government. Since these component units are not as closely associated with the City as are the blended component units, they are reported in discretely presented columns on the government-wide financial statements labeled "Component Units." The reporting entity includes the following discretely presented component units:

- Sand Springs Economic Development Authority (Economic Development Authority)
- Sand Springs Cultural and Historical Museum Trust Authority (Museum Trust Authority)

Major and Non-Major Funds

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
<b>Major:</b>	
General	See previous description.
 Capital Project Funds:	
Street Improvement	Accounts for the permanent half-cent sales tax extension approved by the voters in September 11, 2007 with effective date of January 1, 2008. These funds are to be used to make capital improvements to the roads, streets and bridges.
Capital Improvement Water and Wastewater	Accounts for the one-cent increase in sales tax approved by the citizens in 1979. These funds are to be expended for water and wastewater capital improvement projects and retirement of debt as provided in the ordinance.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

Enterprise Funds:

SSMA Water Fund	Accounts for activities of the public trust in providing water services to the citizens.
SSMA Wastewater Fund	Accounts for activities of the public trust in providing wastewater services to the citizens.
SSMA Solid Waste Fund	Accounts for activities of the public trust in providing solid waste services to the citizens.
SSMA Airport Fund	Accounts for revenues and expenses related to the operations of the airport facility and financing for future airport improvements.
SSMA Golf Fund	Accounts for revenues and expenses related to the operation of the golf course, payment of debt service requirements on the debt issued related to the golf course and financing for future golf improvements.
SSMA Stormwater Fund	Accounts for revenues and expenses related to the maintenance of stormwater operations.

***Non-Major:***

Special Revenue Fund

Community Development Block Grant HOME Investment Partnership	Accounts for grants received from the U.S. Department of Housing and Urban Development and transfers from the City for housing rehabilitation.
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Capital Project Funds:

Community Development Block Grant - EDIF	Accounts for grants received from the U.S. Department of Housing and Urban Development and transfers from the City for infrastructure.
Park and Recreation	Accounts for revenues from housing developers restricted for park improvements.
Short-term Capital Improvements	Accounts for revenues, transfers from other City funds and certain bond proceeds as the City Council may designate for the City's short-term capital needs, consisting of items having a useful life of ten years or less.
T.I.D. #1 Cimarron Center	Accounts for tax increment financing revenues initially collected by the General Fund and related economic development expenditures.
ODOC ECBG	Accounts for revenues from grants received from the Oklahoma Department of Commerce or transfers from other City funds and expenditures for various capital projects, related to energy efficiency at City facilities.
Capital Improvement	Accounts for contributions and specific revenues and transfers from other City funds and expenditures for various capital projects as the City Council may designate.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

Stormwater Capital Improvement	Accounts for transfers from the Municipal Authority stormwater revenues set aside for stormwater capital improvement projects.
Airport Construction	Accounts for governmental grants and transfers from the City set aside for capital improvement projects of the airport.
SSMA Capital	Accounts for transfers from the Municipal Authority water, wastewater, solid waste, airport and golf revenues set aside for capital improvement projects.
2002 General Obligation Bond Fund	Accounts for the proceeds of general obligation bond issues. These funds are to be expended for streets and bridges, public safety, public parks and park lands, cultural and recreational facilities, and acquiring and rehabilitating land, rights-of-way and improvements for flood mitigation.
2006 General Obligation Bond Fund	Accounts for the proceeds of general obligation bond issues. These funds are to be expended for fire land and equipment, street improvements, and a community center.
2014 General Obligation Bond CIP Fund	Accounts for the proceeds of general obligation bond issues. These funds are to be expended for public parks and park land and culture and recreation facilities.
Golf Course Capital Improvement	Accounts for transfers from the Golf Course Fund set aside for golf course capital improvement projects
Debt Service Fund	See previous description.

**1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item 2. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

1. All governmental fund types and similar component units utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**NOTES TO BASIC FINANCIAL STATEMENTS  
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JUNE 30, 2014**

2. Proprietary fund types and similar component units utilize an “economic resources” measurement focus. 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 and liabilities (whether current or noncurrent, financial or nonfinancial) and deferred outflows and deferred inflows associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. 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 (defined by the City as 60 days after year end) to pay current liabilities. Sales tax and franchise taxes are major revenues that meet this criteria. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recorded when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

**1.D. ASSETS, LIABILITIES AND EQUITY**

Cash and Cash Equivalents

For the purposes of financial reporting, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. Revenue bond and promissory note trust account investments in open-ended mutual fund shares are also considered cash equivalents.

Investments

Investments consist of money market investments and government securities that are reported at fair value unless they had remaining maturities of one year or less at the time of purchase, in which case they are carried at amortized cost. All non-negotiable certificates of deposit are carried at cost. Additional investment risk disclosures are presented in Notes 2.B. and 3.A.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants and court fines. Business-type activities report utilities and interest earnings as its major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories and Prepays

The City has chosen to record consumable materials and supplies as inventory in the governmental funds at the time of purchase and expense when consumed. In addition, in the Sand Springs Municipal Authority Water Fund and Sand Springs Municipal Authority Airport Enterprise Funds, the water and airport fuel inventories, respectively, are recorded as an asset when purchased and expensed when consumed. Such inventory is valued at cost on a first-in, first-out basis. Prepaid expenses are recorded as expense when goods or services are received.

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations and similar discretely presented component unit operations or proprietary fund operations and similar discretely presented component unit operations and whether they are reported in the government-wide or fund financial statements. The City's capitalization threshold is \$5,000.

*Government-Wide Statements*

In the government-wide financial statements, property, plant and equipment are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Prior to July 1, 2000, governmental activities' infrastructure assets were not capitalized. These assets (dating back to July 1, 1980) have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset are as follows:

Buildings	20-100 years
Other Improvements	20-100 years
Equipment and vehicles	3-25 years
Infrastructure	25-50 years

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
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*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets reported in the fund financial statements include current assets of enterprise funds and similar discretely presented component units that are legally restricted as to their use. The primary restricted assets are related to revenue bond and promissory note 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 whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and similar discretely presented component unit resources and business-type and similar discretely presented component unit resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of accrued compensated absences, other post employment benefits payable, general obligation bonds payable, capital leases payable, notes payable and revenue bonds payable.

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 payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

All regular and part-time employees are granted vacation benefits in amounts from 10 to 20 days depending upon tenure with the City. These benefits accumulate pro rata by pay period. Accumulated vacation leave vests and the City is obligated to make payment even if the employee terminates. After a probationary period, police officers receive vacation ranging from 168 to 248 hours per year depending upon years of service. Members of the Fire Department receive vacation ranging from 4 to 15 shifts per year, after a probationary period, depending upon years of service. Employees may accrue ten days of sick leave per year up to a maximum of 100 days accrued. Employees with accrued sick leave in excess of 100 days on or about December 15 of each year are paid for the excess accrual at the rate of one day's pay for each three days of accumulated sick leave. The City did not have a liability for this excess leave at June 30, 2014. However, any employee leaving the service of the City after a period of 10 years are paid at the rate of one day's pay for each four days of accumulated leave and the City reports a liability for this leave type.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability that has matured and is payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. The compensated absence obligation of the governmental funds are typically liquidated through the use of General Fund resources.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

Equity Classifications

*Government-Wide Financial Statements:*

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

1. 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.
2. 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.
3. 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.

*Fund Financial Statements:*

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

**1.E. REVENUES, EXPENDITURES AND EXPENSES**

Sales Tax

The City levies a three 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. The Tax Commission receives the sales tax approximately one month after collection by vendors. The entire sales tax is recorded as revenue within the General Fund. Upon receipt, the General Fund distributes the dedicated portion of the sales tax as follows:

- 2 cents retained by the General Fund
- 1 cent transferred to the Sand Springs Municipal Authority Water Fund as required by revenue bond indenture, and then transferred to the Capital Improvement Water and Wastewater Fund.
- 1/2 cent transferred to the Street Improvement Fund as required by city ordinance.

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

Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. Property taxes levied, but not collected during the year or within 60 days of year-end are reported as deferred revenue.

For the year ended June 30, 2014, the City's net assessed valuation of taxable property was \$126,014,837. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2014 was \$3.23.

**NOTES TO BASIC FINANCIAL STATEMENTS  
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Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

General government	Inspection fees, rent and royalties, special assessment fees, other fees, licenses and permits, state operating grants and capital grants.
Planning and zoning	Zoning charges.
Public safety	Fine and forfeiture revenue, court costs and fees, fire run fees, rentals, donations; operating grants include Federal Emergency Management Agency and Oklahoma Highway Safety Office grants, state on-behalf pension contributions, individual donations, and Homeland Security grants.
Highways and streets	Street and curb permits; capital grants and contributions from the Department of Housing and Urban Development, motor fuel and commercial vehicle revenues.
Culture and recreation	Park and recreation fees; and state operating grant
Economic development	Federal operating grant

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Pledge of Future Revenues

*Sales Tax and Utility Net Revenues Pledge* - The City has pledged one cent (or 28.5%) of future sales tax revenues to repay \$30,510,000 of the Series 2012 Revenue Bonds and \$14,606,515 of OWRB Notes Payable Series 2003, 2004, 2005, 2006, 2009, 2012, and 2013. Proceeds from the bonds and notes provided financing for capital assets. The bonds and notes are payable from pledged sales tax revenues and further secured by net water and wastewater revenues. The bonds and notes are payable through 2023, 2024, 2027, 2026, 2030, 2023, and 2023 respectively. If the net utility revenues are sufficient to service the debt, the pledged sales taxes are transferred to the Capital Improvement Water and Wastewater Fund to be used for capital purchases. The total principal and interest payable for the remainder of the life of these bonds and notes is \$58,499,824. Pledged sales taxes received in the current year were \$3,081,666 and the net utility revenues were \$4,948,198. Debt service payments of \$3,830,337 for the current fiscal year were 124% of the pledged sales taxes and 477% of both pledged sales taxes and utility revenues.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds and similar discretely presented component units are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are reported on the accrual basis and are classified by function for both governmental and business-type activities.

**NOTES TO BASIC FINANCIAL STATEMENTS  
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In the fund financial statements, expenditures/expenses are classified as follows:

Governmental Funds - By Character:	Current (further classified by function)
	Capital outlay
	Debt service
Proprietary Funds - By Operating and Non-Operating	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

**1.F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES**

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

*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.

*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.

**NOTES TO BASIC FINANCIAL STATEMENTS  
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3. Primary government and component unit activity and balances - resource flows between the primary government and the discretely-presented component units are reported as if they were external transactions.

**1.G. USE OF ESTIMATES**

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

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

**2.A. FUND ACCOUNTING REQUIREMENTS**

The City complies, in all material respects, with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include the following:

<u>Fund</u>	<u>Required By</u>
Airport Construction Fund	State Law
Debt Service Fund	State Law
Sand Springs Municipal Authority Utility Funds	Trust Indenture
Sand Springs Economic Development Authority Fund	Trust Indenture
Sand Springs Cultural and Historical Museum Trust Authority Fund	Trust Indenture

**2.B. DEPOSITS AND INVESTMENTS 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, 2014.

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 limitations, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements.

**NOTES TO BASIC FINANCIAL STATEMENTS  
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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. For the year ended June 30, 2013, the City and its public trusts complied, in all material respects, with these investment restrictions.

**2.C. REVENUE RESTRICTIONS**

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales Tax	See Note 1.E.
Gasoline Excise & Commercial Vehicle Tax	Street and Alley Purposes
E-911 Revenue	E-911 Emergency Services Purposes
Water, Wastewater and Solid Waste Revenue	Debt Service and Utility Operations
Ad Valorem Tax	Debt Service on Bonds and Judgments (Also see Note 1.E.)
Airport Revenue	Airport Operations
Grants Revenue	Based upon Individual Grant Agreements
Hotel/Motel Tax	Economic Development
Special Program Fund Revenue	Public Safety and Parks and Recreation
Park and Recreation Developer Fees	Park Improvements

For the year ended June 30, 2014, the City complied, in all material respects, with these revenue restrictions.

**2.D. DEBT RESTRICTIONS AND COVENANTS**

General Obligation Debt

Article 10, Sections 26 and 27 of the Oklahoma Constitution Limits the amount of 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, 2014, 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. For the year ended June 30, 2014, no such debt was incurred by the City.

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Revenue Bond and Note Payable Debt

The bond indenture and note agreements relating to the long-term debt issues of the Sand Springs Municipal Authority contains a number of restrictions or covenants that are financial related. These include covenants such as a required flow of funds through special accounts, required reserve account balances, and debt service coverage requirements. The following schedule presents a brief summary of the most significant requirements and the Authority's level of compliance thereon as of June 30, 2014.

<u>Requirement</u>	<u>Level of Compliance</u>
a. Flow of Funds:	All required accounts have been established and are used per Bond Indenture requirements.
- 2003 Bond Account	
- 2003 Reserve Account	
- 2004 Bond Account	
- 2004 Project Account	
-2004 Reserve Account	
- 2012 Bond Account	
- 2012 Project Account	
-2012 Reserve Account	
b. Reserve Account Requirement:	
2012 OWRB Promissory Note:	
Required balance is \$129,711.	Balance in Reserve Account at June 30, 2014 is \$129,666.
2012 Revenue Bonds:	
Required balance is \$1,678,162.	Balance in Reserve Account at June 30, 2014 is \$1,678,788.
c. 2003, 2004 2005, 2006, 2009, 2012 and 2013 Series	
OWRB Notes:	
Net revenues of the Authority plus transferred sales tax should be at least 125% of maximum annual principal and interest requirements on this note and any senior debt.	For the year ended June 30, 2014, net revenues plus sales tax amounted to \$8,029,854 maximum annual principal and interest requirements was \$1,927,071. Actual coverage was 417%.
2012 Revenue Bonds:	
Net revenues of the Authority plus transferred sales tax should be at least 125% of average annual principal and interest requirements on the bonds and OWRB notes listed above.	For the year ended June 30, 2014, net revenues plus sales tax amounted to \$8,029,864 average annual principal and interest requirements was \$1,675,637. Actual coverage was 479%.

**2.E. BUDGETARY COMPLIANCE**

Budget Law

The City prepares its annual operating budget under the provisions of the Municipal Budget Act of 1979 (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.

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- 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.

All funds of the City with revenues and expenditures are required to have annual budgets. The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund.

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

The City prepared and adopted a legal annual budget for all governmental funds.

In accordance with Title 60 of the Oklahoma State Statutes, the Sand Springs Municipal Authority, the Sand Springs Economic Development Authority and the Sand Springs Cultural and Historical Museum Trust Authority are required to prepare an annual budget and submit a copy to the City as beneficiary. However, there are no further requirements such as form of budget, approval of the budget or definition of a legal level of control.

**NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS**

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

**3.A. DEPOSIT AND INVESTMENT RISKS**

**Primary Government:**

The City of Sand Springs, including its blended component units held the following deposits and investments at June 30, 2014:

**NOTES TO BASIC FINANCIAL STATEMENTS  
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	<u>Carrying Value</u>	<u>Maturity Dates 0 - 13 Months</u>
<b>Deposits:</b>		
Demand deposits	\$ 24,771,472	\$ 24,771,472
Time deposits	<u>14,122,245</u>	<u>14,122,245</u>
<b>Total deposits</b>	<u>38,893,717</u>	<u>38,893,717</u>
	<u>Fair Value</u>	<u>Credit Rating</u>
<b>Investments:</b>		
Cavanall Hill Financial Money Market	24,141,987	Aaa
Money Market Funds	58,058	Aaa
<b>Total investments</b>	<u>24,200,045</u>	<u>24,200,045</u>
<b>Total deposits and investments</b>	<u>\$ 63,093,762</u>	<u>\$ 63,093,762</u>
<b>Reconciliation to Statement of Net Position:</b>		
Cash and cash equivalents	\$ 47,292,731	
Investments	<u>15,801,031</u>	
	<u>\$ 63,093,762</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 110% 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, 2014, 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.B. 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.

As noted in the schedule of deposits and investments above, at June 30, 2014, all of the City’s investments in debt securities were rated Aaa by Moody’s Investor Service.

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*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’s investment policy limits investments to those with a maturity no more than three years from the date of purchase, except for reserve funds, as a means of managing exposure to fair value losses arising from increasing interest rates. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

*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. The City’s investment policy requires diversification of investments and indicates that, with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City’s total investment portfolio will be invested in a single financial institution.

At June 30, 2014, the City had no concentration of credit risk.

**Component Units:**

Total bank deposits of the discretely presented component units were insured with Federal Deposit Insurance Corporation Insurance and not subject to the custodial credit risk as defined above.

**3.B. ACCOUNTS RECEIVABLE**

Accounts receivable of the business-type activities consist of customers’ utilities, airport and golf accounts receivable. Accounts receivable of the governmental activities consists primarily of police fines. Receivables detail at June 30, 2014, is as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Service receivables	\$ 193,638	\$ 2,476,944	\$ 2,670,582
Other receivable	69,215	80,298	149,513
Municipal court fines receivable	1,818,171	-	1,818,171
Allowance for uncollectible accounts	(1,474,016)	(860,568)	(2,334,584)
Net accounts receivable	<u>\$ 607,008</u>	<u>\$ 1,696,674</u>	<u>\$ 2,303,682</u>

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**3.C. RESTRICTED ASSETS**

The amounts reported as restricted assets in the fund financial statements are comprised of cash and investments held by the trustee bank on behalf of the public trust (Authority) related to their required revenue bond and promissory note accounts as described in Note 2.D. and deposits held for refund.

The restricted assets as of June 30, 2014 were as follows:

<u>Types of Restricted Assets</u>	<u>Current Cash and Cash Equivalents</u>	<u>Noncurrent Cash and Cash Equivalents</u>	<u>Noncurrent Investments</u>
ENTERPRISE FUND:			
Trustee Accounts:			
2012 OWRB Notes:			
Reserve Fund Account	\$ 106,746	\$ 129,666	\$ -
Bond Fund Account	-	-	32,397
2012 Revenue Bonds:			
Bond Fund Account	620,725	-	-
Project Account	-	-	21,573,666
Reserve Fund Account	-	-	1,678,788
Deposits held for refund	<u>148,249</u>	<u>-</u>	<u>312,265</u>
Total	<u>\$ 875,720</u>	<u>\$ 129,666</u>	<u>\$ 23,597,116</u>

**3.D. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

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	Balance at <u>July 1, 2013</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	Balance at <u>June 30, 2014</u>
<b>PRIMARY GOVERNMENT:</b>						
<i>Governmental Activities:</i>						
Capital assets not being depreciated:						
Land	\$ 11,496,876	\$ (139,779)	\$ 81,347	\$ 1,636,225	\$ -	\$ 9,802,219
Construction-in-progress	2,824,306	244,781	261,314	-	(1,959,247)	1,371,154
Total capital assets not being depreciated	<u>14,321,182</u>	<u>105,002</u>	<u>342,661</u>	<u>1,636,225</u>	<u>(1,959,247)</u>	<u>11,173,373</u>
Other capital assets:						
Buildings	8,310,823	216,240	7,650	-	-	8,534,713
Other improvements	3,969,771	-	84,447	-	-	4,054,218
Machinery and equipment	7,647,997	10,780	735,023	63,015	67,594	8,398,379
Infrastructure	38,432,774	40,864	-	-	1,462,943	39,936,581
Total other capital assets at historical cost	<u>58,361,365</u>	<u>267,884</u>	<u>827,120</u>	<u>63,015</u>	<u>1,530,537</u>	<u>60,923,891</u>
Less accumulated depreciation for:						
Buildings	1,947,470	-	171,676	-	-	2,119,146
Other improvements	1,228,577	-	161,002	-	-	1,389,579
Machinery and equipment	5,266,834	-	531,652	63,015	67,594	5,803,065
Infrastructure	24,272,846	-	1,203,740	-	-	25,476,586
Total accumulated depreciation	<u>32,715,727</u>	<u>-</u>	<u>2,068,070</u>	<u>63,015</u>	<u>67,594</u>	<u>34,788,376</u>
Other capital assets, net	<u>25,645,638</u>	<u>267,884</u>	<u>(1,240,950)</u>	<u>-</u>	<u>1,462,943</u>	<u>26,135,515</u>
Governmental activities capital assets, net	<u>\$ 39,966,820</u>	<u>\$ 372,886</u>	<u>\$ (898,289)</u>	<u>\$ 1,636,225</u>	<u>\$ (496,304)</u>	<u>\$ 37,308,888</u>
<i>Business-Type Activities:</i>						
Capital assets not being depreciated:						
Land	\$ 2,169,204	\$ -	\$ -	\$ -	\$ -	\$ 2,169,204
Intangible assets	6,702,666	-	-	-	-	6,702,666
Construction in progress	8,984,502	2,461,837	301,925	-	(66,936)	11,681,328
Total capital assets not being depreciated	<u>17,856,372</u>	<u>2,461,837</u>	<u>301,925</u>	<u>-</u>	<u>(66,936)</u>	<u>20,553,198</u>
Other capital assets:						
Buildings	22,080,568	-	-	-	-	22,080,568
Improvements other than buildings	26,652,917	-	-	-	-	26,652,917
Machinery and equipment	4,688,234	-	152,769	71,039	(43,726)	4,726,238
Infrastructure	55,852,085	-	247,267	-	43,068	56,142,420
Total other capital assets at historical cost	<u>109,273,804</u>	<u>-</u>	<u>400,036</u>	<u>71,039</u>	<u>(658)</u>	<u>109,602,143</u>
Less accumulated depreciation for:						
Buildings	9,224,737	-	451,564	-	-	9,676,301
Improvements other than buildings	13,165,502	-	811,214	-	-	13,976,716
Machinery and equipment	3,168,918	-	308,431	41,212	(67,594)	3,368,543
Infrastructure	35,140,257	-	1,238,981	-	-	36,379,238
Total accumulated depreciation	<u>60,699,414</u>	<u>-</u>	<u>2,810,190</u>	<u>41,212</u>	<u>(67,594)</u>	<u>63,400,798</u>
Other capital assets, net	<u>48,574,390</u>	<u>-</u>	<u>(2,410,154)</u>	<u>29,827</u>	<u>66,936</u>	<u>46,201,345</u>
Business-type activities capital assets, net	<u>\$ 66,430,762</u>	<u>\$ 2,461,837</u>	<u>\$ (2,108,229)</u>	<u>\$ 29,827</u>	<u>\$ -</u>	<u>\$ 66,754,543</u>

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

Primary Government:	
Governmental Activities:	
General Government	\$ 191,227
Planning and Zoning	7
Financial Administration	16,221
Public Safety	375,858
Highways and Streets	1,297,227
Health and Welfare	3,842
Culture and Recreation	181,998
Economic Development	1,690
Total depreciation expense for governmental activities	<u>\$ 2,068,070</u>
Business-Type Activities:	
Water	\$ 1,159,917
Wastewater	995,956
Solid Waste	97,421
Storm Water	143,671
Airport	266,420
Golf	146,805
Total depreciation expense for business-type activities	<u>\$ 2,810,190</u>

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**3.E. LONG-TERM DEBT**

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities, amounts to be repaid from business-type activities, and amounts to be repaid from component units.

Governmental Activities:

At June 30, 2014, the governmental activities long-term debt consisted of the following:

General Obligation Bonds:

\$6,360,000 General Obligation Bonds of 2006, used for streets, Community Center, and public safety equipment, due in annual installments of \$450,000, final payment due March 1, 2021, with interest rates of 3.7% to 5.0%	\$3,210,000
\$1,510,000 General Obligation Refunding Bonds of 2012 A, used for advanced refunding of the 2002, due in annual installments varying from \$155,000 to \$210,000, final payment due June 1, 2018, with interest rates of 1.2% to 9.5%	900,000
\$1,030,000 General Obligation Refunding Bonds of 2012 B, used for advanced Refunding of 2003, due in annual installments varying from \$285,000 to \$320,000, final payment due June 1, 2017, with interest rates of 3.15% to 3.85%	690,000
\$2,365,000 General Obligation Refunding Bonds of 2014B, used for park lands and culture and recreation facilities, due in annual installments varying from \$115,000 to \$125,000, final payment due March 1, 2034, with interest rates of 2.0% to 3.5%	<u>2,365,000</u>
Total General Obligation Bonds	<u>\$7,165,000</u>
Current portion	\$910,000
Non-current portion	<u>6,255,000</u>
Total General Obligation Bonds	<u>\$7,165,000</u>

Capital Leases Payable:

\$408,047 capital lease with American Heritage Bank for fire pumper, due in annual installments of \$68,887, final payment due November 14, 2014, with interest rate of 4.35%	\$ 66,221
\$496,304 capital lease with Community First National Bank for fire pumper, due in monthly installments of \$5,747, final payment due May 1, 2016, with interest rate of 2.406%	<u>448,593</u>
Total Capital Leases Payable	<u>\$514,814</u>
Current portion	\$125,029
Non-current portion	<u>389,785</u>
Total Capital Leases Payable	<u>\$514,814</u>

Accrued Compensated Absences:

Current portion	\$149,854
Non-current portion	<u>599,415</u>
Total Accrued Compensated Absences	<u>\$749,269</u>

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Business-Type Activities:

As of June 30, 2014, the long-term debt payable from business-type activities resources consisted of the following:

Notes Payable:

2003A OWRB SRF Note Payable dated January 1, 2003, original amount of \$1,200,000 with an annual administration fee of 0.5%, semiannual installments of principal and interest, final installment September 15, 2022, used for sewer improvements.	\$509,988
2004A OWRB Note Payable dated April 1, 2004, original amount of \$950,806, with an annual interest rate of 0% plus 0.5% admin fee, installments due semiannually, final installment March 8, 2024, used for sewer improvements.	475,403
2005A OWRB Note Payable dated June 29, 2006, original amount of \$2,314,000 with an annual interest rate of 2.60%, semiannual installments of principal and interest, final installment September 15, 2026, used for sewer improvements.	1,521,094
2006 OWRB Note Payable dated August 30, 2005, original amount of \$2,250,000 with an interest rate of 2.60% plus a .5% admin fee, with semi-annual payments, final payment due March 15, 2026, used for sewer improvements.	1,440,709
2009 OWRB SRF Note Payable dated December 9, 2009, original amount of \$5,631,709 with an interest rate of 3.11% with semi-annual payments, final payment due September 15, 2030, used for water improvements; remaining funds left to draw are \$2,294,668.	2,056,049
2012 OWRB Note Payable dated August 29, 2012, original amount of \$1,240,000 with a variable interest rate ranging from 0.25% to 4.00% plus a .5% admin fee, with semi-annual payments, final payment due September 1, 2022, used for refinancing 2003B OWRB Note that was issued for sewer improvements	1,125,000
Notes Payable with Yamaha dated September 23, 2011, original amount of \$146,175, with an annual interest rate of 4.79%, monthly payments of \$3,339, final installment due October 1, 2015, used for golf cars.	48,589
2013 OWRB Note Payable dated October 1, 2013, original amount of \$1,020,000 with a annual interest rate ranging of 3.05%, semiannual installments of principal and interest, final installment October 1, 2022, used for refinancing 2004B OWRB Note that was issued for sewer improvements.	<u>970,000</u>
Total Notes Payable	<u>\$8,146,832</u>
Current portion	\$800,179
Non-current portion	<u>7,346,653</u>
Total Notes Payable	<u>\$8,146,832</u>

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Revenue Bonds:

2012 Series Utility System Revenue Bonds dated November 1, 2012, original amount of \$30,510,000, issued by Sand Springs Municipal Authority, secured by utility revenues and pledged sales tax, interest rates from 2.0% to 4.0%, final maturity November 1, 2042, used for water and sewer improvements and pay off notes payable. \$29,830,000

Current portion \$660,000  
 Non-current portion 29,170,000  
 Total Revenue Bonds Payable \$29,830,000

Accrued Compensated Absences:

Current portion \$53,760  
 Non-current portion 220,656  
 Total Accrued Compensated Absences \$274,416

Deposits Subject to Refund:

Current portion \$148,249  
 Non-current portion 312,265  
 Total Deposits Subject to Refund \$460,514

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2014:

<u>Type of Debt</u>	Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2014</u>	Amounts Due Within One Year
<u>Primary Government</u>					
Governmental Activities:					
General Obligation Bonds	\$ 5,720,000	\$ 2,365,000	\$ 920,000	\$ 7,165,000	\$ 910,000
Capital Leases Payable	625,673	-	110,859	514,814	125,029
Accrued Compensated Absences	729,628	1,360,038	1,340,397	749,269	149,854
Total Governmental Activities	<u>\$ 7,075,301</u>	<u>\$ 3,725,038</u>	<u>\$ 2,371,256</u>	8,429,083	<u>\$ 1,184,883</u>
Plus: OPEB obligation (See Note 4A)				450,030	
				<u>\$ 8,879,113</u>	
Reconciliation to Statement of Net Position:					
Due in one year				\$ 1,184,883	
Due in more than one year				7,694,230	
				<u>\$ 8,879,113</u>	
Business-Type Activities:					
Notes Payable	\$ 9,070,394	\$ 1,020,000	\$ 1,943,562	\$ 8,146,832	\$ 800,179
Revenue Bonds Payable	30,510,000	-	680,000	29,830,000	660,000
Accrued Compensated Absences	259,868	537,111	522,563	274,416	53,760
Deposits Subject to Refund	443,499	123,366	106,351	460,514	148,249
Total Business-Type Activities	<u>\$ 40,283,761</u>	<u>\$ 1,680,477</u>	<u>\$ 3,252,476</u>	38,711,762	<u>\$ 1,662,188</u>
Plus: OPEB obligation (See Note 4A)				206,114	
Unamortized bond premium (See Note 3E)				50,995	
Less: Unamortized bond discount (See Note 3E)				118,768	
				<u>\$ 38,850,103</u>	
Reconciliation to Statement of Net Position:					
Due in one year				\$ 1,662,188	
Due in more than one year				37,187,915	
				<u>\$ 38,850,103</u>	

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The General, SSMA Water, SSMA Wastewater, SSMA Solid Waste, SSMA Airport, and SSMA Golf Course funds have been used to liquidate the net OPEB obligation.

**Debt Service Requirements to Maturity - Primary Government**

The debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	Governmental Activities			
	General Obligation Bonds		Capital Leases Payable	
	Principal	Interest	Principal	Interest
2015	\$ 910,000	\$ 198,353	\$ 125,029	\$ 12,419
2016	1,010,000	179,387	60,239	8,720
2017	1,050,000	156,465	61,704	7,255
2018	785,000	132,090	63,206	5,753
2019	575,000	109,482	64,744	4,215
2020-2024	1,585,000	291,578	139,892	3,679
2025-2029	625,000	160,312	-	-
2030-2034	625,000	63,502	-	-
<b>Totals</b>	<b>\$ 7,165,000</b>	<b>\$ 1,291,169</b>	<b>\$ 514,814</b>	<b>\$ 42,041</b>

<u>Year Ending June 30,</u>	Business-Type Activities			
	Notes Payable		Revenue Bonds Payable	
	Principal	Interest	Principal	Interest
2015	\$ 800,179	\$ 273,207	\$ 660,000	\$ 1,008,250
2016	782,634	254,039	675,000	991,600
2017	789,505	235,907	690,000	977,950
2018	796,303	216,540	705,000	964,000
2019	813,319	196,345	720,000	949,750
2020-2024	3,853,509	669,432	3,885,000	4,440,307
2025-2029	1,633,326	323,922	4,540,000	3,759,927
2030-2034	972,725	148,829	5,405,000	2,878,262
2035-2039	-	-	6,445,000	1,803,477
2040-2043	-	-	6,105,000	481,347
<b>Totals</b>	<b>\$ 10,441,500</b>	<b>\$ 2,318,221</b>	<b>\$ 29,830,000</b>	<b>\$ 18,254,870</b>
Remaining loan proceeds to be drawn	(2,294,668)			
	<b>\$ 8,146,832</b>			

**Advance Refunding**

On October 1, 2013 the City issued \$1,020,000 Oklahoma Water Resources Board Note Payable, with annual interest rate of 3.05% to refund \$1,100,000 of the 2004B Series OWRB Note Payable. A portion of the net proceeds along with available debt service funds were used to refund the outstanding loan at the next principal due date. As a result, the 2004B Series bonds are considered to be paid in full and the liability for those bonds has been removed from the Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$0. The City completed the advance refunding to reduce its total debt service payments over the next ten years by \$211,229.

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JUNE 30, 2014**

**3.F. INTERFUND TRANSACTIONS AND BALANCES**

Interfund transfers reported in the fund financial statements for the year ended June 30, 2014 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
Short-term Capital Improvement	* General Fund	\$ 58,710	B E911 wireless system
Sinking Fund	* General Fund	1,477	B Interest earnings
* SSMA Water Fund	* General Fund	980,000	Operating subsidy
* SSMA Solid Waste Utility Fund	* General Fund	750,000	Operating subsidy
2002 G.O. Bond Fund	* Street Improvement Fund	227,698	B Capital asset purchases
* ODOC EECBG	Capital Improvement Fund	21,727	A/B Capital asset purchases
* SSMA Water Fund	Capital Improvement Fund	150,000	A Capital asset purchases
* Street Improvement Fund	Capital Improvement W&WW Fund	387,500	Capital asset purchases
* General Fund	Street Improvement Fund	1,540,833	Sales tax transfer
* General Fund	2006 G.O. Bond Fund	80,000	A Operating subsidy
* General Fund	Short-Term Capital Improvement	333,383	A Capital asset purchases
* General Fund	T.I.D. #1 Cimarron Center Fund	403,294	A Grant match
* SSMA Golf Course Fund	Golf Course Capital Improvement	25,572	A Capital asset purchases
* Capital Improvement W&WW Fund	* SSMA Water Fund	800,000	Debt service
* SSMA Water Fund	* Capital Improvement W&WW Fund	2,071,663	Operating subsidy
* General Fund	* SSMA Water Fund	3,081,666	Sales tax transfer
* SSMA Wastewater Utility Fund	* SSMA Capital Fund	43,000	A Capital asset purchases
* SSMA Stormwater Fund	Stormwater Capital Improvement	825,000	A Operating subsidy
* SSMA Water Fund	* Capital Improvement W&WW Fund	3,081,666	Sales tax transfer
* SSMA Water Fund	* SSMA Golf Course Fund	275,000	Operating subsidy
* SSMA Water Fund	* SSMA Airport Fund	70,000	Operating subsidy
* SSMA Water Fund	* SSMA Capital Fund	137,000	A Capital asset purchases
		<u>\$ 15,345,189</u>	

\* - Denotes major fund

Sub-total of Nonmajor Governmental Fund Transfers In	2,018,976	Sum of A
Sub-total of Nonmajor Governmental Fund Transfers Out	(309,612)	Sum of B

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
<b>Reconciliation to Fund Financials:</b>			
Governmental Funds	\$ 11,118,523	\$ (6,936,288)	\$ 4,182,235
Enterprise Funds	4,226,666	(8,408,901)	(4,182,235)
Total Transfers	<u>\$ 15,345,189</u>	<u>\$ (15,345,189)</u>	<u>\$ -</u>

**Reconciliation to Statement of Activities:**

Net Transfers Governmental Funds	\$ 4,182,235
Net transfer for Capital project funds reported as business-type activities	(5,771,401)
Capital outlay for governmental capital project funds reported as transfers to business-type activities	(4,223,471)
Capital assets transferred to governmental activities	4,107,890
Net Transfers/Internal Activity	<u>\$ (1,704,747)</u>

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

**3.G. FUND EQUITY**

**Fund Balance and Net Position:**

The following tables show the fund balance classifications as shown on the Governmental Funds Balance Sheet and Proprietary Fund Statement of Net Position:

	Major Capital Project Funds			Other Governmental Funds	TOTAL
	General Fund	Street Improvement	Capital Improvement Water & Wastewater		
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Inventory	\$ 30,035	\$ -	\$ -	\$ -	\$ 30,035
Sub-total Nonspendable	30,035	-	-	-	30,035
<b>Restricted for:</b>					
Animal Sterilization	21,148	-	-	-	21,148
Jail Reserves	81,491	-	-	-	81,491
Substance Abuse	80,176	-	-	-	80,176
Juvenile Programs	70,315	-	-	-	70,315
Economic Development	271,421	-	-	-	271,421
Streets	-	7,807,089	-	-	7,807,089
Housing Rehabilitation	-	-	-	51,516	51,516
Capital Improvements	-	-	-	116,080	116,080
Utility Capital Projects	-	-	8,968,433	-	8,968,433
Debt Service	-	-	-	545,711	545,711
Sub-total Restricted	524,551	7,807,089	8,968,433	713,307	18,013,380
<b>Assigned to:</b>					
Subsequent Year Budget	1,237,365	-	-	-	1,237,365
Encumbrances	206,537	-	-	-	206,537
Community Center	241,934	-	-	-	241,934
Police	130,600	-	-	-	130,600
Fire	3,740	-	-	-	3,740
Alive at 25	5,491	-	-	-	5,491
Streets	-	80,519	-	-	80,519
Capital Improvements	-	-	-	3,224,214	3,224,214
Parks	-	-	-	237,787	237,787
Energy Efficiency Projects	-	-	-	6	6
River City Crossing	-	-	-	299,550	299,550
South Side Park	-	-	-	10,750	10,750
Stormwater Projects	-	-	-	3,203,712	3,203,712
Utility Capital Projects	-	-	491,504	42,572	534,076
Golf Course	-	-	-	51,321	51,321
Debt Service	-	-	-	2,063	2,063
Sub-total Assigned	1,825,667	80,519	491,504	7,071,975	9,469,665
Unassigned:	3,129,894	-	-	-	3,129,894
<b>TOTAL FUND BALANCES</b>	<b>\$ 5,510,147</b>	<b>\$ 7,887,608</b>	<b>\$ 9,459,937</b>	<b>\$ 7,785,282</b>	<b>\$ 30,642,974</b>

<b>Enterprise Funds:</b>	
<b>Restricted for Debt Service</b>	
Cash and Cash Equivalents	\$ 857,137
Investments	1,711,185
	<u>2,568,322</u>
Less: accrued interest payable	<u>(189,903)</u>
<b>Total Enterprise Fund Restrictions</b>	<u><u>\$ 2,378,419</u></u>

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

**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 Plan	Cost Sharing Multiple Employer - Defined Benefit
Oklahoma Firefighters Pension and Retirement Fund Plan	Cost Sharing Multiple Employer - Defined Benefit
Oklahoma Municipal Retirement Fund (OMRF)	Defined Contribution Plan Defined Contribution Plan – CMO Defined Contribution Plan – CMO Special Incentive

Oklahoma Police and Firefighter’s Pension and Retirement Systems

The City of Sand Springs, as the employer, participates in two statewide cost-sharing multi-employer defined benefit plans on behalf of the policemen and firefighters. The systems are funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary. The following is a summary of eligibility factors, contributions methods and benefit provisions.

**NOTES TO BASIC FINANCIAL STATEMENTS  
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*A. Eligibility Factors, Contributions Methods, and Benefit Provisions*

	<u>Oklahoma Police Pension and Retirement System</u>	<u>Oklahoma Firefighter's Pension and Retirement System</u>
Obtaining separately issued financial statements.	Police Pension and Retirement 1001 N.W. 63 <sup>rd</sup> St., Ste. 305 Oklahoma City, OK 73116-7335	Firefighters Pension and Retirement 4545 N. Lincoln Blvd., Ste. 265 Oklahoma City, OK 73105-3414
Eligibility to participate	All full-time officers employed by a participating municipality; not less than 21 years of age or more than 45 years of age when hired.	All full-time or voluntary firefighters of a participating municipality, not less than 18 years of age or more than 45 years of age.
Authority establishing contribution obligations and benefits	State Statute	State Statute
Employee's contribution rate (percent of covered payroll)	8%	9%
City's contribution rate (percent of covered payroll)	13%	14%
State obligation	State appropriation to fund the unfunded actuarial accrued liability.	State appropriation to fund the unfunded actuarial accrued liability.
Period required to vest	10 years	10 years
Eligibility and benefits for distribution (full-time)	20 years credited service, 2 1/2% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits.	20 years credited service, 2 1/2% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits.

**NOTES TO BASIC FINANCIAL STATEMENTS  
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Eligibility and benefits for distribution (volunteer)	-	20 years credited service equal to \$7.53 per month per year of service, with a maximum of 30 years considered. If vested, but less than 20 years, \$7.53 per month per year of service
Deferred retirement option	Yes, 20 years credited service with continued service for a maximum of 5 years.	Yes, 20 years credited service with continued service for a maximum of 5 or more years.
Provisions for:		
Cost of living adjustments (normal retirement)	Yes	Yes, if vested by 5/83
Death (duty, non-duty, postretirement)	Yes	Yes
Disability (duty, non-duty)	Yes	Yes
Cost of Living allowances	Yes	Yes

**B. Trend Information**

The state made on-behalf payments for the police pension system of \$171,114 and for the fire pension system of \$550,385. These on-behalf payments were recognized as revenue and expenditures in the current fiscal year. City contributions required by State statute:

Fiscal Year	<u>Oklahoma Police Pension and Retirement System</u>		<u>Oklahoma Firefighter's Pension and Retirement System</u>	
	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2012	173,089	100%	212,973	100%
2013	179,756	100%	221,826	100%
2014	184,525	100%	261,628	100%

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

**C. Related Party Investments**

As of June 30, 2014, the Systems held no related-party investments of the City or of its related entities.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
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Defined Contribution Plan - OMRF

The City has provided a defined contribution plan and trust known as the City of Sand Springs Plan and Trust (the "Plan") in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The plan is administered by JP Morgan Chase of Oklahoma City. The OMRF Plan issues a separate financial report that may be obtained from OMRF. The defined contribution plan is available to all full-time employees except those participating in state fire or police program and the City Manager. Employees are eligible on the employee's employment commencement date. Each employee shall be required to contribute 4% (not to exceed 10%) of his or her compensation. By City ordinance, the City, as employer, is required to make contributions to the plan, under the government pick-up option, at a rate of 8% of covered payroll. The City has also elected the variable funding option. The contribution rate of the employer may be determined annually by the City council. The City's contributions for each employee (and interest allocated to the employee's account) are vested at a rate of 100% after completion of five years of service. The employee is fully vested after 5 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting are allocated back to remaining eligible participants. 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.

For the year ended June 30, 2014, the following amounts related to the defined contribution plan:

Employee contributions made	\$202,777
Employer (City) contributions made	\$381,173

Defined Contribution Plan – OMRF - CMO Plan

The City has also provided a defined contribution plan in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). The defined contribution plan is available to any person who is in the position of City Manager as of August 14, 2006. 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 13% to the plan and the employee does not contribute to the plan. The total contributions by the City for fiscal year 2014 were \$7,849 which is 100% of the required contribution.

Other Post-Employment Benefits

*Plan Description:* The City provides post-retirement benefit options for health care, prescription drug, dental and vision benefits for retired employees and their dependents that elect to make required contributions. The benefits are provided in accordance with State law, police and firefighter's union contracts and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The relationship for these benefits is not formalized in a contract or plan document, only a few sentences in the administrative policy. These benefits are considered for accounting purposes to be provided in accordance with a single employer substantive plan. A substantive plan is one in which the plan terms are understood by the city and plan members. This understanding is based on communications between the employers and plan member and the historical pattern of practice with regard to the sharing of benefit costs. Substantially all of the government's employees may become eligible for those post-retirement benefits if they reach normal retirement age while working for the City. As of June 30, 2014, approximately 7 retired employees are receiving benefits under this plan. The Plan does not have a separate, audited financial report prepared.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

*Funding Policy.* The contribution requirement of the City is an implicit subsidy. The implicit subsidy is not a direct payment from the employer on behalf of the member but rather stems from retiree contribution levels that are less than the claims cost at retiree ages. Since claims experience for employees and non-Medicare eligible retirees are pooled when determining premiums, these retired members pay a premium based on a pool of members that, on average, are younger and healthier. There is an implicit subsidy from the employee group since the premiums paid by the retirees are lower than they would have been if the retirees were insured separately. The subsidies are valued using the difference between the age-based claims costs and the premium paid by the retiree. The amount required to fund the implicit rate is based on projected pay-as-you-go financing requirements. For fiscal year 2014, the City contributed \$20,537 to the plan. Plan members receiving benefits contributed \$20,537, or approximately 100 percent of the total premiums, through their required contribution of \$466.15 per month for retiree-only coverage and \$950.54 for retiree and spouse medical/dental coverage.

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year ended June 30, 2014:

Annual required contribution	\$139,420
Interest on net OPEB obligation	21,073
Adjustment to annual required contribution	<u>(49,627)</u>
Annual OPEB cost (expense)	110,866
Contributions made	<u>(20,537)</u>
Increase in net OPEB obligation	90,329
Net OPEB obligation—beginning of year	<u>565,815</u>
Net OPEB obligation—end of year	<u><u>\$656,144</u></u>
Governmental Activities	\$450,030
Business-Type Activities	<u>206,114</u>
	<u><u>\$656,144</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 was as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/11	\$156,119	19.0%	\$349,317
6/30/12	\$156,118	19.0%	\$475,483
6/30/13	\$116,889	18.0%	\$565,815
6/30/14	\$110,866	19.0%	\$656,144

*Funded Status and Funding Progress.* As of June 30, 2013, the most recent actuarial valuation date, the plan was 100% percent unfunded. The actuarial accrued liability for benefits was \$1,210,599, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,210,599. The covered payroll (annual payroll of active employees covered by the plan) was \$7.5 million.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

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

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

In the August 23, 2013, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.75 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 4.5 percent initially, reduced by decrements to an ultimate rate of 4.87 percent in 2060, based upon dependent rates. There were no assets to determine the actuarial value of assets. Projected salary increases are assumed at 4%. The inflation rate assumed is 2.5% and the post-retirement benefit increases are included in the healthcare cost trend rate. The UAAL is being amortized over a closed 30 year period as level payments. The remaining amortization period at June 30, 2014, was twenty-six years.

**4.B. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee's 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. General Liability: - Torts - Errors and omissions - Police liability - Vehicle	Purchased commercial insurance.	None
b. Physical Property: - Theft - Damage to assets - Natural disasters	All physical property except vehicles is insured through commercial insurance with deductible of \$1,000.	All physical property except vehicles - None
	Vehicle damage is not covered by insurance.	Vehicles - entire risk of loss retained through fund incurring the loss.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2014**

c. Workers Compensation: - Employee injuries	Participates in OMAG risk entity pool. Participation fee includes an actuarially determined amount held by OMAG as the loss reserve fund, to pay claims incurred. Claims are administered by the State Insurance Fund.	Specific aggregate stop loss coverage is provided by the State Insurance Fund and covers all claims above the loss reserve fund.
d. Health and Life: - Medical - Dental	All group health and life coverage is insured through a commercial carrier.	None

OMAG Worker's Compensation

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

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

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

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

**4.C. COMMITMENTS AND CONTINGENCIES**

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 of reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
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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. This statutory taxing ability is not available to the City's public trusts (Authorities).

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.

Commitments:

Construction Projects

At June 30, 2014, the City had several construction projects ongoing. The material projects are noted below:

Project	Total Contract	Remaining Contract	Funding Source
Main Street Improvements	\$ 664,478	\$ 135,826	Street Improvement Fund
41st Water Tower	\$ 2,730,000	\$ 1,558,523	2012 Revenue Bond

Tax Increment Financing District

The City established a tax increment financing district (the "District") for the purpose of assisting an existing company within the City to expand its business. Under terms of the agreement, the Company agreed to relocate/expand its business on an underdeveloped parcel of land within the City. Pursuant to the agreement, sales tax generated within the District would be rebated by the City to the company on allowable construction costs incurred in the District as defined in the agreement. In addition, one hundred percent of the ad valorem tax generated within the District in excess of the base assessed value of the District is to be apportioned and used to reimburse the company for certain allowable project costs. The apportionment of ad valorem will terminate upon the final payment for all allowable project costs incurred, less previous apportionments of sales tax, but in no case shall extend beyond twenty-five years from the original effective date. During fiscal 2014, the ad valorem assessments on the District totaled \$403,294.

**4.D. NEW ACCOUNTING PRONOUNCEMENTS**

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

Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*. GASB No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and pension expenses. GASB No. 68 also details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. Defined benefit pensions are further classified by GASB No. 68 as single employer plans, agent employer plans and cost-sharing plans, and recognition and disclosure requirements are addressed for each classification. GASB No. 68 was issued in June 2012, and the City has not yet determined the impact that implementation of GASB No. 68 will have on its net position. The Statement is effective for fiscal years ended June 30, 2015.

**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Statement No. 69, *Government Combinations and Disposals of Government Operations* – GASB No. 69 establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement is effective for fiscal years beginning after December 15, 2013.



**Sand Springs**

O K L A H O M A

## ***REQUIRED SUPPLEMENTARY INFORMATION***

Required supplementary information (RSI) includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - General Fund
- Notes to RSI - Budgetary Comparison Schedule
- Schedule of OPEB Status and Funding Process



**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the fiscal year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$3,707,272	\$5,065,809	\$5,065,809	-
<b>Resources (Inflows):</b>				
<b>TAXES:</b>				
Sales tax	10,512,298	10,512,298	10,492,846	(19,452)
Use tax	375,000	375,000	390,804	15,804
Hotel/Motel tax	136,883	136,883	157,200	20,317
Incremental tax	-	576,260	403,294	(172,966)
Franchise tax	794,700	794,700	833,193	38,493
Video Provider Fee	950	950	30,973	30,023
Emergency telephone tax	48,000	48,000	42,949	(5,051)
Abatement fees	15,000	15,000	30,404	15,404
Payment in lieu of taxes	1,130,861	1,130,861	1,149,337	18,476
<b>Total Taxes</b>	<u>13,013,692</u>	<u>13,589,952</u>	<u>13,531,000</u>	<u>(58,952)</u>
<b>INTERGOVERNMENTAL:</b>				
Taxes	194,400	194,400	213,589	19,189
Cigarette tax	135,000	135,000	122,553	(12,447)
Grants	-	234,969	175,963	(59,006)
<b>Total Intergovernmental</b>	<u>329,400</u>	<u>564,369</u>	<u>512,105</u>	<u>(52,264)</u>
<b>CHARGES FOR SERVICES:</b>				
Court costs	203,500	155,000	147,519	(7,481)
Zoning and inspection fees	91,000	91,000	118,878	27,878
Park and recreation fees	59,800	59,800	73,080	13,280
Fire run fees	9,000	9,000	1,375	(7,625)
Fire protection fee	158,080	158,080	150,398	(7,682)
First responder runs	18,000	18,000	20,778	2,778
First responder fees	209,793	209,793	204,400	(5,393)
EMSA fees	279,527	279,527	266,198	(13,329)
Other fees	31,380	31,380	43,681	12,301
<b>Total Charges for Services</b>	<u>1,060,080</u>	<u>1,011,580</u>	<u>1,026,307</u>	<u>14,727</u>
<b>FINES AND FORFEITURES</b>	<u>300,500</u>	<u>353,468</u>	<u>432,364</u>	<u>78,896</u>
<b>LICENSES AND PERMITS:</b>				
Licenses	75,600	75,600	111,941	36,341
Permits	47,300	47,300	67,557	20,257
<b>Total Licenses and Permits</b>	<u>122,900</u>	<u>122,900</u>	<u>179,498</u>	<u>56,598</u>
<b>OTHER:</b>				
Transfers from other funds	1,788,985	1,788,985	1,790,187	1,202
Interest on taxes	10,000	10,000	4,971	(5,029)
Interest	16,000	16,000	10,364	(5,636)
Other	288,000	294,545	302,060	7,515
<b>Total Other</b>	<u>2,102,985</u>	<u>2,109,530</u>	<u>2,107,582</u>	<u>(1,948)</u>
<b>Total Resources (Inflows)</b>	<u>16,929,557</u>	<u>17,751,799</u>	<u>17,788,856</u>	<u>37,057</u>
<b>Amounts available for appropriation</b>	<u>20,636,829</u>	<u>22,817,608</u>	<u>22,854,665</u>	<u>37,057</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the fiscal year ended June 30, 2014  
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Charges to Appropriations (Outflows):</b>				
<b>GENERAL GOVERNMENT:</b>				
General Administration:				
Materials and supplies	\$ 8,650	\$ 3,785	\$ 1,721	\$ 2,064
Other services and charges	130,194	133,263	120,688	12,575
Total General Administration	<u>138,844</u>	<u>137,048</u>	<u>122,409</u>	<u>14,639</u>
Municipal Court:				
Personal services	151,479	151,789	140,904	10,885
Materials and supplies	2,876	4,191	3,041	1,150
Other services and charges	20,044	19,530	16,481	3,049
Total Municipal Court	<u>174,399</u>	<u>175,510</u>	<u>160,426</u>	<u>15,084</u>
City Manager:				
Personal services	161,385	209,855	182,644	27,211
Materials and supplies	1,540	3,040	5,141	(2,101)
Other services and charges	6,900	6,150	3,899	2,251
Total City Manager	<u>169,825</u>	<u>219,045</u>	<u>191,684</u>	<u>27,361</u>
City Clerk:				
Personal services	126,841	125,491	118,883	6,608
Materials and supplies	3,090	5,690	4,021	1,669
Other services and charges	20,350	15,800	9,875	5,925
Total City Clerk	<u>150,281</u>	<u>146,981</u>	<u>132,779</u>	<u>14,202</u>
Information Services:				
Personal services	120,324	120,324	111,430	8,894
Materials and supplies	9,025	9,025	12,580	(3,555)
Other services and charges	101,883	123,166	104,451	18,715
Total Information Services	<u>231,232</u>	<u>252,515</u>	<u>228,461</u>	<u>24,054</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>864,581</u>	<u>931,099</u>	<u>835,759</u>	<u>95,340</u>
<b>PLANNING AND ZONING:</b>				
Planning and Development:				
Personal services	111,468	113,640	110,609	3,031
Materials and supplies	1,500	1,773	938	835
Other services and charges	152,829	30,684	29,330	1,354
<b>TOTAL PLANNING AND ZONING</b>	<u>265,797</u>	<u>146,097</u>	<u>140,877</u>	<u>5,220</u>
<b>FINANCIAL ADMINISTRATION:</b>				
Human Resources:				
Personal services	195,639	191,889	172,401	19,488
Materials and supplies	4,260	4,610	4,073	537
Other services and charges	12,934	14,834	10,731	4,103
Total Human Resources	<u>212,833</u>	<u>211,333</u>	<u>187,205</u>	<u>24,128</u>
Finance:				
Personal services	387,602	387,602	372,944	14,658
Materials and supplies	6,905	6,905	5,474	1,431
Other services and charges	131,869	213,184	135,854	77,330
Total Finance	<u>526,376</u>	<u>607,691</u>	<u>514,272</u>	<u>93,419</u>
City Attorney:				
Personal services	21,942	21,942	16,669	5,273
Materials and supplies	-	-	1	(1)
Other services and charges	75,750	75,750	77,520	(1,770)
Total City Attorney	<u>97,692</u>	<u>97,692</u>	<u>94,190</u>	<u>3,502</u>
<b>TOTAL FINANCIAL ADMINISTRATION</b>	<u>836,901</u>	<u>916,716</u>	<u>795,667</u>	<u>121,049</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the fiscal year ended June 30, 2014**  
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>PUBLIC SAFETY:</b>				
<b>Police:</b>				
Personal services	\$ 2,873,966	\$ 2,998,725	\$ 2,763,777	\$ 234,948
Materials and supplies	193,406	205,613	162,594	43,019
Other services and charges	53,291	77,930	70,283	7,647
<b>Total Police</b>	<b>3,120,663</b>	<b>3,282,268</b>	<b>2,996,654</b>	<b>285,614</b>
<b>Emergency Management:</b>				
Personal services	35,595	63,712	34,423	29,289
Materials and supplies	13,822	14,144	10,978	3,166
Other services and charges	23,953	74,653	47,588	27,065
Capital outlay	-	720	719	1
<b>Total Emergency Management</b>	<b>73,370</b>	<b>153,229</b>	<b>93,708</b>	<b>59,521</b>
<b>Animal Control:</b>				
Personal services	91,016	90,151	73,716	16,435
Materials and supplies	13,733	13,863	9,838	4,025
Other services and charges	4,259	5,050	3,350	1,700
<b>Total Animal Control</b>	<b>109,008</b>	<b>109,064</b>	<b>86,904</b>	<b>22,160</b>
<b>Communications:</b>				
Personal services	435,758	435,758	393,055	42,703
Materials and supplies	19,094	19,344	15,154	4,190
Other services and charges	188,335	188,572	151,960	36,612
<b>Total Communications</b>	<b>643,187</b>	<b>643,674</b>	<b>560,169</b>	<b>83,505</b>
<b>Fire:</b>				
Personal services	2,881,139	2,887,533	2,837,083	50,450
Materials and supplies	118,630	119,005	109,517	9,488
Other services and charges	281,480	286,438	276,890	9,548
Capital outlay	-	57,503	14,034	43,469
<b>Total Fire</b>	<b>3,281,249</b>	<b>3,350,479</b>	<b>3,237,524</b>	<b>112,955</b>
<b>Neighborhood Services:</b>				
Personal services	247,283	252,408	247,124	5,284
Materials and supplies	11,784	11,154	5,602	5,552
Other services and charges	105,510	98,670	60,907	37,763
<b>Total Neighborhood Services</b>	<b>364,577</b>	<b>362,232</b>	<b>313,633</b>	<b>48,599</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>7,592,054</b>	<b>7,900,946</b>	<b>7,288,592</b>	<b>612,354</b>
<b>HIGHWAYS AND STREETS:</b>				
<b>Street and Alley:</b>				
Personal services	454,242	454,242	400,665	53,577
Materials and supplies	223,026	227,817	117,071	110,746
Other services and charges	246,421	243,222	158,193	85,029
<b>TOTAL HIGHWAYS AND STREETS</b>	<b>923,689</b>	<b>925,281</b>	<b>675,929</b>	<b>249,352</b>
<b>HEALTH AND WELFARE:</b>				
<b>Senior Citizens:</b>				
Personal services	23,950	21,860	21,413	447
Materials and supplies	10,396	12,736	9,417	3,319
Other services and charges	4,175	3,925	3,389	536
<b>TOTAL HEALTH AND WELFARE</b>	<b>38,521</b>	<b>38,521</b>	<b>34,219</b>	<b>4,302</b>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the fiscal year ended June 30, 2014**  
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>CULTURE AND RECREATION:</b>				
Parks and Recreation:				
Personal services	\$ 497,804	\$ 503,989	\$ 484,963	\$ 19,026
Materials and supplies	164,297	168,853	156,131	12,722
Other services and charges	522,771	512,408	401,713	110,695
Capital outlay	6,500	18,150	9,679	8,471
Total Parks and Recreation	<u>1,191,372</u>	<u>1,203,400</u>	<u>1,052,486</u>	<u>150,914</u>
Museum:				
Personal services	8,786	8,786	8,404	382
Materials and supplies	14,400	13,209	5,530	7,679
Other services and charges	36,564	37,872	30,094	7,778
Total Museum	<u>59,750</u>	<u>59,867</u>	<u>44,028</u>	<u>15,839</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>1,251,122</u>	<u>1,263,267</u>	<u>1,096,514</u>	<u>166,753</u>
<b>ECONOMIC DEVELOPMENT:</b>				
Economic Development:				
Personal services	61,455	61,205	57,171	4,034
Materials and supplies	500	600	202	398
Other services and charges	276,371	288,625	237,326	51,299
Capital outlay	-	3,540	-	3,540
TOTAL ECONOMIC DEVELOPMENT	<u>338,326</u>	<u>353,970</u>	<u>294,699</u>	<u>59,271</u>
<b>FACILITIES MANAGEMENT AND FLEET MAINTENANCE:</b>				
Facilities Management:				
Personal services	221,778	222,549	217,970	4,579
Materials and supplies	112,177	118,186	67,564	50,622
Other services and charges	228,254	225,632	160,178	65,454
Capital Outlay	24,375	24,375	-	24,375
Total Facilities Management	<u>586,584</u>	<u>590,742</u>	<u>445,712</u>	<u>145,030</u>
Fleet Maintenance:				
Personal services	255,043	250,823	225,659	25,164
Materials and supplies	11,016	45,692	6,563	39,129
Other services and charges	38,076	35,626	38,940	(3,314)
Total Fleet Maintenance	<u>304,135</u>	<u>332,141</u>	<u>271,162</u>	<u>60,979</u>
<b>TOTAL FACILITIES MANAGEMENT AND FLEET MAINTENANCE</b>	<u>890,719</u>	<u>922,883</u>	<u>716,874</u>	<u>206,009</u>
<b>OTHER FINANCING USES:</b>				
Transfers to other funds	4,838,654	5,494,914	5,439,176	55,738
Debt service:				
Capital lease principal	110,860	110,860	110,859	1
Capital lease interest	20,387	20,387	21,657	(1,270)
Total Other Financing Uses	<u>4,969,901</u>	<u>5,626,161</u>	<u>5,571,692</u>	<u>54,469</u>
<b>Total Charges to Appropriations</b>	<u>17,971,611</u>	<u>19,024,941</u>	<u>17,450,822</u>	<u>1,574,119</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ 2,665,218</u>	<u>\$ 3,792,667</u>	<u>5,403,843</u>	<u>\$ 1,611,176</u>
<b>Less:</b>				
Encumbrances			(206,537)	
<b>Ending Unobligated Budgetary Fund Balance</b>			<u>\$ 5,197,306</u>	
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance:				
Total Resources per Budgetary Comparison Schedule			\$ 17,788,856	
Add State Fire and Police pension on-behalf payments			721,499	
Add Special Programs sub-fund account revenues			13,133	
Less transfer in			(1,790,187)	
Total Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$ 16,733,301</u>	
Total Charges to Appropriations per Budgetary Comparison Schedule				
Total Charges to Appropriations per Budgetary Comparison Schedule			\$ 17,450,822	
Add State Fire and Police pension on-behalf payments			721,499	
Add Special Programs sub-fund account expenditures			17,105	
Less transfer out			(5,439,176)	
Total Expenditures per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$ 12,750,250</u>	

**CITY OF SAND SPRINGS, OKLAHOMA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the fiscal year ended June 30, 2014**

Budgetary Accounting

The City prepares its budget for the General Fund on the modified accrual basis of accounting. The City utilizes encumbrance accounting under which 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, but are reported as a assignment of fund balance since the City intends to honor the commitments and provide for supplemental appropriations in the following budget year. All appropriations lapse at year-end.

Expenditures Exceeding Appropriations

Expenditures exceed budget at the legal level of control, as follows:

General Fund – City Manager – Materials and Supplies	\$ (2,101)
General Fund – Information Services – Materials and Supplies	(3,555)
General Fund – City Attorney – Materials and Supplies	( 1)
General Fund – City Attorney – Other Services and Charges	(1,770)
General Fund – Debt Service – Interest	(1,270)
Debt Service Fund – Transfers Out	(1,202)

**CITY OF SAND SPRINGS**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF OPEB STATUS AND FUNDING PROGRESS**  
**JUNE 30, 2014**

*Required Supplementary Information*

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

	<u><b>July 1, 2008</b></u>
Actuarial accrued liability - AAL (a)	\$1,051,239
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability – UAAL (funding excess) (a) – (b)	\$1,051,239
Funded ratio (b)/(a)	0%
Covered payroll (c)	\$7,216,000
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	15%
	<u><b>July 1, 2010</b></u>
Actuarial accrued liability - AAL (a)	\$1,319,030
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability – UAAL (funding excess) (a) – (b)	\$1,319,030
Funded ratio (b)/(a)	0%
Covered payroll (c)	\$6,819,000
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	19%
	<u><b>July 1, 2012</b></u>
Actuarial accrued liability - AAL (a)	\$1,089,982
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability – UAAL (funding excess) (a) – (b)	\$1,089,982
Funded ratio (b)/(a)	0%
Covered payroll (c)	\$7,501,000
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	15%

## ***OTHER SUPPLEMENTARY INFORMATION***

Other supplementary information (OSI) includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Schedules – General fund accounts
- Combining Statements - Non-major governmental funds
- Budgetary Comparison Schedules - Non-major governmental funds
- Budgetary Comparison Schedule - Major governmental funds (capital project funds and debt service)
- Statement of Cash Flows – Discretely Presented Component Units
- Schedule of Debt Coverage



**City of Sand Springs, Oklahoma  
Combining Balance Sheet  
General Fund Accounts  
June 30, 2014**

	<u>General Fund</u>	<u>Special Programs Account</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,172,746	\$ 68,533	\$ 2,241,279
Investments	1,663,339	50,000	1,713,339
Accrued interest receivable	2,086	7	2,093
Taxes receivable, net	161,357	-	161,357
Receivable from other governments	1,736,244	-	1,736,244
Court fines receivable, net	344,155	-	344,155
Other receivables	262,853	-	262,853
Inventories	21,746	-	21,746
Prepaid expenses	8,288	-	8,288
Total assets	<u>\$ 6,372,814</u>	<u>\$ 118,540</u>	<u>\$ 6,491,354</u>
 <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 245,038	\$ -	\$ 245,038
Payable to other governments	138,956	-	138,956
Other accrued expenses	188,347	-	188,347
Amounts held in escrow	28,373	-	28,373
Other payables	17,695	12,236	29,931
Total liabilities	<u>618,409</u>	<u>12,236</u>	<u>630,645</u>
 Deferred inflows of resources:			
Deferred revenues	350,562	-	350,562
 Fund balances:			
Non-spendable	30,035	-	30,035
Restricted	524,551	-	524,551
Assigned	1,719,363	106,304	1,825,667
Unassigned	3,129,894	-	3,129,894
Total fund balances	<u>5,403,843</u>	<u>106,304</u>	<u>5,510,147</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 6,372,814</u>	<u>\$ 118,540</u>	<u>\$ 6,491,354</u>

**City of Sand Springs, Oklahoma**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund Accounts**  
**For the Year Ended June 30, 2014**

	<u>General Fund</u>	<u>Special Programs Account</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 13,500,027	\$ -	\$ 13,500,027
Fees and fines	432,364	37	432,401
Licenses and permits	179,498	-	179,498
Intergovernmental	1,377,175	-	1,377,175
Charges for services	1,026,307	-	1,026,307
Investment earnings	15,335	314	15,649
Miscellaneous	189,462	12,782	202,244
Total revenues	<u>16,720,168</u>	<u>13,133</u>	<u>16,733,301</u>
<b>EXPENDITURES</b>			
Current:			
General government	835,759	-	835,759
Planning and zoning	140,877	-	140,877
Financial administration	795,667	-	795,667
Public Safety	7,995,338	17,144	8,012,482
Highways and streets	675,929	-	675,929
Health and welfare	34,219	-	34,219
Culture and recreation	1,086,835	-	1,086,835
Community and economic development	294,699	-	294,699
Facilities management and fleet maintenance	716,874	-	716,874
Debt Service:			
Principal	110,859	-	110,859
Interest and other charges	21,657	-	21,657
Capital Outlay	24,432	(39)	24,393
Total expenditures	<u>12,733,145</u>	<u>17,105</u>	<u>12,750,250</u>
Excess (deficiency) of revenues over expenditures	<u>3,987,023</u>	<u>(3,972)</u>	<u>3,983,051</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,790,187	-	1,790,187
Transfers out	(5,439,176)	-	(5,439,176)
Total other financing sources and uses	<u>(3,648,989)</u>	<u>-</u>	<u>(3,648,989)</u>
Net change in fund balances	338,034	(3,972)	334,062
Fund balances - beginning	5,065,809	110,276	5,176,085
Fund balances - ending	<u>\$ 5,403,843</u>	<u>\$ 106,304</u>	<u>\$ 5,510,147</u>

City of Sand Springs, Oklahoma  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2014

	Special Revenue Fund	CAPITAL PROJECT FUNDS							
		CDBG Home Investment Partnership	Short-Term Capital Improvements	Community Development Block Grant - EDIF	T.I.D. #1 Cimarron Center	Park and Recreation	ODOC EECBG	Airport Construction	Capital Improvement
<b>ASSETS</b>									
Cash and cash equivalents	\$ 51,516	\$ 416,343	\$ 26,315	\$ 267,866	\$ 87,321	\$ 6	\$ 6,846	\$ 510,066	
Investments	-	100,000	-	-	150,000	-	-	340,000	
Accrued interest receivable	-	311	-	-	466	-	-	-	
Receivable from other governments	-	5,862	417	-	-	-	100,257	-	
Total assets	\$ 51,516	\$ 522,516	\$ 26,732	\$ 267,866	\$ 237,787	\$ 6	\$ 107,103	\$ 850,066	
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ -	\$ (319)	\$ -	\$ 267,866	\$ -	\$ -	\$ -	\$ 187,739	
Retainage payable	-	-	-	-	-	-	-	-	
Total liabilities	-	(319)	-	267,866	-	-	-	187,739	
Deferred inflows of resources:									
Deferred revenues	-	-	417	-	-	-	17,338	-	
Fund balances:									
Restricted	51,516	-	26,315	-	-	-	89,765	-	
Assigned	-	522,835	-	-	237,787	6	-	662,327	
Unassigned	-	-	-	-	-	-	-	-	
Total fund balances	51,516	522,835	26,315	267,866	237,787	6	89,765	662,327	
Total liabilities, deferred inflows and fund balances	\$ 51,516	\$ 522,516	\$ 26,732	\$ 267,866	\$ 237,787	\$ 6	\$ 107,103	\$ 850,066	

City of Sand Springs, Oklahoma  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2014

	CAPITAL PROJECT FUNDS						DEBT SERVICE FUND	Total Other Governmental Funds
	Stormwater Capital Improvement	SSMA Capital	2002 General Obligation Fund	2006 General Obligation Fund	2014 GO Capital Improvement	Golf Course Capital Improvement	Debt Service Fund	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 2,333,425	\$ 42,572	\$ 1,260	\$ 121,910	\$ 2,275,194	\$ 51,321	\$ 94,767	\$ 6,286,728
Investments	895,495	-	-	50	-	-	440,000	1,925,545
Accrued interest receivable	683	-	-	56	-	-	431	1,947
Receivable from other governments	-	-	-	-	-	-	71,253	177,789
Total assets	\$ 3,229,603	\$ 42,572	\$ 1,260	\$ 122,016	\$ 2,275,194	\$ 51,321	\$ 606,451	\$ 8,392,009
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BAL</b>								
Liabilities:								
Accounts payable	\$ 25,891	\$ -	\$ -	\$ 4,100	\$ 26,067	\$ -	\$ -	\$ 511,344
Retainage payable	-	-	-	18,951	-	-	-	18,951
Total liabilities	25,891	-	-	23,051	26,067	-	-	530,295
Deferred inflows of resources:								
Deferred revenues	-	-	-	-	-	-	58,677	76,432
Fund balances:								
Restricted	-	-	-	-	-	-	545,711	713,307
Assigned	3,203,712	42,572	1,260	98,965	2,249,127	51,321	2,063	7,071,975
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	3,203,712	42,572	1,260	98,965	2,249,127	51,321	547,774	7,785,282
Total liabilities, deferred inflows and fund balances	\$ 3,229,603	\$ 42,572	\$ 1,260	\$ 122,016	\$ 2,275,194	\$ 51,321	\$ 606,451	\$ 8,392,009



**City of Sand Springs**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2014**

	CAPITAL PROJECT FUNDS					DEBT SERVICE FUND		Total Other Governmental Funds
	Stormwater Capital Improvement	2002 General Obligation Bond Fund	2006 General Obligation Bond Fund	2014 GO Capital Improvement	Golf Course Capital Improvement	Debt Service Fund	Total Governmental Funds	
<b>REVENUES</b>								
Taxes	-	-	-	-	-	-	-	518,903
Intergovernmental	-	-	-	-	-	-	-	596,472
Charges for services	-	-	-	-	-	-	-	6,950
Investment earnings	4,288	(30)	(44)	-	15	1,948	-	8,039
Miscellaneous	-	-	-	-	-	-	-	359,733
Total revenues	<u>4,288</u>	<u>(30)</u>	<u>(44)</u>	<u>-</u>	<u>15</u>	<u>421,637</u>	<u>-</u>	<u>1,490,097</u>
<b>EXPENDITURES</b>								
Current:								
Community development	-	-	-	-	-	-	-	403,294
Debt Service:								
Principal	-	-	-	-	-	920,000	-	920,000
Interest and other charges	-	-	-	-	-	150,838	-	150,838
Capital Outlay	85,869	-	326,220	118,114	-	-	-	2,030,039
Total expenditures	<u>85,869</u>	<u>-</u>	<u>326,220</u>	<u>118,114</u>	<u>-</u>	<u>1,070,838</u>	<u>-</u>	<u>3,504,171</u>
Excess (deficiency) of revenues over expenditures	<u>(81,581)</u>	<u>(30)</u>	<u>(326,264)</u>	<u>(118,114)</u>	<u>15</u>	<u>(649,201)</u>	<u>-</u>	<u>(2,014,074)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from long-term debt	-	-	-	-	-	-	-	2,367,241
Transfers in	825,000	-	80,000	-	25,572	-	-	2,018,976
Transfers out	-	(227,698)	-	-	-	(1,477)	-	(309,612)
Total other financing sources and uses	<u>825,000</u>	<u>(227,698)</u>	<u>80,000</u>	<u>-</u>	<u>25,572</u>	<u>(1,477)</u>	<u>-</u>	<u>4,076,605</u>
Net change in fund balances	743,419	(10,408)	(246,264)	2,249,127	25,587	(650,678)	-	2,062,531
Fund balances - beginning	2,460,293	228,988	345,229	-	25,734	1,198,452	-	5,722,751
Fund balances - ending	<u>\$ 3,203,712</u>	<u>\$ 1,260</u>	<u>\$ 98,965</u>	<u>\$ 2,249,127</u>	<u>\$ 51,321</u>	<u>\$ 547,774</u>	<u>\$ -</u>	<u>\$ 7,785,282</u>

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2014

	SPECIAL REVENUE - COMMUNITY DEVELOPMENT BLOCK GRANT HOME INVESTMENT PARTNERSHIP				CAPITAL PROJECT - SHORT-TERM CAPITAL IMPROVEMENTS			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 78,000	\$ 99,214	\$ 21,214	
Intergovernmental	-	-	-	-	-	15,082	15,082	
Investment income	40	40	25	(15)	200	546	346	
Total Revenues	40	40	25	(15)	78,200	114,842	36,642	
Expenditures:								
Information Services:								
Capital outlay	-	-	-	-	8,000	137,950	50	
Communications:								
Capital outlay	-	-	-	-	-	1,208	4,525	
Parks and Recreation:								
Capital outlay	-	-	-	-	65,000	53,434	11,566	
Emergency Management:								
Capital outlay	-	-	-	-	65,000	53,434	11,566	
Police:								
Capital outlay	-	-	-	-	-	5,873	5,873	
Total Police	-	-	-	-	127,999	127,499	500	
Animal Control:								
Capital outlay	-	-	-	-	127,999	127,499	500	
Fire:								
Capital outlay	-	-	-	-	26,594	26,107	487	
Total Fire	-	-	-	-	26,594	26,107	487	
Streets:								
Capital outlay	-	-	-	-	9,590	9,408	634	
Public Works:								
Capital outlay	-	-	-	-	9,590	9,408	634	
Total Expenditures	-	-	-	-	314,183	402,625	83,962	
Revenues over (under) expenditures	40	40	25	(15)	(235,983)	(287,763)	120,604	
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	333,383	333,383	-	
Transfers out	-	-	-	-	(58,710)	(58,710)	-	
Total Other Financing Sources (Uses)	-	-	-	-	274,673	274,673	-	
Revenues and other sources over (under) expenditures and other uses	40	40	25	(15)	38,690	(13,110)	120,604	
Fund Balance - beginning of year	51,494	51,491	51,491	-	435,261	535,945	-	
Fund Balance - end of year	51,534	51,531	51,516	(15)	473,951	522,835	120,604	

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2014

	CAPITAL PROJECT - COMMUNITY DEVELOPMENT BLOCK GRANT - EDIF				CAPITAL PROJECT - PARK AND RECREATION			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	174,020	41,983	(132,037)	-	-	-	(250)
Charges for services	-	-	-	-	7,200	6,950	505	435
Investment income	-	-	-	-	70	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	-	174,020	41,983	(132,037)	7,270	7,455	185	
Expenditures:								
Parks and Recreation:								
Capital outlay	-	-	-	-	12,401	-	-	12,401
Streets:								
Capital outlay	-	38,725	35,707	3,018	-	-	-	-
Wastewater:								
Capital outlay	-	128,302	-	128,302	-	-	-	-
Total Expenditures	-	167,027	35,707	131,320	-	-	-	12,401
Revenues over (under) expenditures	-	6,993	6,276	(717)	7,270	7,455	185	12,586
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	6,993	6,276	(717)	7,270	7,455	185	12,586
Fund Balance - beginning of year	15,919	20,039	20,039	-	217,710	230,332	-	-
Fund Balance - end of year	\$ 15,919	\$ 27,032	\$ 26,315	\$ (717)	\$ 224,980	\$ 237,787	\$ 12,586	

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2014

	CAPITAL PROJECT - T.I.D. #1 CIMARRON CENTER				CAPITAL PROJECT - ODOC EECBG			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	7
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	7
Expenditures:								
Economic Development:								
Capital Outlay	-	576,260	403,294	172,966	-	-	-	-
Community Development:								
Other Services and Charges	-	-	-	-	-	-	-	-
Facilities Management:								
Capital Outlay	-	-	-	-	-	-	-	-
Street:								
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	576,260	403,294	172,966	-	-	-	-
Revenues over (under) expenditures	-	(576,260)	(403,294)	172,966	-	-	7	7
Other Financing Sources (Uses):								
Transfers in	-	576,260	403,294	(172,966)	-	-	-	-
Transfers out	-	-	-	-	(20,977)	(21,727)	(21,727)	-
Total Other Financing Sources (Uses)	-	576,260	403,294	(172,966)	(20,977)	(21,727)	(21,727)	-
Revenues and other sources over (under) expenditures and other uses	-	-	-	-	(20,977)	(21,727)	(21,720)	7
Fund Balance - beginning of year	-	-	-	-	27,305	21,726	21,726	-
Fund Balance - end of year	-	-	\$ -	\$ -	\$ 6,328	\$ (1)	\$ 6	7

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2014

	CAPITAL PROJECT - CAPITAL IMPROVEMENT				CAPITAL PROJECT - STORMWATER CAPITAL IMPROVEMENT			
	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	134,000	8,000	(126,000)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	800	800	651	(149)	1,500	1,500	4,288	2,788
Miscellaneous	-	359,733	359,733	-	-	-	-	-
Total Revenues	800	494,533	368,384	(126,149)	1,500	1,500	4,288	2,788
Expenditures:								
Current:								
Emergency Management:								
Capital Outlay	-	4,660	-	4,660	-	-	-	-
Economic Development:								
Capital Outlay	118,933	269,342	196,842	72,500	-	-	-	-
Parks and Recreation:								
Capital Outlay	-	304,040	86,166	217,874	-	-	-	-
Streets:								
Capital Outlay	6,113	20,000	-	20,000	-	-	-	-
Public Works:								
Capital Outlay	-	70,433	67,964	3,069	-	-	-	-
Facilities Management:								
Capital Outlay	-	31,746	-	31,746	-	-	-	-
Golf Course:								
Capital Outlay	8,025	110,000	15,561	94,419	-	-	-	-
Water:								
Capital Outlay	-	150,000	100,000	50,000	-	-	-	-
Stormwater:								
Capital Outlay	-	-	-	-	808,705	3,158,704	85,869	3,072,835
Total Expenditures	133,071	960,221	465,953	494,268	808,705	3,158,704	85,869	3,072,835
Revenues over (under) expenditures	(132,271)	(465,688)	(97,569)	368,119	(807,205)	(3,157,204)	(81,581)	3,075,623
Other Financing Sources (Uses):								
Transfers in	70,977	181,727	171,727	(10,000)	825,000	825,000	825,000	-
Total Other Financing Sources (Uses)	70,977	181,727	171,727	(10,000)	825,000	825,000	825,000	-
Revenues and other sources over (under) expenditures and other uses	(61,294)	(283,961)	74,158	358,119	17,795	(2,332,204)	743,419	3,075,623
Fund Balance - beginning of year	272,547	588,169	588,169	-	8,342	2,460,293	2,460,293	-
Fund Balance - end of year	\$ 211,253	\$ 304,208	\$ 662,327	\$ 368,119	\$ 26,137	\$ 128,089	\$ 3,203,712	\$ 3,075,623

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2014

	CAPITAL PROJECT - SSMA CAPITAL				CAPITAL PROJECT - 2002 G.O. BOND			
	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	-	-	\$ -	\$ -	-	-	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	60	60	62	2	-	-	(30)	(30)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	60	60	62	2	-	-	(30)	(30)
Expenditures:								
Current:								
Water:								
Capital Outlay	137,000	137,000	112,845	24,155	-	-	-	-
Environmental Compliance:								
Capital Outlay	6,000	6,000	5,720	280	-	-	-	-
Wastewater:								
Capital Outlay	37,000	37,000	35,240	1,760	-	-	-	-
Police:								
Capital Outlay	-	-	-	-	-	1,208	-	1,208
Fire:								
Capital Outlay	-	-	-	-	-	89	-	89
Parks & Recreation:								
Capital Outlay	-	-	-	-	-	11	-	11
Golf Course:								
Capital Outlay	-	36,215	36,215	-	-	-	-	-
Public Works:								
Capital Outlay	-	561	450	111	-	-	-	-
Total Expenditures	180,000	216,776	190,470	26,306	-	1,308	-	1,308
Revenues over (under) expenditures	(179,940)	(216,716)	(190,408)	26,308	-	(1,308)	(30)	1,278
Other Financing Sources (Uses):								
Transfers in	180,000	180,000	180,000	-	(227,698)	(227,698)	(227,698)	-
Transfers out	-	-	-	-	(227,698)	(227,698)	(227,698)	-
Total Other Financing Sources (Uses)	180,000	180,000	180,000	-	(227,698)	(227,698)	(227,698)	-
Revenues and other sources over (under) expenditures and other uses	60	(36,716)	(10,408)	26,308	(227,698)	(229,006)	(227,728)	1,278
Fund Balance - beginning of year	8,091	52,980	52,980	-	227,698	228,988	228,988	-
Fund Balance - end of year	\$ 8,151	\$ 16,264	\$ 42,572	\$ 26,308	\$ -	\$ (18)	\$ 1,260	\$ 1,276

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2014

	CAPITAL PROJECT - 2006 G.O. BOND				CAPITAL PROJECT - GOLF COURSE CAPITAL IMPROVEMENT			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	100	100	(44)	(144)	-	15	-	15
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	100	100	(44)	(144)	-	15	-	15
Expenditures:								
Park and Recreation:								
Capital Outlay	-	255,325	223,447	31,878	-	-	-	-
Fire:								
Capital Outlay	-	136,030	102,773	33,257	-	-	-	-
Golf Course:								
Capital Outlay	-	-	-	-	21,220	-	-	21,220
Wastewater:								
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	391,355	326,220	65,135	21,220	-	-	21,220
Revenues over (under) expenditures	100	(391,255)	(326,264)	64,991	(21,220)	15	-	21,235
Other Financing Sources (Uses):								
Transfers in	-	80,000	80,000	-	-	25,572	-	(1,228)
Total Other Financing Sources (Uses)	-	80,000	80,000	-	-	25,572	-	(1,228)
Revenues and other sources over (under) expenditures and other uses	100	(311,255)	(246,264)	64,991	5,580	25,587	-	20,007
Fund Balance - beginning of year	34,350	345,229	345,229	-	3	25,734	-	-
Fund Balance - end of year	34,450	33,974	98,965	64,991	3	51,321	-	20,007

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2014

	CAPITAL PROJECT - 2014 G.O. CAPITAL IMPROVEMENT				CAPITAL PROJECT - AIRPORT CONSTRUCTION			
	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	561,354	531,407	(29,947)
Charges for services	-	-	-	-	-	-	-	-
Investment income	-	2,241	-	(2,241)	200	200	66	(134)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	-	2,241	-	(2,241)	200	561,554	531,473	(30,081)
Expenditures:								
Current:								
Finance:								
Capital Outlay	-	79,874	76,781	3,093	-	-	-	-
Airport:								
Capital Outlay	-	-	-	-	29,404	462,572	405,081	57,491
Parks & Recreation:								
Capital Outlay	-	1,884,132	41,333	1,842,799	-	-	-	-
Museum:								
Capital Outlay	-	328,525	-	328,525	-	-	-	-
Golf Course:								
Capital Outlay	-	72,469	-	72,469	-	-	-	-
Total Expenditures	-	2,365,000	118,114	2,246,886	29,404	462,572	405,081	57,491
Revenues over (under) expenditures	-	(2,362,759)	(118,114)	2,244,645	(29,204)	98,982	126,392	27,410
Other Financing Sources (Uses):								
Proceeds from long-term debt	-	2,365,000	2,367,241	2,241	-	-	-	-
Total Other Financing Sources (Uses)	-	2,365,000	2,367,241	2,241	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	2,241	2,249,127	2,246,886	(29,204)	98,982	126,392	27,410
Fund Balance - beginning of year	-	-	-	-	83,033	(36,627)	(36,627)	-
Fund Balance - end of year	\$ -	\$ 2,241	\$ 2,249,127	\$ 2,246,886	\$ 53,829	\$ 62,355	\$ 89,765	\$ 27,410

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2014

	DEBT SERVICE FUND				Variance with Final Budget Positive (Negative)
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts		
Revenues:					
Taxes	\$ 1,172,499	\$ 1,172,499	\$ 419,689	\$	(752,810)
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	295	295	1,948		1,653
Miscellaneous	-	-	-	-	-
Total Revenues	1,172,794	1,172,794	421,637		(751,157)
Expenditures:					
Water:					
Capital Outlay	-	-	-	-	-
Finance					
Capital Outlay	-	-	-	-	-
Wastewater:					
Capital Outlay	-	-	-	-	-
Debt Service					
Total Expenditures	1,072,287	1,072,287	1,070,838		1,449
Revenues over (under) expenditures	100,507	100,507	(649,201)		(748,708)
Other Financing Sources (Uses):					
Transfers out	(275)	(275)	(1,477)		(1,202)
Total Other Financing Sources (Uses)	(275)	(275)	(1,477)		(1,202)
Revenues and other sources over (under) expenditures and other uses	100,232	100,232	(650,678)		(750,910)
Fund Balance - beginning of year	1,290,615	1,198,452	1,198,452		-
Fund Balance - end of year	1,390,847	1,298,684	547,774		(750,910)

**CITY OF SAND SPRINGS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR GOVERNMENTAL FUNDS (CAPITAL PROJECT FUNDS)**  
For the fiscal year ended June 30, 2014

	CAPITAL PROJECT - STREET IMPROVEMENT				CAPITAL PROJECT - CAPITAL IMPROVEMENT WATER/WASTEWATER			
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Intergovernmental	\$ -	\$ 1,750,000	\$ -	\$ (1,750,000)	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	115,000	115,000	109,475	(5,525)
Investment income	2,000	2,000	26,787	24,787	3,100	3,100	17,895	14,795
Total Revenues	2,000	1,752,000	26,787	(1,725,213)	118,100	118,100	127,370	9,270
Expenditures:								
Water:								
Capital Outlay	-	-	-	-	2,198,401	6,936,420	1,687,311	5,249,109
Wastewater:								
Capital Outlay	-	-	-	-	188,195	18,031,555	1,263,628	16,767,927
Public Works:								
Capital Outlay	-	-	-	-	-	8,770,908	475,531	8,295,377
Street:								
Capital Outlay	1,588,318	9,742,667	485,487	9,257,180	-	-	-	-
Total Expenditures	1,588,318	9,742,667	485,487	9,257,180	2,386,596	33,738,883	3,426,470	30,312,413
Revenues over (under) expenditures	(1,586,318)	(7,990,667)	(458,700)	7,531,967	(2,268,496)	(33,620,783)	(3,299,100)	30,321,683
Other Financing Sources (Uses):								
Transfers in	1,729,455	1,846,155	1,768,531	(77,624)	3,003,514	26,648,360	5,540,829	(21,107,531)
Transfers out	-	(387,500)	(387,500)	-	(800,000)	(800,000)	(800,000)	-
Total Other Financing Sources (Uses)	1,729,455	1,458,655	1,381,031	(77,624)	2,203,514	25,848,360	4,740,829	(21,107,531)
Revenues and other sources over (under) expenditures and other uses	143,137	(6,532,012)	922,331	7,454,343	(64,982)	(7,772,423)	1,441,729	9,214,152
Fund Balance - beginning of year	507,421	6,965,277	6,965,277	-	209,584	8,018,208	8,018,208	-
Fund Balance - end of year	\$ 650,558	\$ 433,265	\$ 7,887,608	\$ 7,454,343	\$ 144,602	\$ 245,785	\$ 9,459,937	\$ 9,214,152

**CITY OF SAND SPRINGS, OKLAHOMA  
STATEMENT OF CASH FLOWS  
DISCRETELY PRESENTED COMPONENT UNITS  
For the fiscal year ended June 30, 2014**

	<b>Museum Trust Authority</b>	<b>Economic Development Authority</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 19,989	\$ -
Payments to suppliers	(2,907)	(4,900)
Net Cash Provided by (Used in) Operating Activities	17,082	(4,900)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investments	-	2,977
Interest and dividends	78	23
Net Cash Provided by Investing Activities	78	3,000
Net Increase (Decrease) in Cash and Cash Equivalents	17,160	(1,900)
Balances - beginning of the year	141,360	4,301
Balances - end of the year	\$ 158,520	\$ 2,401
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Operating income (loss)	\$ 15,066	\$ (4,900)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
Accounts receivable	1,800	-
Accounts payable	170	-
Due to other governmental agencies	46	-
Net Cash Provided by (Used in) Operating Activities	\$ 17,082	\$ (4,900)

**CITY OF SAND SPRINGS, OKLAHOMA  
SCHEDULE OF DEBT COVERAGE  
For the fiscal year ended June 30, 2014**

	<b>Series 2003, 2004, 2005, 2006, 2009, 2012 &amp; 2013 OWRB Notes and <u>Series 2012 Revenue Bond</u></b>
Gross Revenue Available for Debt Service:	
Charges for services:	
Water charges	\$ 7,680,442
Wastewater charges	3,291,468
Sales tax pledged and transferred	<u>3,081,666</u>
Total Gross Revenues Available	<u>14,053,576</u>
 Operating Expenses:	
Water	4,098,688
Wastewater	<u>1,925,034</u>
Total Operating Expenses	<u>6,023,722</u>
 Net Revenues Available for Debt Service	 <u>\$ 8,029,854</u>
 Debt Service Requirements:	
Average annual debt service - 2012 Revenue Bonds	1,675,637
Maximum annual debt service - 2003, 2004, 2005, 2006, 2009, 2012 and 2013 OWRB Notes	<u>1,927,071</u>
Total Debt Service Requirements	<u>\$ 3,602,708</u>
 Computed Coverage	 <u>223%</u>
 Coverage Requirement	 <u>125%</u>

NOTE: The above gross revenue and operating expenses only include the activities of the Authority related to water and wastewater services, excluding depreciation and amortization expense.



**Sand Springs**

O K L A H O M A

# STATISTICAL *Section*





## STATISTICAL SECTION

The **STATISTICAL SECTION** presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### **Financial Trends**

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

### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue sourced, sales tax and property tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### **Demographic and Economic Information**

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

### **Operating Information**

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

*Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in FY 2001; schedules presenting government-wide information include information beginning in that year.*



# **FINANCIAL TRENDS**



CITY OF SAND SPRINGS, OKLAHOMA  
NET POSITION BY COMPONENT  
Last Ten Fiscal Years  
June 30, 2014  
TABLE 1

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities</b>										
Net investment in capital assets	\$24,024,469	\$ 23,252,650	\$25,487,774	\$26,609,943	\$ 27,381,827	\$ 28,851,218	\$ 30,526,321	\$ 30,816,820	\$ 32,505,624	\$ 33,255,246
Restricted	3,943,385	3,818,431	4,678,135	6,438,915	7,083,138	7,722,731	8,138,469	8,213,492	8,213,492	9,112,520
Unrestricted	1,666,040	2,698,874	3,460,471	3,735,791	3,938,052	4,256,358	4,635,252	6,649,538	7,604,073	4,246,875
Total governmental activities net assets	<u>\$29,633,894</u>	<u>\$ 29,769,955</u>	<u>\$33,626,380</u>	<u>\$36,784,649</u>	<u>\$ 38,403,017</u>	<u>\$ 40,830,307</u>	<u>\$ 43,300,042</u>	<u>\$ 45,679,850</u>	<u>\$ 48,323,189</u>	<u>\$ 46,614,641</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$36,881,714	\$ 41,409,074	\$42,403,325	\$48,620,995	\$ 49,632,325	\$ 49,617,735	\$ 51,590,911	\$ 51,114,327	\$ 50,561,549	\$ 50,419,150
Restricted	480,590	590,477	593,305	605,905	612,159	623,522	602,187	573,042	2,698,557	2,468,184
Unrestricted	7,589,172	8,496,370	9,710,518	8,616,261	8,881,754	10,182,084	11,623,672	14,033,434	18,929,949	22,510,729
Total business-type activities net assets	<u>\$44,951,476</u>	<u>\$ 50,495,921</u>	<u>\$52,707,148</u>	<u>\$57,843,161</u>	<u>\$ 59,126,238</u>	<u>\$ 60,423,341</u>	<u>\$ 63,816,770</u>	<u>\$ 65,720,803</u>	<u>\$ 72,190,055</u>	<u>\$ 75,398,063</u>
<b>Primary government</b>										
Net investment in capital assets	\$60,906,183	\$ 64,661,724	\$67,891,099	\$75,230,938	\$ 77,014,152	\$ 78,468,953	\$ 82,117,232	\$ 81,931,147	\$ 83,067,173	\$ 83,674,396
Restricted	4,423,975	4,408,908	5,271,440	7,044,820	7,695,297	8,346,253	8,740,656	8,786,534	10,912,049	11,580,704
Unrestricted	9,255,212	11,195,244	13,170,989	12,352,052	12,819,806	14,438,442	16,258,924	20,682,972	26,534,022	26,757,604
Total primary government net position	<u>\$74,585,370</u>	<u>\$ 80,265,876</u>	<u>\$86,333,528</u>	<u>\$94,627,810</u>	<u>\$ 97,529,255</u>	<u>\$ 101,253,648</u>	<u>\$ 107,116,812</u>	<u>\$ 111,400,653</u>	<u>\$ 120,513,244</u>	<u>\$ 122,012,704</u>

**CITY OF SAND SPRINGS, OKLAHOMA**  
**CHANGES IN NET ASSETS**  
 Last Ten Fiscal Years  
 June 30, 2014  
**TABLE 2**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Government activities:										
Government government	\$ 642,118	\$ 667,541	\$ 660,936	\$ 947,343	\$ 965,662	\$ 945,967	\$ 1,082,775	\$ 1,433,226	\$ 1,164,073	\$ 2,662,169
Planning and zoning	127,914	141,553	166,669	224,498	167,527	155,859	156,231	107,071	136,407	136,407
Financial administration	772,277	838,949	826,693	797,290	768,416	635,064	677,511	655,916	778,035	891,880
Public Safety	5,171,418	5,538,637	6,611,563	8,446,033	7,357,456	7,183,822	7,184,873	7,824,047	8,239,023	8,482,160
Highways and streets	2,692,442	2,258,629	2,738,366	3,244,249	2,662,136	2,110,331	2,136,980	2,562,148	2,306,716	2,295,442
Health and Welfare	59,631	65,113	67,565	69,808	67,528	78,942	220,668	55,807	35,958	38,152
Culture and recreation	791,694	1,020,867	1,085,249	1,190,069	1,232,443	988,997	712,249	1,103,527	1,181,165	1,334,749
Economic development	1,342,743	990,335	245,110	201,337	177,654	169,517	186,419	346,436	503,795	718,360
Facilities Mgmt & Fleet/Maint	804,804	929,562	666,365	582,302	531,806	523,629	486,409	453,988	606,146	600,341
Interest on long-term debt	326,850	383,282	413,384	453,445	404,049	352,741	316,308	222,039	186,830	202,090
Total governmental activities expenses	12,731,891	12,834,468	13,480,090	16,156,374	14,334,677	13,144,869	13,160,423	14,764,205	15,125,620	17,361,750
Business-type activities:										
Water	4,745,200	5,330,339	5,958,896	5,977,518	5,551,089	5,710,896	5,468,136	5,643,653	7,276,661	7,217,517
Wastewater	2,678,715	2,984,607	2,938,901	3,135,457	3,680,021	3,267,638	3,111,019	4,082,209	3,454,771	3,542,099
Solid Waste	1,040,217	1,129,805	1,206,394	1,252,313	1,248,133	1,264,220	1,286,736	1,316,341	1,343,240	1,373,312
Stormwater	9,604	328,427	265,620	336,197	312,960	344,514	341,465	324,183	325,681	367,534
Airport	583,366	607,593	672,050	645,473	580,753	523,944	547,780	645,081	646,802	765,017
Golf course	813,667	899,084	843,319	872,651	766,141	806,336	797,618	832,127	788,392	818,843
Total business-type activities expenses	9,870,769	11,279,855	11,885,180	12,219,609	12,141,097	11,917,548	11,552,754	12,843,594	13,835,547	14,104,322
Total primary government expenses	\$ 22,602,660	\$ 24,114,323	\$ 25,365,270	\$ 28,375,983	\$ 26,475,774	\$ 25,062,417	\$ 24,713,177	\$ 27,607,799	\$ 28,961,167	\$ 31,466,072
<b>Program Revenues</b>										
Government activities:										
Charges for services:										
General government	\$ 264,023	\$ 347,297	\$ 231,003	\$ 257,035	\$ 319,310	\$ 214,752	\$ 258,705	\$ 276,483	\$ 306,843	\$ 303,965
Planning and zoning	8,532	17,511	11,248	11,131	9,758	10,206	8,424	10,033	10,220	9,873
Public safety	329,770	295,596	308,505	920,555	1,033,857	1,262,554	1,127,012	1,217,555	1,134,480	1,201,771
Highways and streets	1,490	1,875	1,625	1,155	1,275	1,545	1,180	1,475	1,298	1,294
Culture and recreation	23,037	105,868	39,197	29,641	59,683	59,997	71,802	84,991	99,001	104,868
Operating grants and contributions	222,089	507,885	1,058,660	1,937,238	927,006	967,138	1,231,916	1,650,439	1,366,190	1,105,579
Capital grants and contributions	1,451,202	3,298,710	1,918,152	3,033,260	500,299	821,415	182,110	395,186	3,237,687	78,024
Total governmental activities program revenues	2,300,143	4,574,742	3,568,390	6,190,015	2,851,188	3,337,607	2,881,149	3,636,162	6,155,719	2,805,374

TABLE 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Business-type activities:</b>										
Charges for services:										
Water	4,994,849	6,437,709	6,472,253	6,447,181	6,548,363	6,383,640	6,743,572	7,444,684	7,692,277	7,838,862
Wastewater	1,941,250	2,314,500	2,570,584	2,611,393	2,663,316	2,615,660	2,783,389	2,928,048	3,122,031	3,305,188
Solid Waste	1,139,353	1,210,312	1,289,409	1,332,182	1,409,823	1,519,914	1,575,918	1,622,290	1,725,143	1,794,651
Stormwater	287,752	415,852	423,312	430,029	435,950	495,067	575,355	701,081	848,193	1,016,272
Airport	256,390	271,488	222,268	234,067	229,342	222,551	242,640	344,829	340,534	398,421
Golf course	476,422	530,862	452,656	410,977	444,065	414,739	470,994	512,909	506,516	535,236
Operating grants and contributions	-	-	-	-	-	-	167,252	25,100	-	-
Capital grants and contributions	343,398	484,814	1,448,481	3,857,066	184,335	1,399,517	1,428,524	304,391	3,347,274	673,634
Total business-type activities program revenues	9,439,414	11,665,537	12,878,963	15,322,895	11,915,194	13,051,088	13,987,644	13,883,332	17,581,968	15,562,264
Total primary government program revenues	\$ 11,739,557	\$ 16,240,279	\$ 16,447,353	\$ 21,512,910	\$ 14,766,382	\$ 16,388,695	\$ 16,868,793	\$ 17,519,494	\$ 23,737,687	\$ 18,367,638
<b>Net (Expense)/Revenue</b>										
Government activities:										
Business-type activities:										
Total primary government net expense	\$(10,431,748)	\$(8,259,726)	\$(9,911,700)	\$(9,966,359)	\$(11,483,489)	\$(9,807,262)	\$(10,279,274)	\$(11,128,043)	\$(8,969,901)	\$(14,556,376)
	(431,355)	385,662	993,783	3,103,286	(225,903)	1,133,540	2,434,890	1,039,738	3,746,421	1,457,942
	<u>\$(10,863,103)</u>	<u>\$(7,874,064)</u>	<u>\$(8,917,917)</u>	<u>\$(6,863,073)</u>	<u>\$(11,709,392)</u>	<u>\$(8,673,722)</u>	<u>\$(7,844,384)</u>	<u>\$(10,088,305)</u>	<u>\$(5,223,480)</u>	<u>\$(13,098,434)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Government activities:										
Taxes:										
Sales and use taxes	\$ 8,399,591	\$ 9,372,801	\$ 9,923,881	\$ 10,236,749	\$ 10,109,396	\$ 9,238,802	\$ 9,595,485	\$ 10,493,465	\$ 10,555,793	\$ 10,883,650
Property taxes	1,001,052	790,268	1,366,579	1,227,930	1,243,884	1,246,910	1,207,441	1,145,387	1,172,499	406,950
Franchise and public service taxes	967,991	1,188,717	1,092,544	1,118,390	1,185,713	850,678	845,865	817,700	796,444	833,193
Other taxes	862,475	1,062,708	1,178,664	1,168,310	1,195,425	1,156,779	1,213,471	1,321,145	1,396,360	1,479,104
Unrestricted grants and contributions	87,865	176,343	164,064	282,188	282,315	328,756	337,019	306,994	526,006	723,417
Investment earnings	225,670	293,501	655,958	535,617	303,822	181,840	187,952	221,243	192,065	189,547
Miscellaneous	55,273	362,490	103,704	301,570	13,425	28,495	277,837	38,446	75,382	36,714
Special item	-	-	-	-	-	296,703	-	-	-	-
Transfers	(1,542,937)	(4,808,212)	(717,269)	(1,746,122)	(1,235,120)	(1,094,411)	(916,062)	(836,527)	(3,018,162)	(1,704,747)
Total governmental activities	10,056,980	8,438,616	13,768,125	13,124,632	13,101,860	12,234,552	12,749,008	13,507,853	11,696,387	12,847,828
Business-type activities:										
Investment earnings	154,394	239,179	493,795	282,182	256,198	120,158	40,910	26,365	42,218	39,496
Special item	-	-	-	-	-	-	-	(1,523)	-	-
Miscellaneous	10,347	7,553	6,380	4,426	17,662	873	1,567	3,844	2,738	5,823
Transfers	1,542,937	4,808,212	717,269	1,746,122	1,235,120	1,094,411	916,062	836,213	3,018,162	1,704,747
Total business-type activities	1,707,678	5,054,944	1,217,444	2,032,730	1,508,980	1,215,442	958,539	864,899	3,063,118	1,750,066
Total primary government	\$ 11,764,658	\$ 13,493,560	\$ 14,985,569	\$ 15,157,362	\$ 14,610,840	\$ 13,449,994	\$ 13,707,547	\$ 14,372,752	\$ 14,759,505	\$ 14,597,894
<b>Change in Net Assets</b>										
Government activities	\$ (374,768)	\$ 178,890	\$ 3,856,425	\$ 3,158,273	\$ 1,618,371	\$ 2,427,290	\$ 2,469,734	\$ 2,379,810	\$ 2,726,486	\$ (1,708,548)
Business-type activities	1,276,323	5,440,626	2,211,227	5,136,016	1,283,077	2,348,982	3,393,429	1,904,637	6,809,539	3,208,008
Total primary government	\$ 901,555	\$ 5,619,516	\$ 6,067,652	\$ 8,294,289	\$ 2,901,448	\$ 4,776,272	\$ 5,863,163	\$ 4,284,447	\$ 9,536,025	\$ 1,499,460

**CITY OF SAND SPRINGS, OKLAHOMA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 June 30, 2014  
**TABLE 3**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 611,433	\$ 560,968	\$ 1,045,543	\$ 882,736	\$ 430,283	\$ 484,790	\$ -	\$ -	\$ -	\$ -
Unreserved	284,551	1,467,262	1,570,957	2,224,572	3,032,268	2,645,547	-	-	-	-
Nonspendable	-	-	-	-	-	-	23,616	22,597	22,982	30,035
Restricted	-	-	-	-	-	-	269,763	319,094	400,085	524,551
Assigned	-	-	-	-	-	-	1,052,274	1,322,428	1,432,738	1,825,667
Unassigned	-	-	-	-	-	-	2,785,293	3,161,144	3,320,280	3,129,894
<b>Total general fund</b>	<b>\$ 895,984</b>	<b>\$ 2,028,230</b>	<b>\$ 2,616,500</b>	<b>\$ 3,107,308</b>	<b>\$ 3,462,551</b>	<b>\$ 3,130,337</b>	<b>\$ 4,130,946</b>	<b>\$ 4,825,263</b>	<b>\$ 5,176,085</b>	<b>\$ 5,510,147</b>
All Other Governmental Funds										
Reserved	\$ 1,106,333	\$ 2,180,538	\$ 5,131,179	\$ 1,260,303	\$ 1,426,121	\$ 4,198,748	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	273,822	310,769	545,923	390,572	562,483	599,264	-	-	-	-
Debt service funds	1,240,925	944,628	1,263,778	1,139,456	1,102,825	1,080,982	-	-	-	-
Capital project funds	4,443,999	11,822,362	9,247,365	8,735,442	8,923,255	7,832,523	-	-	-	-
Restricted	-	-	-	-	-	-	11,987,586	13,041,167	16,346,865	17,488,846
Committed	-	-	-	-	-	-	26,000	43,536	-	-
Assigned	-	-	-	-	-	-	2,985,162	4,787,572	4,395,998	7,643,981
Unassigned	-	-	-	-	-	-	(697,538)	(973,423)	(36,627)	-
<b>Total all other governmental funds</b>	<b>\$ 7,065,079</b>	<b>\$ 15,258,297</b>	<b>\$ 16,188,245</b>	<b>\$ 11,525,773</b>	<b>\$ 12,014,684</b>	<b>\$ 13,711,517</b>	<b>\$ 14,301,210</b>	<b>\$ 16,898,852</b>	<b>\$ 20,706,236</b>	<b>\$ 25,132,827</b>
<b>GRAND TOTAL</b>	<b>\$ 7,961,063</b>	<b>\$ 17,286,527</b>	<b>\$ 18,804,745</b>	<b>\$ 14,633,081</b>	<b>\$ 15,477,235</b>	<b>\$ 16,841,854</b>	<b>\$ 18,432,156</b>	<b>\$ 21,724,115</b>	<b>\$ 25,882,321</b>	<b>\$ 30,642,974</b>

**CITY OF SAND SPRINGS, OKLAHOMA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 June 30, 2014  
 TABLE 4

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 11,256,765	\$ 12,425,501	\$ 13,521,336	\$ 13,771,835	\$ 13,729,301	\$ 12,444,830	\$ 12,909,683	\$ 13,786,404	\$ 14,096,209	\$ 14,018,930
Intergovernmental	1,896,387	1,062,720	1,424,660	2,484,795	1,572,496	1,769,104	1,675,578	2,356,440	4,430,432	1,973,647
Charges for services	423,774	618,219	458,241	1,061,311	1,046,901	1,023,287	1,069,579	1,145,909	1,099,110	1,142,732
Fines and forfeitures	161,258	179,071	154,594	205,494	252,006	302,569	371,277	413,805	415,268	432,401
Licenses and permits	137,579	158,422	128,184	114,291	132,115	115,305	147,757	131,722	194,444	179,498
Investment Income	269,842	348,977	817,798	768,500	450,644	250,813	112,131	62,465	69,717	68,370
Miscellaneous	119,286	401,760	216,008	402,072	166,948	591,137	465,838	199,827	288,530	561,977
<b>Total Revenues</b>	<b>\$ 14,264,891</b>	<b>\$ 15,194,670</b>	<b>\$ 16,720,821</b>	<b>\$ 18,808,298</b>	<b>\$ 17,349,411</b>	<b>\$ 16,497,045</b>	<b>\$ 16,751,843</b>	<b>\$ 18,098,572</b>	<b>\$ 20,593,710</b>	<b>\$ 18,377,555</b>
<b>Expenditures:</b>										
General government	\$ 529,199	\$ 568,731	\$ 566,298	\$ 758,973	\$ 752,642	\$ 756,851	\$ 671,627	\$ 778,817	\$ 875,356	\$ 835,759
Planning and zoning	127,326	139,898	164,969	223,746	167,431	156,007	154,985	103,903	121,776	140,877
Financial administration	714,275	763,923	774,229	787,438	763,458	643,633	571,438	654,358	763,850	795,667
Public safety	4,789,446	5,044,309	6,283,029	7,982,580	6,908,601	6,798,342	6,790,855	7,071,741	7,465,352	8,012,482
Highways and streets	740,427	841,810	918,413	896,688	904,388	853,007	827,665	648,994	643,840	675,929
Health and welfare	54,292	60,496	60,978	65,526	62,815	71,857	51,842	51,572	32,068	34,219
Culture and recreation	738,411	877,632	985,803	1,069,565	1,021,500	845,083	700,856	919,003	934,028	1,086,835
Economic development	1,342,620	990,498	244,891	215,964	160,612	143,509	137,435	341,095	493,817	697,993
Facilities Mgmt & Fleet Maint	739,463	797,062	560,109	578,014	527,770	523,870	478,511	454,319	703,484	716,874
Water	-	-	-	-	-	-	42,221	14,989	-	-
Capital outlay	5,976,400	3,004,735	5,325,002	9,717,407	5,220,108	5,055,225	6,649,063	5,097,127	7,293,491	5,966,389
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	1,390,192	1,394,400	1,408,531	1,374,779	946,003	946,030	943,896	507,967	991,142	1,030,859
Interest	350,281	298,499	488,287	440,853	402,579	361,914	325,066	233,420	179,312	172,495
<b>Total Expenditures</b>	<b>\$ 17,492,332</b>	<b>\$ 14,781,993</b>	<b>\$ 17,780,539</b>	<b>\$ 24,111,533</b>	<b>\$ 17,837,907</b>	<b>\$ 17,155,328</b>	<b>\$ 18,305,460</b>	<b>\$ 16,877,305</b>	<b>\$ 20,497,536</b>	<b>\$ 20,166,378</b>
Excess of revenues over/(under) expenditures	\$ (3,227,441)	\$ 412,677	\$ (1,059,718)	\$ (5,303,235)	\$ (488,496)	\$ (658,283)	\$ (1,553,617)	\$ 1,219,267	\$ 96,174	\$ (1,788,823)
<b>Other financing sources(uses)</b>										
Issuance of debt	-	-	\$ 12,142	\$ 408,047	\$ -	\$ -	\$ -	\$ -	\$ 496,304	\$ 2,367,241
Transfers in	6,805,861	9,157,723	9,007,653	8,724,058	6,723,405	7,922,227	8,608,201	8,856,527	10,696,533	11,118,523
Transfers out	(6,119,286)	(6,503,411)	(6,418,316)	(8,000,529)	(5,390,750)	(5,899,323)	(5,464,282)	(6,307,866)	(7,130,805)	(6,936,288)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	6,392,361	-	-	-	-	-	2,540,000	-	-
Premium on bonds sold	-	-	-	-	-	-	-	-	-	-
Payment of issue costs	-	(92,388)	-	-	-	-	-	(74,611)	-	-
Transfer to bond escrow	-	-	-	-	-	-	-	(2,941,356)	-	-
<b>Total other financing sources(uses)</b>	<b>\$ 686,575</b>	<b>\$ 8,954,285</b>	<b>\$ 2,601,479</b>	<b>\$ 1,131,576</b>	<b>\$ 1,332,655</b>	<b>\$ 2,022,904</b>	<b>\$ 3,143,919</b>	<b>\$ 2,072,694</b>	<b>\$ 4,062,032</b>	<b>\$ 6,549,476</b>
<b>Net change in fund balances</b>	<b>\$ (2,540,866)</b>	<b>\$ 9,366,962</b>	<b>\$ 1,541,761</b>	<b>\$ (4,171,659)</b>	<b>\$ 844,159</b>	<b>\$ 1,364,621</b>	<b>\$ 1,590,302</b>	<b>\$ 3,291,961</b>	<b>\$ 4,158,206</b>	<b>\$ 4,760,653</b>
Debt service as a percentage of noncapital expenditures	15.1%	14.4%	15.2%	12.6%	8.2%	8.6%	7.8%	4.7%	9.7%	8.5%

**CITY OF SAND SPRINGS, OKLAHOMA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
 Last Ten Fiscal Years  
 June 30, 2014  
 TABLE 5

Fiscal Year	Ad Valorem	Sales	Franchise	Hotel/Motel	Use	Emergency Telephone	Payment in Lieu of Taxes	Abatement	Incremental Property	Totals
	Tax	Tax	Tax	Tax	Tax	Tax		Tax	Tax	
2005	688,013	8,188,750	967,991	98,914	210,841	84,583	678,978	13,610	313,039	11,244,719
2006	484,824	9,145,675	1,188,717	114,303	227,126	100,827	847,578	16,882	305,444	12,431,376
2007	1,355,511	9,631,280	1,092,544	124,960	292,601	149,711	903,993	11,068	-	13,561,668
2008	1,227,930	9,953,972	1,118,390	129,021	282,777	139,899	884,807	14,583	-	13,751,379
2009	1,243,884	9,801,602	1,188,713	112,617	307,794	146,920	912,146	23,742	-	13,737,418
2010	1,246,910	8,982,429	850,678	94,065	256,373	131,685	905,686	25,343	-	12,493,169
2011	1,207,441	9,220,076	845,865	96,017	375,409	140,836	964,375	12,243	-	12,862,262
2012	1,145,387	10,096,850	817,700	98,154	396,615	139,986	1,045,046	37,959	-	13,777,697
2013	1,160,778	10,133,835	796,444	123,728	421,958	146,279	1,103,053	23,300	186,834	14,096,209
2014	419,689	10,492,846	833,193	157,200	390,804	142,163	1,149,337	30,404	403,294	14,018,930

# **REVENUE CAPACITY**



**CITY OF SAND SPRINGS OKLAHOMA**  
**SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS**  
 Last Ten Fiscal Years  
 June 30, 2014  
**TABLE 6**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund Operations	1.926 %	1.877 %	1.980 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %
TIF District (Economic Development)	0.232	0.221	0.036	-	-	-	-	-	-	-
Water & Wastewater Improvements	0.895	0.935	0.989	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Street Improvements	0.447	0.467	0.495	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Sand Springs Total	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %
Osage County	1.000	1.000	1.250	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %
Tulsa County	1.017	1.017	1.017	1.017	1.017	1.017	1.017	0.850	0.850	0.850
State of Oklahoma	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %
Total (Osage County)	9.000	9.000	9.250	9.250 %	9.250 %	9.250 %	9.250 %	9.250 %	9.250 %	9.250 %
Total (Tulsa County)	9.017 %	9.017 %	9.017 %	9.017 %	9.017 %	9.017 %	9.017 %	8.850 %	8.850 %	8.850 %

**Source:**

1. City sales tax rate - City Finance Department
2. State & County tax rate - Oklahoma Tax Commission

**Note:**

1. City sales tax increases must be approved by voters.

**CITY OF SAND SPRINGS OKLAHOMA**  
**TAXABLE SALES BY CATEGORY**  
**Last Ten Fiscal Years**  
**June 30, 2014**  
**TABLE 7**

Category	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Manufacturing	\$ 2,766,428	\$ 4,659,527	\$ 6,190,393	\$ 5,953,722	\$ 5,821,246	\$ 4,579,167	\$ 4,865,936	\$ 6,474,226	\$ 6,733,569	\$ 7,564,199
Telecommunications & Other	8,659,129	8,616,794	9,528,113	9,885,585	10,297,993	10,464,868	10,386,773	11,683,916	8,223,040	6,143,900
Public Utilities	15,551,311	18,025,443	20,948,925	19,909,178	19,411,239	11,989,841	17,945,755	18,032,682	16,426,109	18,203,837
Wholesale trade	10,240,026	13,359,064	12,742,978	12,861,982	11,221,153	8,751,312	10,278,070	17,835,578	15,467,491	18,781,723
Retail - Building Materials	7,064,604	9,086,537	9,741,230	8,970,644	8,588,221	7,407,764	6,342,063	8,787,999	8,603,061	7,670,664
Retail - General Merchandise	105,897,003	114,890,248	114,331,070	118,663,516	120,144,526	112,456,892	106,016,119	109,547,834	104,402,935	105,798,763
Retail - Food	27,263,715	24,164,289	25,096,753	26,301,397	26,984,740	26,092,097	27,023,835	28,800,036	36,373,046	32,841,537
Retail - Automotive	7,330,604	7,652,488	8,242,938	8,708,689	9,161,857	9,084,846	9,753,355	9,667,077	10,541,623	10,321,611
Retail - Apparel	2,976,349	3,233,677	3,583,126	3,424,991	2,966,055	2,784,830	2,937,195	3,043,655	3,391,412	3,428,369
Retail - Furniture & Accessories	6,588,417	8,041,895	7,363,451	8,673,964	8,855,436	8,025,192	7,776,746	6,990,153	10,123,520	11,209,826
Retail - Restaurants	26,785,161	28,579,894	29,871,371	32,536,241	31,440,715	30,529,296	33,419,129	38,597,334	36,561,022	36,421,806
Retail - Miscellaneous	12,491,546	9,351,907	15,070,351	15,218,655	14,385,069	13,908,037	14,647,439	16,173,648	17,209,459	18,972,661
Retail - Hotel	1,916,921	1,848,719	2,480,909	2,578,607	2,242,911	1,853,185	1,917,219	1,923,991	2,060,773	2,487,256
Services - Business	3,834,961	4,905,357	6,426,879	3,983,746	4,518,959	1,509,937	1,432,019	1,335,123	2,843,803	1,847,657
Services - Other	6,379,944	5,772,404	5,814,532	6,729,053	6,484,679	8,785,053	8,660,226	10,557,317	9,040,125	11,781,384
All Other Categories	269,469	1,201,410	728,657	1,956,101	1,194,079	1,469,187	1,494,020	1,363,093	1,853,813	8,659,817
<b>Total</b>	<b>\$ 246,015,588</b>	<b>\$ 263,389,653</b>	<b>\$ 278,161,666</b>	<b>\$ 286,356,071</b>	<b>\$ 283,718,878</b>	<b>\$ 259,691,506</b>	<b>\$ 264,895,799</b>	<b>\$ 290,813,662</b>	<b>\$ 289,854,801</b>	<b>\$ 302,135,010</b>

**Source:**

1. Oklahoma Tax Commission

**Note:**

1. The City is prohibited by state law from reporting individual sales tax payers.
2. See Table 6 for City direct sales tax rates

**CITY OF SAND SPRINGS OKLAHOMA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**June 30, 2014**  
**TABLE 8**

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Assessed Value	Homestead Exemption	Net Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value
2005	71,179,763	16,549,935	7,011,950	94,741,648	4,445,326	90,296,322	7.92	861,287,709
2006	74,318,446	16,177,751	7,460,217	97,956,414	4,442,804	93,513,610	5.03	890,512,855
2007	78,205,350	18,076,819	7,488,210	103,770,379	4,227,931	99,542,448	13.41	943,367,082
2008	86,263,297	20,591,649	7,110,571	113,965,517	4,295,289	109,670,228	11.25	1,036,050,155
2009	90,627,821	22,683,328	3,490,138	116,801,287	4,291,332	112,509,955	10.74	1,061,829,882
2010	94,163,935	25,551,946	8,459,397	128,175,278	4,238,669	123,936,609	10.06	1,165,229,800
2011	96,715,793	18,912,594	8,387,535	124,015,922	4,247,420	119,768,502	10.08	1,127,417,473
2012	98,591,088	17,445,941	8,108,272	124,145,301	4,205,921	119,937,191	9.55	1,128,593,645
2013	100,441,255	18,670,079	8,284,161	127,395,495	4,176,081	123,219,414	9.52	1,158,140,864
2014	102,534,222	19,974,137	7,652,889	130,161,248	4,146,411	126,014,837	3.23	1,183,284,073

**Source:**

1. Tulsa County Excise Board

**Note:**

1. Property in the county is reassessed annually. The ratio of assessed value to true value cannot be less than 11% nor more than 13.5%.  
2. Tax rates are per \$1,000 of assessed value.

CITY OF SAND SPRINGS, OKLAHOMA  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
 (PER \$1,000 OF ASSESSED VALUE)  
 Last Ten Fiscal Years  
 June 30, 2014  
**TABLE 9**

Fiscal Year	City Direct Rate	(2) Overlapping Rates					Total Sand Springs City Resident
		Debt Service Fund*	Sand Springs School District	Tulsa County	Tulsa Community College	Tulsa Technology Center	
2005	7.92		72.39	22.61	7.21	13.33	123.46
2006	5.03		73.24	22.59	7.21	13.33	121.40
2007	13.41		73.45	22.21	7.21	13.33	129.61
2008	11.25		71.81	22.21	7.21	13.33	125.81
2009	10.74		68.35	22.21	7.21	13.33	121.84
2010	10.06		69.71	22.21	7.21	13.33	122.52
2011	10.08		73.92	22.21	7.21	13.33	126.75
2012	9.55		73.42	22.24	7.21	13.33	125.75
2013	9.52		72.83	22.24	7.21	13.33	125.13
2014	3.23		73.27	22.23	7.21	13.33	119.27
The levy certified to the tax rolls for the upcoming fiscal year is as follows:							
2015	10.50		72.61	22.23	7.21	13.33	125.88

**Source:**

1. Tulsa County Excise Board

**Note:**

1. City property tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court assessed judgments.
2. Overlapping rates are those of local and county governments that apply to property owners within the City of Sand Springs.

\* Direct rate is solely for direct and overlapping debt

**CITY OF SAND SPRINGS, OKLAHOMA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Current Year And Nine Years Ago  
 June 30, 2014  
**TABLE 10**

	2014				2005			
	Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Net Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Net Total Assessed Value
Chemlink Inc/Baker Petrolite	Manufacturing	5,180,457	1	4.15%	1,949,133	5	2.07%	
Public Service Co of Okla	Manufacturing	4,016,920	2	3.22%	2,272,852	3	2.41%	
Webco Industries	Utility	3,491,204	3	2.80%	2,228,267	4	2.36%	
Wal-Mart	Retail	2,407,010	4	1.93	\$ 2,325,298	2	2.46	
Gerdau Ameristeel	Manufacturing	1,735,536	5	1.39%	6,251,761	1	6.62%	
Sand Springs Home	Real Estate	1,347,904	6	1.08%	1,214,910	7	1.29%	
Daniel Kamin Sand Springs	Real Estate	1,313,807	7	1.05%	—	—	—	
Highland Crossing	Apartment	1,233,899	8	0.99%	—	—	—	
Yellowhouse Machinery	Equipment	1,021,433	9	0.82%	730,122	9	0.77%	
Cust-O-Fab	Manufacturing	887,713	10	0.71%	—	—	—	
Oklahoma Natural Gas	Utility	769,261	11	0.62%	722,757	10	0.77%	
Parker Plastics	Manufacturing	693,698	12	0.56%	—	—	—	
Green Tree	Real Estate	671,319	13	0.54%	—	—	—	
Fiberglass Systems LP	Manufacturing	627,499	14	0.50%	—	—	—	
AT&T	Utility	582,714	15	0.47%	1,936,580	6	2.05%	
Totals		\$ 25,980,374		20.83%	\$ 19,631,680		20.80%	

**Source:**  
 1. Tulsa County Assessors Office

**CITY OF SAND SPRINGS, OKLAHOMA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years  
 June 30, 2014  
 TABLE 11

Fiscal Year	Actual Levy Year	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date		Net Assessed Value	Mill Levy
			Amount	Percentage of Levy		Amount	Percentage of Levy		
2005	2004	\$ 715,182	\$ 680,985	95%	\$ 11,884	\$ 692,869	96.9%	\$ 90,296,322	7.92
2006	2005	\$ 469,940	\$ 447,392	95%	\$ 10,601	\$ 457,993	97.5%	\$ 93,513,610	5.03
2007	2006	\$ 1,335,081	\$ 1,297,983	97%	\$ 26,723	\$ 1,324,707	99.2%	\$ 99,542,448	13.41
2008	2007	\$ 1,234,615	\$ 1,208,401	98%	\$ 20,391	\$ 1,228,791	99.5%	\$ 109,670,228	11.25
2009	2008	\$ 1,243,871	\$ 1,205,963	97%	\$ 17,521	\$ 1,223,484	98.4%	\$ 112,509,955	10.74
2010	2009	\$ 1,246,887	\$ 1,202,135	96%	\$ 15,691	\$ 1,217,826	97.7%	\$ 123,936,609	10.06
2011	2010	\$ 1,207,455	\$ 1,184,282	98%	\$ 20,533	\$ 1,204,815	99.8%	\$ 119,768,502	10.08
2012	2011	\$ 1,145,387	\$ 1,111,816	97%	\$ 17,474	\$ 1,129,290	98.6%	\$ 119,937,191	9.55
2013	2012	\$ 1,172,499	\$ 1,126,854	96%	\$ 19,268	\$ 1,146,122	97.8%	\$ 123,219,414	9.52
2014	2013	\$ 406,950	\$ 387,732	95%	\$ -	387,732	95.3%	\$ 126,014,837	3.23

Sources: Tulsa County Assessor's Office, Tulsa County Excise Board, and City of Sand Springs Department of Finance

Use Revenue and Expenditure Report for Property Taxes

# **DEBT CAPACITY**



**CITY OF SAND SPRINGS, OKLAHOMA**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED**  
**VALUE AND NET BONDED DEBT PER CAPITA**  
 Last Ten Fiscal Years  
 June 30, 2014  
**TABLE 12**

Fiscal Year	Population	Net Assessed Value	Gross Bonded Debt (1)	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2005	17,640	90,296,322	7,875,000	1,240,925	6,634,075	7.35%	376
2006	17,765	93,513,610	12,851,029	939,136	11,911,893	12.74%	671
2007	17,877	99,542,448	11,445,000	1,245,860	10,199,140	10.25%	571
2008	18,450	109,670,228	10,080,000	1,250,185	8,829,815	8.05%	479
2009	18,489	112,509,955	9,195,000	1,225,985	7,969,015	7.08%	431
2010	18,868	123,936,609	8,310,000	1,225,238	7,084,762	5.72%	375
2011	18,906	119,768,402	7,425,000	1,132,394	6,292,606	5.25%	333
2012	19,140	119,937,191	6,650,000	1,139,037	5,510,963	4.59%	288
2013	19,116	123,219,414	5,720,000	1,198,452	4,521,548	3.67%	237
2014	19,339	126,014,837	7,165,000	547,774	6,617,226	5.25%	342

**Note:**

1. Represents outstanding general obligation bonds financed through ad valorem and sales tax.
2. Details regarding the city's outstanding debt can be found in the notes to the financial statements.

**CITY OF SAND SPRINGS, OKLAHOMA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**June 30, 2014**  
**TABLE 13**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage (1) Applicable to City of Sand Springs</u>	<u>Amount Applicable to City of Sand Springs</u>
City of Sand Springs	\$ 7,679,814	100.00%	\$ 7,679,814
Overlapping Debt: Sand Springs School District	13,701,716	75.00%	10,276,287
Berryhill School District	1,660,234	21.37%	354,792
Tulsa County	0	2.44%	0
Tulsa Community College	0	2.49%	0
Total overlapping debt	<u>15,361,950</u>		<u>10,631,079</u>
Total Direct and Overlapping Debt	<u>\$ 23,041,764</u>		<u>\$ 18,310,893</u>

**Source:**

1. Tulsa & Osage County Assessors Office

**Note:**

1. 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 Sand Springs.

**CITY OF SAND SPRINGS, OKLAHOMA**  
**LEGAL DEBT MARGIN INFORMATION**  
 Last Ten Fiscal Years  
 June 30, 2014  
 TABLE 14

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 9,029,632	\$ 9,351,361	\$ 9,954,245	\$ 10,967,023	\$ 11,579,257	\$ 12,393,661	\$ 11,976,850	\$ 11,993,938	\$ 12,321,941	\$ 12,601,484
Total net debt applicable to limit	<u>3,690,692</u>	<u>7,945,207</u>	<u>7,682,782</u>	<u>7,064,879</u>	<u>6,447,018</u>	<u>5,829,158</u>	<u>5,211,297</u>	<u>4,668,269</u>	<u>4,119,634</u>	<u>5,820,184</u>
Legal debt margin	\$ 5,338,940	\$ 1,406,154	\$ 2,271,463	\$ 3,902,144	\$ 5,132,239	\$ 6,564,503	\$ 6,765,553	\$ 7,325,669	\$ 8,202,307	\$ 6,781,300
Total net debt applicable to the limit as a percentage of debt limit	40.87%	84.96%	77.18%	64.42%	55.68%	47.03%	43.51%	38.92%	33.43%	46.19%
Legal Debt Margin Calculation for Fiscal Year 2014										
Net assessed valuation	\$ 126,014,837									
Debt limit (10% of total assess value)	\$ 12,601,484									
Debt applicable to limit:										
General obligation bonds	\$ 7,165,000									
Less: Street bonds outstanding	<u>1,344,816</u>									
Total net debt applicable to limit	<u>5,820,184</u>									
Legal debt margin	<u>\$ 6,781,300</u>									

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

CITY OF SAND SPRINGS, OKLAHOMA  
MUNICIPAL AUTHORITY  
PLEDGED REVENUE COVERAGE  
Last Ten Fiscal Years  
June 30, 2014  
TABLE 15

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Average Annual Debt Service (1)		Debt Service Coverage
				Debt Service	Coverage	
2005	8,810,534	4,833,031	3,977,503	785,719	5.06	
2006	10,918,580	(3) 5,362,886	5,555,694	898,125	6.19	
2007	11,510,750	5,571,560	5,939,190	898,125	6.61	
2008	11,668,999	6,006,857	5,662,142	898,125	6.30	
2009	11,883,093	5,773,039	6,110,054	898,125	6.80	
2010	11,387,089	5,250,446	6,136,643	779,905	7.87	
2011	12,028,674	5,292,914	6,735,760	779,905	8.64	
2012	13,069,529	5,465,821	7,603,708	0	N/A	
2013	13,544,073	5,715,422	7,828,651	1,675,637	4.67	
2014	14,053,576	6,023,712	8,029,864	1,675,637	4.79	

**Note:**

1. Average annual debt service includes principal, interest and fee payments to fiscal agents for revenue bonds payable secured by or for which debt service is paid from trust revenue.
2. Beginning in fiscal year 2003, the SSMA issued OWRB Notes Payable that contained a coverage requirement based on maximum annual debt service on the OWRB notes and all parity debt. The maximum annual debt service totaled \$1,794,578 with coverage computed at 4.36
3. In fiscal year 2006 a 5-year utility rate plan was implemented.

**CITY OF SAND SPRINGS, OKLAHOMA**  
**RATIO FOR OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**  
**June 30, 2014**  
**TABLE 16**

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases Payable	Revenue Bonds Payable	Unamortized Discount/Premium	Notes Payable	Capital Leases Payable				
2005	7,875,000	-	4,725,000	-	12,070,030	30,337	24,700,367	4%	1,400	
2006	12,845,000	27,961	4,120,000	-	14,860,010	50,222	31,903,193	5%	1,796	
2007	11,445,000	31,572	3,475,000	-	15,937,925	131,078	31,020,575	5%	1,735	
2008	10,080,000	429,840	2,815,000	-	14,839,240	139,430	28,303,510	4%	1,534	
2009	9,195,000	368,838	2,120,000	-	13,916,658	91,328	25,691,824	4%	1,390	
2010	8,310,000	307,769	1,390,000	-	13,946,941	35,601	23,990,311	3%	1,271	
2011	7,425,000	248,085	620,000	-	13,328,720	12,279	21,634,084	3%	1,144	
2012	6,650,000	190,017	-	-	12,867,801	-	19,707,818	2%	1,030	
2013	5,720,000	625,673	30,510,000	66,348	9,070,394	-	45,992,415	5%	2,378	
2014	7,165,000	514,814	29,830,000	67,773	8,146,832	-	45,724,419	4%	2,364	



# **DEMOGRAPHIC AND ECONOMIC INFORMATION**



**CITY OF SAND SPRINGS, OKLAHOMA**  
**BUILDING PERMITS, CONSTRUCTION AND BANK DEPOSITS**  
 Last Ten Calendar Years  
 June 30, 2014  
 TABLE 17

Calendar Year	Number of Building Permits	Construction Values			Total	Estimated Actual Value of Taxable Property	Bank Deposits
		Residential	Commercial				
2004	201	12,801,411	6,653,632		19,455,043	861,287,709	219,899,302
2005	262	17,937,748	19,754,327		37,692,075	890,512,855	231,672,353
2006	273	14,862,545	11,365,538		26,228,083	943,367,082	248,778,000
2007	214	18,188,885	27,922,578		46,111,463	1,036,050,155	275,757,000
2008	190	15,838,709	14,167,699		30,006,408	1,036,050,155	279,222,000
2009	195	12,901,230	7,665,365		20,566,595	1,061,829,882	272,193,000
2010	190	10,910,659	27,059,845		37,970,504	1,127,417,473	275,391,000
2011	178	37,056,719	12,670,862		49,727,581	1,128,593,645	301,579,000
2012	250	15,046,585	7,292,732		22,339,317	1,158,140,864	311,563,000
2013	290	15,610,436	7,816,622		23,427,058	1,183,284,073	304,006,000

**Source:**  
 1. City Neighborhood Services Department

**CITY OF SAND SPRINGS, OKLAHOMA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Calendar Years**  
**June 30, 2014**  
**TABLE 18**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Current Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income (MSA)</b>	<b>Median Age of Population (3)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2004	17,640	575,240	32,610	34.5	4,972	4.5%
2005	17,765	602,589	33,920	35.1	5,017	3.9%
2006	17,877	671,532	37,564	34.5	5,315	4.5%
2007	18,450	705,141	38,219	35.1	5,425	4.1%
2008	18,489	763,725	41,307	35.1	5,328	4.9%
2009	18,868	744,192	39,442	35.1	5,327	7.7%
2010	18,906	771,232	40,793	35.2	5,261	7.9%
2011	19,140	918,165 *	47,971 *	36.5	5,315	5.3%
2012	19,116	999,461 *	52,284 *	36.2	5,315	5.2%
2013	19,339	1,021,931	52,843	36.5	5,336	4.6%

**Source:**

1. INCOG
2. Per Capita Personal Income - U.S. Bureau of Economic Analysis (BEA) for the Tulsa metropolitan area (information for Sand Springs unavailable)
- \* Calendar years 2011 and 2012 were restated based on most recent information provided by BEA.
3. Municipal Net Guide
4. Sand Springs School District
5. Bureau of Labor Statistics, for the Tulsa metropolitan area.

**CITY OF SAND SPRINGS, OKLAHOMA  
PRINCIPAL EMPLOYERS  
Current Year And Nine Years Ago  
June 30, 2014  
TABLE 19**

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sand Springs Schools	819	1	12.83%	590	1	9.19%
Webco	575	2	9.01%	365	4	5.69%
Wal Mart	412	3	6.45%	565	2	8.80%
Piping Enterprise	230	4	3.58%	130	10	2.03%
City of Sand Springs	200	5	3.13%	255	6	3.97%
Baker Petrolite	182	6	2.85%	140	7	2.18%
Cust-O-Fab	182	7	2.85%	140	8	2.18%
Tulsa Community College	128	8	2.01%	—	—	—
Osage Million Dollar Elm	123	9	1.93%	—	—	—
Keystone Chevrolet	87	10	1.36%	91	11	1.42%
Totals	2,938		46.01%	2,276		35.46%

**Source:**

1. U S Census Bureau ZIP Code Business Patterns (NAICS) website provided the total labor force numbers

**Note:**

1. 2014 percentage is based on the U S Census Bureau 2012 totals
2. 2005 numbers total 6,418 and 2014 numbers total 6,383
3. The total number of employees includes full and part time employees



# **OPERATING INFORMATION**



**CITY OF SAND SPRINGS OKLAHOMA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 June 30, 2014  
**TABLE 20**

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	6	5	5	7	7	5	5	6	8	8
Planning and Zoning	1	1	1	1	1	1	1	1	1	2
Financial Administration	21	22	22	22	20	18	16	19	17	13
Public Safety	83	83	85	87	84	82	76	79	79	86
Highways and Streets	14	14	14	14	12	12	8	9	9	9
Culture and Recreation	13	13	13	14	14	11	7	6	6	8
Economic Development	1	1	1	1	1	1	1	1	1	1
Facilities Management & Maint	10	10	10	10	10	10	8	9	10	10
Water Operations	33	33	33	33	32	32	31	31	31	32
Stormwater	0	0	1	1	1	1	1	1	0	0
Wastewater Operations	20	20	20	20	19	19	19	19	19	19
Solid Waste Operations	11	11	11	11	11	11	11	11	11	11
Airport Operations	1	1	1	1	1	1	1	1	1	1
Golf Course Operations	8	8	8	8	8	0	0	0	0	0
<b>Total</b>	<b>217</b>	<b>222</b>	<b>222</b>	<b>225</b>	<b>230</b>	<b>204</b>	<b>185</b>	<b>193</b>	<b>193</b>	<b>200</b>

**Source:**  
 1. City Finance Office

**CITY OF SAND SPRINGS OKLAHOMA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**  
**June 30, 2014**  
**TABLE 21**

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	29	29	31	31	33	33	33	38	38	40
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Trucks	10	10	10	11	11	11	13	13	9	10
Highways and Streets										
Roadways (arterial lane miles)	170	170	170	170	170	170	170	172	173	173
Streetslights	1,033	1,034	1,074	1,096	1,208	1,209	1,209	1,211	1,211	1,214
Signalized Intersections	18	18	18	18	18	18	18	18	18	19
Culture and Recreation										
Acreeage	262	262	263	263	263	263	263	263	263	263
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Ball diamonds	13	13	13	13	13	13	13	11	11	11
Community Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Water Operations										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Water Mains (miles)	420	422	426	430	431	448	452	452	454	454
Storage capacity (thousands of gallons)	6,550	6,550	6,550	7,023	7,023	7,023	7,023	6,523	6,523	6,523
Wastewater Operations										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (miles)	111	119	120	122	122	126	126	126	127	128
Treatment capacity (thousands of gallons)	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120
Solid Waste Operations										
Collection Trucks	8	8	9	8	8	10	10	10	8	8
Stormwater Operations										
Storm sewers (miles)	49	49	50	50	50	50	50	50	51	51

**Source:**

1. City Departments

**CITY OF SAND SPRINGS OKLAHOMA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 June 30, 2014  
 TABLE 22

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Number of Violations (Citations)	3,642	5,529	5,448	6,433	5,031	10,029	8,859	8,810	6,677	6,181
Fire										
Call Responses		2,648	2,866	3,452	3,054	3,033	3,475	3,959	4,023	4,114
Highways and Streets										
Streets Resurfacing (miles)	22	-	-	31	7	7	14	2	9	-
Asphalt Repairs (tons)	952	872	255	98	82	145	258	208	208	147
Culture and Recreation										
Community Center Visitors (daily average)	150	138	119	125	264	348	338	310	293	269
Water and Wastewater Operations										
Number of Water Consumers	10,890	10,927	11,007	11,059	11,151	11,828	11,774	11,767	11,836	12,008
Average Daily Water Consumption (thousands of gallons)	3,200	3,480	3,446	3,175	3,072	2,844	2,839	3,073	3,065	2,986
Number of Sewer Consumers	6,620	6,658	6,701	6,680	6,731	6,827	6,792	6,780	6,835	6,907
Solid Waste Operations										
Refuse collected (tons per day)	49.9	51.1	53.3	50.4	48.3	41.3	41.1	38.7	39.3	40.4
Active Refuse Accounts	6,720	6,725	6,703	6,740	6,789	6,883	6,850	6,859	6,911	7,038
Airport Operations										
Annual Aviation/Jet Fuel Sales <sup>1</sup>	67,912	59,739	38,470	34,868	30,944	29,168	30,006	47,481	43,357	62,754
Golf Operations										
Number of Rounds Played	21,693	23,720	20,533	18,269	19,942	19,542	23,880	24,919	25,254	25,699

**Source:** City Departments

**Note:**

1. FY 2007 City no longer selling jet aviation fuel







# *City of Sand Springs*

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