

MAKING A SPLASH

IN
Sand Springs

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

for Year Ending June 30, 2016



CITY OF SAND SPRINGS, OKLAHOMA

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

**Prepared by the
Department of Finance
Kelly Lamberson – Finance Director
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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, 2016**

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Introduction
SECTION





City of Sand Springs

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P.O. Box 338
Sand Springs,
Oklahoma 74063

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sandspringsok.org

December 31, 2016

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, 2016, 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 unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2016. 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 19,783.

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 1st and ending June 30th. 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.

In accordance with Title 60 of the Oklahoma State Statutes the Sand Springs Municipal Authority, 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. Sales tax revenues earned over the last couple years have grown at a much slower pace than in previous years. Fiscal year 2016 ended with sales tax revenues up only 0.7% from prior year revenues, compared to an average of 2% growth in prior years. This is largely due to the decline in oil and natural gas prices, which continues to negatively impact the overall economy in Oklahoma. This could be closely tied to the unemployment rate in the Tulsa metropolitan area which went up from 4.3% in 2014 to 5.6% in 2015.

Major Initiatives

The City continued worked on several initiatives and construction projects during FY16. City staff continues to work with the developer to attract businesses to the River West development area. One of those businesses coming to the River West corridor during fiscal year 2017 includes a local Mexican restaurant, anticipated to open early Spring.

The City completed the construction on two new splash pads approved in the 2014 GO bond package, and continued work on other improvements to the Museum, Golf Course, and Keystone Ancient Forest.

The City completed construction on the new Spring Lake Complex, which houses Public Works administration, Fleet maintenance, Facilities management along with a central warehouse, Street Maintenance, Water Maintenance, Solid Waste, and a vehicle wash bay. Progress is continuing on the Wastewater Treatment Plant improvement project which will include constructing a new 4-cell sequential batch reactor. Construction is expected to be completed by the end of the current fiscal year.

The City was approved to receive \$4.4 million in Vision 2025 funds from Tulsa County to be used for park improvements and highway corridor enhancements. In addition, Mike and Pat Case have pledged to match these funds with a private donation of an additional \$2 million. The City has selected a construction manager and will begin construction soon.

The City held a sales tax election in the Fall of 2015 and voters approved dedicated sales tax increases in the amount of .45% for public safety and .10% for economic development effective January 1, 2017. The public safety sales tax revenue will pay for a new Public Safety complex. We are currently in the design phase of this project and expect construction to begin within the year.

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, 2015. This was the 26th 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.

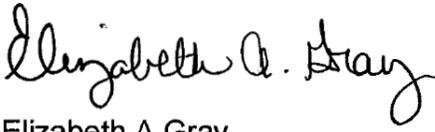
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received its 20th consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year 2015. 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, 2016

MAYOR AND CITY COUNCIL

Mike Burdge	Mayor	Ward 3	John Fothergill	Vice Mayor	Ward 4
Patty Dixon	Councilmember	Ward 2	Brian Jackson	Councilmember	Ward 6
Phil Nollan	Councilmember	Ward 1	Jim Spoon	Councilmember	At-Large
Beau Wilson	Councilmember	Ward 5			

FINANCE COMMITTEE

Mike Burdge	Chairman	Elizabeth Gray	Member
Patty Dixon	Member	Kelly Lamberson	Member
Jim Spoon	Member	Arlena Barnes	Member

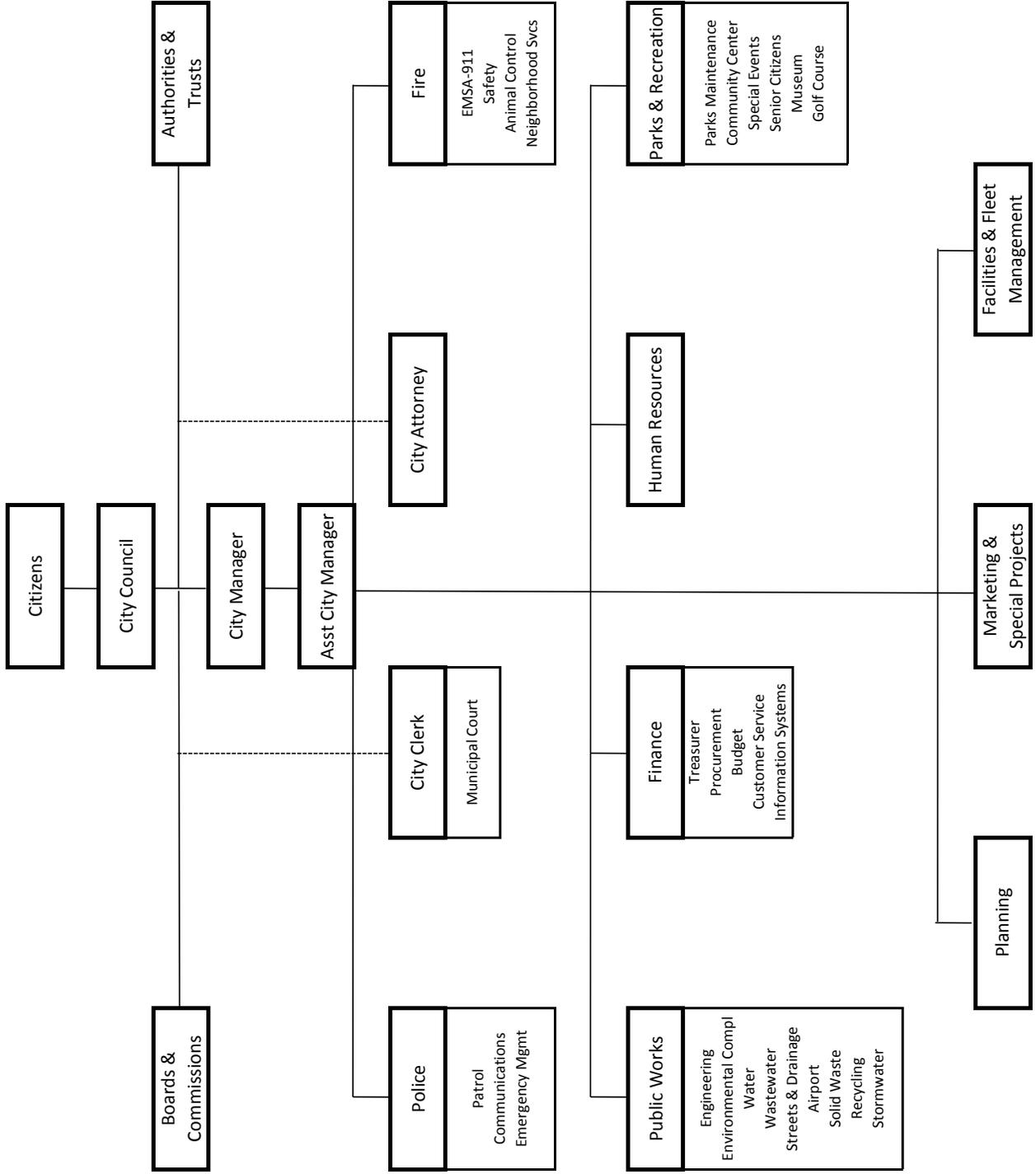
ADMINISTRATION

Elizabeth Gray	City Manager	Kelly Lamberson	Finance Director
Derek Campbell	Public Works Director	Brad Bates	City Planner
Daniel Bradley	Asst City Manager	Grant Gerondale	Parks Director
Mike Carter	Police Chief	Mike Wood	Fire Chief
David Weatherford	City Attorney	Janice Almy	City Clerk
Kasey St. John	Marketing & Special Projects Mgr	Amy Fairchild	Human Resources

ACCOUNTING STAFF

Kelly Lamberson	Finance Director	Arlena Barnes	Budget Officer
Michelle Dawes	Purchasing Agent	Jamie Muns-Dobson	Accountant
Nadine Rogers	Accounts Payable Specialist	Samantha Portilloz	Payroll Specialist

CITY OF SAND SPRINGS ORGANIZATIONAL CHART





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, 2015

Executive Director/CEO



Financial
SECTION





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and 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 20, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



December 20, 2016

**MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

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, 2016. 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 \$2.8 million and the assets and deferred outflows of the City continued to exceed its liabilities and deferred inflows at June 30, 2016, by \$121.7 million (net position). Of this amount, \$22.8 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2016, the City's governmental funds reported combined ending fund balances of \$44.7 million.
- At the end of fiscal year 2016, unassigned fund balance for the General Fund was \$4.8 million or 28% 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 two discretely presented component units. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type, along with the 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) and deferred outflows as well as all liabilities (including long-term debt) and deferred inflows.

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, expenses and deferrals 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, 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, 2016

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 31-73 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, Schedules of Share of Net Pension Liability for both Police and Firefighter's Pension, Schedule of City Contributions for Police, Firefighter's and OkMRF Retirement Systems, Schedule of Changes in Net Pension Liability and Employee Contributions for OkMRF, 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 Non-major Governmental Funds, Cash Flow Statements for component units, a Schedule of Debt Service and Schedule of Federal Awards. This information can be found on pages 75-102 of this report.

MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016

Also included in this report is the Statistical Section which can be found on pages 103-127. 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.

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 \$71.4 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	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and other assets	\$ 33,274	\$ 19,913	\$ 28,472	\$ 37,789	\$ 61,746	\$ 57,702
Capital assets	42,087	40,578	88,237	78,329	130,324	118,907
Total assets	75,361	60,491	116,709	116,118	192,070	176,609
Deferred Outflows of Resources:						
Deferred amount on refunding	15	29	-	-	15	29
Deferred amounts related to pension	1,443	647	-	-	1,443	647
Total deferred outflows	1,458	676	-	-	1,458	676
Liabilities:						
Long-term liabilities	31,401	15,918	36,250	37,494	67,651	53,412
Other liabilities	1,268	1,270	1,450	1,945	2,718	3,215
Total liabilities	32,669	17,188	37,700	39,439	70,369	56,627
Deferred Inflows of Resources:						
Deferred amounts related to pension	1,447	1,785	-	-	1,447	1,785
Total deferred inflows	1,447	1,785	-	-	1,447	1,785
Net position:						
Net investment in capital assets	18,346	33,248	53,054	51,548	71,400	84,796
Restricted	25,073	10,590	2,403	2,386	27,476	12,976
Unrestricted (deficit)	(716)	(1,644)	23,552	22,745	22,836	21,101
Total net position	\$ 42,703	\$ 42,194	\$ 79,009	\$ 76,679	\$ 121,712	\$ 118,873

MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016

A portion of the City's net position, \$27.1 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$23.2 million, may be used to meet the government's ongoing obligations to citizens and creditors.

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	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for Services	\$ 1,421	\$ 1,422	\$ 14,989	\$ 14,586	\$ 16,410	\$ 16,008
Grants & Contributions	1,297	1,014	-	2	1,297	1,016
Capital Grants & Contributions	620	1,435	354	157	974	1,592
General Revenues:						
Sales & Use Tax	11,114	11,070	-	-	11,114	11,070
Other Taxes	3,589	3,802	-	-	3,589	3,802
Other General Revenues	808	1,330	118	134	926	1,464
Total Revenues	18,849	20,073	15,461	14,879	34,310	34,952
Program Expenses:						
General Government	1,383	1,323	-	-	1,383	1,323
Planning & Zoning	156	102	-	-	156	102
Financial Administration	798	826	-	-	798	826
Public Safety	8,832	8,211	-	-	8,832	8,211
Highways & Streets	1,917	2,281	-	-	1,917	2,281
Health & Welfare	31	34	-	-	31	34
Culture & Recreation	1,368	1,286	-	-	1,368	1,286
Economic Development	887	615	-	-	887	615
General Properties	620	596	-	-	620	596
Interest on Long-term Debt	492	220	-	-	492	220
Water	-	-	7,582	6,950	7,582	6,950
Wastewater	-	-	3,464	3,699	3,464	3,699
Solid Waste	-	-	1,357	1,384	1,357	1,384
Storm Water	-	-	673	342	673	342
Airport	-	-	869	707	869	707
Golf Course	-	-	1,042	914	1,042	914
Total Expenses	16,484	15,494	14,987	13,996	31,471	29,490
Excess/(Deficiency)	2,365	4,579	474	883	2,839	5,462
Net Transfers	(1,856)	(398)	1,856	398	-	-
Increase in Net Position	509	4,181	2,330	1,281	2,839	5,462
Beginning net position	42,194	38,013	76,679	75,398	118,873	113,411
Ending net position	\$ 42,703	\$ 42,194	\$ 79,009	\$ 76,679	\$ 121,712	\$ 118,873

MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016

In governmental activities, capital grants and contributions decreased from prior year by \$0.8 million. General government expenses increased approximately \$0.6.

In business-type activities, charges for services increased over prior year of approximately \$403,000.

Governmental Activities

The City's governmental activities' increase in net position of \$0.5 million represents a 1.2% increase.

Business-type Activities

The business-type activities' increase in net position of \$2.3 million represents a 3% increase in net position.

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

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2016 fiscal year, the governmental funds reported a combined fund balance of \$44.7 million, or a 41.7% increase from the prior year. This increase is directly related to the \$16 million in unspent bond proceeds. The enterprise funds reported combined net position of \$65.9 million, or a 4% increase from 2015. The fund balance and net position restrictions are listed below.

Fund Balance Classifications:

Nonspendable	\$ 21,720	
Restricted	32,959,989	
Assigned	8,560,654	
Unassigned	<u>3,137,337</u>	
Total Fund Balance		<u>\$ 44,679,700</u>

Enterprise Funds Net Position Restrictions:

Restricted for debt service	<u>\$ 2,403,088</u>	
Total Net Position Restrictions		<u>\$ 2,403,088</u>

Other fund highlights include:

For the year ended June 30, 2016, the General Fund's total fund balance decreased by \$865,981, or 13.3%, due to a decrease in taxes and intergovernmental revenues and offset by a larger increase in overall expenditures. The Council has established a policy for maintaining the unassigned fund balance in the General Fund at not less than 10% of net revenues. Net revenues equals total revenues less required sales tax transfers out. The total unassigned fund balance at year end was 28.4% of net revenues.

- The Street Improvement Fund's total fund balance increased by \$604,122 due to a smaller number of projects in progress.
- The SSMA Water Fund reported a decrease in net position of \$6.3 million, after transfers, for the year, but overall the total change in net position for all of the enterprise funds was an increase of \$2.7 million.

General Fund Budgetary Highlights

Comparing the fiscal year 2016 original budget (or adopted) General Fund expenditures and transfers amount of \$19,340,908 to the final budgeted amount of \$20,316,436 shows a net increase of \$975,528 or 5%. Total original budgeted revenues and transfers were revised from \$17,534,059 to \$18,327,275, an increase of \$793,216 or 4.5%.

General Fund actual revenues and transfers totaled \$1,294,762 less than final estimates, while expenditures and transfers out were under final appropriations by \$2,412,915. Public safety and other financing uses functions were the primary reason, coming in approximately \$1.4 million under budget appropriations.

CAPITAL ASSETS & DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2016, the City had \$130.3 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 increase of \$11.4 million over last year.

Following are details regarding the change in the City's capital assets for the year ending June 30, 2016.¹

¹ For more detailed information on capital asset activity please refer to page 52, Note 3.D. Capital Assets

MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016

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

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	\$ 10,920	\$ 10,904	\$ 2,169	\$ 2,169	\$ 13,089	\$ 13,073
Buildings	8,557	8,614	22,154	22,148	30,711	30,762
Improvements & Other	4,116	4,078	38,628	29,632	42,744	33,710
Equipment	9,148	9,194	5,493	4,880	14,641	14,074
Infrastructure	40,297	40,106	56,305	56,235	96,602	96,341
Intangible	-	-	6,703	6,703	6,703	6,703
Construction-in-progress	7,181	4,323	25,611	22,482	32,792	26,805
Totals	<u>80,219</u>	<u>77,219</u>	<u>157,063</u>	<u>144,249</u>	<u>237,282</u>	<u>221,468</u>
Less Depreciation	(38,132)	(36,641)	(68,826)	(65,920)	(106,958)	(102,561)
Totals, Net	<u>\$ 42,087</u>	<u>\$ 40,578</u>	<u>\$ 88,237</u>	<u>\$ 78,329</u>	<u>\$ 130,324</u>	<u>\$ 118,907</u>

This year's more significant capital asset additions include utility infrastructure improvements of approximately \$9 million.

Debt Administration

At year-end, the City had \$59.1 million in long-term debt outstanding, which represents a \$13,600,931 increase from the prior year. These debts are further detailed as follows: ²

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

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds, Net	\$ 5,245	\$ 6,255	\$ -	\$ -	\$ 5,245	\$ 6,255
Capital Lease Obligations	941	1,104	-	-	941	1,104
Notes Payable	-	-	6,758	7,412	6,758	7,412
Revenue Bonds	16,000	-	28,495	29,170	44,495	29,170
Accrued Compensation	902	840	313	276	1,215	1,116
Utility Deposits	-	-	459	455	459	455
Totals	<u>\$ 23,088</u>	<u>\$ 8,199</u>	<u>\$ 36,025</u>	<u>\$ 37,313</u>	<u>\$ 59,113</u>	<u>\$ 45,512</u>

² 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 remains fairly stable but with slowed growth, as sales tax revenues increased by only 0.7% over prior year for FY16. So far this year, sales tax revenues are up 1% over prior year but down from the budget estimate by 0.1%. Spending in the retail trade sector has slowed down but was offset by an increased spending in the accommodation and food services sector. The slowed spending is likely the result of an increase in the unemployment rate in the Tulsa metropolitan area in 2015 from 4.3% to 5.6% and a reduction in personal income by 2%. However, a significant increase in building permits over the last few months and the expansion of a large manufacturing facility in Sand Springs indicates there may be an improvement in the local economy and city staff continues to work diligently with prospective businesses to build in the River West corridor. Overall, despite a slump in local spending and in the overall local economy over the past year, city officials are hopeful we will soon begin to see some economic stabilization.

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.



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, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Museum Trust Authority	Economic Development Authority
ASSETS					
Cash and equivalents	\$ 22,767,050	\$ 17,551,981	\$ 40,319,031	\$ 166,651	\$ 2,293
Investments	7,752,869	8,706,197	16,459,066	-	-
Deposit with insurance pool	307,608	-	307,608	-	-
Interest receivable	12,154	8,913	21,067	-	-
Accounts receivable, net	483,570	1,608,099	2,091,669	-	-
Internal balances	(499,402)	499,402	-	-	-
Due from other governmental agencies	2,428,839	-	2,428,839	-	-
Inventories	20,132	97,776	117,908	-	-
Other assets	1,588	234	1,822	-	-
Capital assets:					
Capital assets, nondepreciable	18,101,007	34,482,999	52,584,006	-	-
Other capital assets, net of depreciation	23,986,446	53,753,982	77,740,428	-	-
Total Assets	<u>75,361,861</u>	<u>116,709,583</u>	<u>192,071,444</u>	<u>166,651</u>	<u>2,293</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding	14,660	-	14,660	-	-
Deferred amounts related to pension	1,443,343	-	1,443,343	-	-
Total Deferred Outflows of Resources	<u>1,458,003</u>	<u>-</u>	<u>1,458,003</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Accounts payable and accrued expenses	546,087	1,124,675	1,670,762	27	-
Accrued interest payable	244,331	212,817	457,148	-	-
Accrued payroll liabilities	266,415	105,296	371,711	520	-
Due to other governmental agencies	144,962	1,816	146,778	27	-
Amounts held in escrow	66,534	-	66,534	-	-
Unearned revenue	-	5,224	5,224	-	-
Long-term liabilities:					
Due within one year	1,393,271	1,562,025	2,955,296	-	-
Due in more than one year	30,008,105	34,688,136	64,696,241	-	-
Total Liabilities	<u>32,669,705</u>	<u>37,699,989</u>	<u>70,369,694</u>	<u>574</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts related to pension	1,447,641	-	1,447,641	-	-
NET POSITION					
Net investment in capital assets	18,346,326	53,054,629	71,400,955	-	-
Restricted for:					
Capital projects	23,401,194	-	23,401,194	-	-
Public safety	680,603	-	680,603	-	-
Debt service	536,140	2,403,088	2,939,228	-	-
Economic development	310,771	-	310,771	-	-
Culture and recreation	51,563	-	51,563	-	-
Other projects	92,295	-	92,295	-	-
Unrestricted (deficit)	(716,374)	23,551,877	22,835,503	166,077	2,293
Total Net Position	<u>\$ 42,702,518</u>	<u>\$ 79,009,594</u>	<u>\$ 121,712,112</u>	<u>\$ 166,077</u>	<u>\$ 2,293</u>

See accompanying notes to the Basic Financial Statements.

City of Sand Springs, Oklahoma
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Program Revenue					Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government		Museum Trust Authority	Economic Development Authority	
						Governmental Activities	Business-type Activities			
Primary government										
Governmental Activities	\$ 1,382,934	\$ 210,245	\$ 42,000	\$ 16,700	\$ (1,113,989)	\$ -	\$ -	\$ -	\$ -	
General government	155,897	5,190	-	-	(150,707)	-	-	-	-	
Planning and zoning	797,905	-	-	-	(797,905)	-	-	-	-	
Financial administration	8,831,758	1,103,750	1,074,941	-	(6,653,067)	-	-	-	-	
Public safety	1,917,538	114	180,055	-	(1,737,369)	-	-	-	-	
Highways and streets	31,587	-	-	-	(31,587)	-	-	-	-	
Health and welfare	1,368,145	101,860	-	603,364	(662,921)	-	-	-	-	
Culture and recreation	887,161	-	-	-	(887,161)	-	-	-	-	
Economic development	619,711	-	-	-	(619,711)	-	-	-	-	
Facilities management and fleet maintenance	491,729	-	-	-	(491,729)	-	-	-	-	
Interest on long-term debt	16,484,365	1,421,159	-	620,064	(13,146,146)	-	-	-	-	
Total governmental activities			1,296,996							
Business-type activities										
Water operations	7,582,078	7,676,330	-	-	-	94,252	-	-	-	
Wastewater operations	3,463,644	3,233,067	-	-	-	(230,577)	-	-	-	
Solid waste operations	1,356,840	1,906,505	-	-	-	549,665	-	-	-	
Stormwater operations	673,179	1,183,770	-	-	-	510,591	-	-	-	
Airport operations	869,466	418,815	-	354,139	-	(96,512)	-	-	-	
Golf course operations	1,042,559	571,012	-	-	-	(471,547)	-	-	-	
Total business-type activities	14,987,766	14,989,499	-	354,139	-	355,872	-	-	-	
Total primary government	\$ 31,472,131	\$ 16,410,658	\$ 1,296,996	\$ 974,203	\$ (13,146,146)	\$ 710,144	\$ 364	\$ -	\$ (3,335)	
Component Units										
Culture and recreation	\$ 5,937	\$ 3,074	\$ 3,227	\$ -			364		(3,335)	
Economic development	3,335	-	-	-			-		(3,335)	
Total component units	\$ 9,272	\$ 3,074	\$ 3,227	\$ -			\$ 364		\$ -	
General revenues:										
Taxes:										
Sales and use taxes										
Property taxes										
Franchise taxes										
Abatement taxes										
E-911 taxes										
Hotel/Motel taxes										
Payment in lieu of tax										
Grants and contributions not restricted to specific programs										
Unrestricted investment earnings										
Miscellaneous										
Transfers										
Total general revenues and transfers										
Change in net position										
Net position - beginning										
Net position - ending										

See accompanying notes to the Basic Financial Statements.

City of Sand Springs, Oklahoma
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Street Improvement</u>	<u>Capital Improvement Water/Wastewater</u>	<u>Public Safety Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 2,566,176	\$ 2,654,937	\$ 6,416,792	\$ 15,342,419	\$ 5,636,753	\$ 32,617,077
Investments	1,463,227	5,767,846	2,876,679	-	1,782,584	11,890,336
Deposit with insurance pool	307,608	-	-	-	-	307,608
Accrued interest receivable	2,067	9,078	3,017	-	3,522	17,684
Taxes receivable, net	170,161	-	-	-	-	170,161
Due from other governments	1,479,444	-	-	-	779,234	2,258,678
Court fines receivable, net	174,843	-	-	-	-	174,843
Other receivables	308,727	-	-	-	-	308,727
Inventories	20,132	-	-	-	-	20,132
Prepaid items	1,588	-	-	-	-	1,588
Total assets	<u>\$ 6,493,973</u>	<u>\$ 8,431,861</u>	<u>\$ 9,296,488</u>	<u>\$ 15,342,419</u>	<u>\$ 8,202,093</u>	<u>\$ 47,766,834</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 162,572	\$ 258,538	\$ 860,975	\$ 5,899	\$ 124,234	\$ 1,412,218
Payable to other governments	144,962	-	-	-	-	144,962
Due to other funds	-	-	-	7,500	491,902	499,402
Other accrued expenditures	242,440	-	-	200,289	-	442,729
Amounts held in escrow	40,606	-	-	-	-	40,606
Other payables	50,946	-	-	-	-	50,946
Total liabilities	<u>641,526</u>	<u>258,538</u>	<u>860,975</u>	<u>213,688</u>	<u>616,136</u>	<u>2,590,863</u>
Deferred inflows of resources:						
Deferred revenues	227,290	2,839	2,929	-	263,213	496,271
Fund balances:						
Non-spendable	21,720	-	-	-	-	21,720
Restricted	712,637	8,041,278	7,771,024	15,122,635	1,312,415	32,959,989
Assigned	1,718,537	129,206	661,560	6,096	6,045,255	8,560,654
Unassigned	3,172,263	-	-	-	(34,926)	3,137,337
Total fund balances	<u>5,625,157</u>	<u>8,170,484</u>	<u>8,432,584</u>	<u>15,128,731</u>	<u>7,322,744</u>	<u>44,679,700</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 6,493,973</u>	<u>\$ 8,431,861</u>	<u>\$ 9,296,488</u>	<u>\$ 15,342,419</u>	<u>\$ 8,202,093</u>	<u>\$ 47,766,834</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, 2016

Total fund balance, governmental funds \$ 44,679,700

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 \$38,637,344 42,087,453

Certain other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds:

Court fines receivable	174,843
Other receivables	44,453
Receivable from other governments	272,722

Deferred outflow s of resources are not outflow s that relate to the current period and therefore are not reported in the funds:

Deferred amount on bond refunding	14,660
Pension related deferred outflow s	1,443,343

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	(8,432,584)
Fund balance of the SSMA CIP Fund	(447,872)
Fund balance of the Airport CIP Fund	(83,299)
Fund balance of the Stormwater CIP Fund	(4,083,201)
Fund balance of the Golf Course CIP Fund	(80,840)

Certain long-term liabilities and related accounts are not due and payable from current financial resources and they, along with deferred inflow s, therefore, are not reported in the funds:

Net pension liability	(7,522,369)
Pension related deferred inflow s	(1,447,641)
Accrued interest payable	(37,843)
General obligation bonds payable	(5,245,000)
Revenue bonds payable	(16,000,000)
Capital lease payable	(940,810)
Unamortized premium on debt	(123,220)
Accrued compensated absences	(902,056)
Other post employment benefits obligation	(667,921)

Net Position of Governmental Activities in the Statement of Net Position	\$ 42,702,518
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City of Sand Springs, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General Fund	Street Improvement	Capital Improvement Water/Wastewater	Public Safety Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 13,438,092	\$ -	\$ -	\$ -	\$ 1,348,254	\$ 14,786,346
Fees and fines	317,676	-	-	-	-	317,676
Licenses and permits	138,566	-	-	-	-	138,566
Intergovernmental	1,644,473	-	-	-	999,503	2,643,976
Charges for services	1,013,936	-	46,350	-	4,000	1,064,286
Investment earnings	43,788	64,575	27,539	6,096	19,672	161,670
Miscellaneous	172,682	-	777	-	122,532	295,991
Total revenues	<u>16,769,213</u>	<u>64,575</u>	<u>74,666</u>	<u>6,096</u>	<u>2,493,961</u>	<u>19,408,511</u>
EXPENDITURES						
Current:						
General government	1,051,201	-	-	-	-	1,051,201
Planning and zoning	152,352	-	-	-	-	152,352
Financial administration	766,834	-	-	-	-	766,834
Public safety	8,199,873	-	-	696,715	-	8,896,588
Highways and streets	628,541	-	-	-	-	628,541
Health and welfare	28,577	-	-	-	-	28,577
Culture and recreation	1,066,160	-	-	-	-	1,066,160
Community and economic development	342,415	-	-	-	532,443	874,858
Facilities management and fleet maintenance	728,308	-	-	-	-	728,308
Debt Service:						
Principal	163,192	-	-	-	1,010,000	1,173,192
Interest and other charges	9,020	-	-	200,289	289,999	499,308
Capital Outlay	317,250	1,029,754	13,470,766	13,399	3,234,681	18,065,850
Total expenditures	<u>13,453,723</u>	<u>1,029,754</u>	<u>13,470,766</u>	<u>910,403</u>	<u>5,067,123</u>	<u>33,931,769</u>
Excess of revenues over (under) expenditures	<u>3,315,490</u>	<u>(965,179)</u>	<u>(13,396,100)</u>	<u>(904,307)</u>	<u>(2,573,162)</u>	<u>(14,523,258)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds and premiums from long-term debt	-	-	-	16,033,038	2,403,316	18,436,354
Payment to refunding/escrow account	-	-	-	-	(2,310,000)	(2,310,000)
Transfers in	1,198,556	1,569,301	12,792,085	-	2,520,401	18,080,343
Transfers out	(5,380,027)	-	(800,000)	-	(358,089)	(6,538,116)
Total other financing sources and uses	<u>(4,181,471)</u>	<u>1,569,301</u>	<u>11,992,085</u>	<u>16,033,038</u>	<u>2,255,628</u>	<u>27,668,581</u>
Net change in fund balances	(865,981)	604,122	(1,404,015)	15,128,731	(317,534)	13,145,323
Fund balances - beginning	6,491,138	7,566,362	9,836,599	-	7,640,278	31,534,377
Fund balances - ending	<u>\$ 5,625,157</u>	<u>\$ 8,170,484</u>	<u>\$ 8,432,584</u>	<u>\$ 15,128,731</u>	<u>\$ 7,322,744</u>	<u>\$ 44,679,700</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, 2016

Net change in fund balances - total governmental funds: \$ 13,145,323

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	3,555,917
Book value of capital assets disposed or sold	(49,608)
Depreciation expense	(1,996,717)

In the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures.

593,838

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. This is the change in deferred revenues.

(23,771)

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 proceeds	163,192
General obligation bond principal payments	1,010,000
General obligation bond proceeds	(2,310,000)
Revenue bond proceeds	(16,000,000)
Payments to escrow agent	2,310,000
Amortization of bond premium	(126,354)

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	19,115
Amortization expense	(11,536)
Accrued compensated absences	(62,268)
Net OPEB obligation	(108,407)

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	1,404,015
SSMA Capital Fund	(287,955)
Airport CIP Fund	36,809
Stormwater CIP Fund	(726,349)
Golf Course CIP Fund	(26,711)

Change in net position of governmental activities	\$ 508,533
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See accompanying notes to the Basic Financial Statements.

City of Sand Springs, Oklahoma
Statement of Net Position
Proprietary Funds
June 30, 2016

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Airport Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 3,374,167	\$ 2,088,734	\$ 467,767	\$ 216,805	\$ 141,886	\$ 394,412	\$ 6,683,771
Restricted cash and cash equivalents	770,094	109,038	-	-	-	-	879,132
Investments	1,910,166	351,217	250,338	-	-	-	2,511,721
Interest receivable	1,744	908	731	-	-	-	3,383
Accounts receivable, net	895,291	338,047	199,666	23,700	28,653	122,742	1,608,099
Due from other funds	499,402	-	-	-	-	-	499,402
Inventories	86,755	-	-	11,021	-	-	97,776
Prepaid expenses	234	-	-	-	-	-	234
Total current assets	<u>7,537,853</u>	<u>2,887,944</u>	<u>918,502</u>	<u>251,526</u>	<u>170,539</u>	<u>517,154</u>	<u>12,283,518</u>
Noncurrent assets:							
Restricted cash and cash equivalents	-	129,676	-	-	-	-	129,676
Restricted investments	2,033,048	33,336	-	-	-	-	2,066,384
Capital assets, nondepreciable	18,364,667	15,475,093	-	272,357	354,203	16,679	34,482,999
Other capital assets, net	25,944,711	15,711,868	398,450	5,801,185	802,620	5,095,148	53,753,982
Total noncurrent assets	<u>46,342,426</u>	<u>31,349,973</u>	<u>398,450</u>	<u>6,073,542</u>	<u>1,156,823</u>	<u>5,111,827</u>	<u>90,433,041</u>
Total assets	<u>53,880,279</u>	<u>34,237,917</u>	<u>1,316,952</u>	<u>6,325,068</u>	<u>1,327,362</u>	<u>5,628,981</u>	<u>102,716,559</u>
LIABILITIES							
Current liabilities:							
Accounts payable	137,975	37,442	11,366	5,568	71,382	121	263,854
Accrued payroll liabilities	62,414	25,758	13,210	2,584	-	1,176	105,142
Accrued interest payable	180,146	32,671	-	-	-	-	212,817
Payable to other governments	-	1,816	-	-	-	-	1,816
Unearned revenue	1,581	908	731	-	2,004	-	5,224
Current portion of:							
Compensated absences	39,185	11,227	10,264	923	-	175	61,774
Deposits subject to refund	146,298	-	-	-	-	-	146,298
Notes payable	99,649	564,304	-	-	-	-	663,953
Revenue bonds payable	690,000	-	-	-	-	-	690,000
Total current liabilities	<u>1,357,248</u>	<u>674,126</u>	<u>35,571</u>	<u>9,075</u>	<u>73,386</u>	<u>1,472</u>	<u>2,150,878</u>
Noncurrent liabilities:							
Compensated absences	156,740	44,909	41,058	8,303	-	701	251,711
Deposits subject to refund	312,265	-	-	-	-	-	312,265
Net OPEB obligation	176,653	71,462	38,109	4,818	2,016	2,703	295,761
Notes payable	1,699,952	4,433,731	-	-	-	-	6,133,683
Revenue bonds payable	27,694,716	-	-	-	-	-	27,694,716
Total non-current liabilities	<u>30,040,326</u>	<u>4,550,102</u>	<u>79,167</u>	<u>13,121</u>	<u>2,016</u>	<u>3,404</u>	<u>34,688,136</u>
Total liabilities	<u>31,397,574</u>	<u>5,224,228</u>	<u>114,738</u>	<u>22,196</u>	<u>75,402</u>	<u>4,876</u>	<u>36,839,014</u>
NET POSITION							
Net investment in capital assets	14,125,061	26,188,926	398,450	6,073,542	1,156,823	5,111,827	53,054,629
Restricted for debt service	2,163,710	239,378	-	-	-	-	2,403,088
Unrestricted	6,193,934	2,585,385	803,764	229,330	95,137	512,278	10,419,828
Total net position	<u>\$ 22,482,705</u>	<u>\$ 29,013,689</u>	<u>\$ 1,202,214</u>	<u>\$ 6,302,872</u>	<u>\$ 1,251,960</u>	<u>\$ 5,624,105</u>	<u>65,877,545</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	8,432,584
SSMA Capital Fund	447,872
Airport CIP Fund	83,299
Stormwater CIP Fund	4,083,201
Golf Course CIP Fund	80,840

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

4,253
\$ 79,009,594

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, 2016

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Airport Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total
OPERATING REVENUES							
Charges for services	\$ 7,585,876	\$ 3,217,602	\$ 1,900,035	\$ 119,652	\$ 243,678	\$ 1,182,779	\$ 14,249,622
Miscellaneous	-	-	-	296,652	-	-	296,652
Total operating revenues	<u>7,585,876</u>	<u>3,217,602</u>	<u>1,900,035</u>	<u>416,304</u>	<u>243,678</u>	<u>1,182,779</u>	<u>14,546,274</u>
OPERATING EXPENSES							
Personal services	2,419,757	976,739	549,139	89,547	965	32,666	4,068,813
Operations and maintenance	2,018,191	1,181,806	673,315	370,221	554,770	210,614	5,008,917
Depreciation	1,409,902	1,007,517	95,464	407,307	151,806	141,547	3,213,543
Total operating expenses	<u>5,847,850</u>	<u>3,166,062</u>	<u>1,317,918</u>	<u>867,075</u>	<u>707,541</u>	<u>384,827</u>	<u>12,291,273</u>
Operating income (loss)	<u>1,738,026</u>	<u>51,540</u>	<u>582,117</u>	<u>(450,771)</u>	<u>(463,863)</u>	<u>797,952</u>	<u>2,255,001</u>
NON-OPERATING REVENUES (EXPENSES)							
Interest and investment revenue	25,993	4,170	3,130	24	21	55	33,393
Miscellaneous revenue	8,829	-	-	121	32,080	-	41,030
Gain (Loss) on disposal of capital asset	404	1,530	-	-	(7,608)	-	(5,674)
Interest expense and fiscal agent charges	(1,042,416)	(104,516)	-	-	(76)	-	(1,147,008)
Debt issuance costs	(15,268)	(18,294)	-	-	-	-	(33,562)
Total non-operating revenue (expenses)	<u>(1,022,458)</u>	<u>(117,110)</u>	<u>3,130</u>	<u>145</u>	<u>24,417</u>	<u>55</u>	<u>(1,111,821)</u>
Income (loss) before contributions and transfers	715,568	(65,570)	585,247	(450,626)	(439,446)	798,007	1,143,180
Capital contributions	3,414,767	9,309,270	-	390,959	13,241	-	13,128,237
Transfers in	3,859,536	-	-	100,000	220,000	-	4,179,536
Transfers out	(14,257,885)	(74,000)	(363,175)	-	(26,703)	(1,000,000)	(15,721,763)
Change in net position	(6,268,014)	9,169,700	222,072	40,333	(232,908)	(201,993)	2,729,190
Total net position - beginning	28,750,719	19,843,989	980,142	6,262,539	1,484,868	5,826,098	63,148,355
Total net position - ending	<u>\$ 22,482,705</u>	<u>\$ 29,013,689</u>	<u>\$ 1,202,214</u>	<u>\$ 6,302,872</u>	<u>\$ 1,251,960</u>	<u>\$ 5,624,105</u>	<u>\$ 65,877,545</u>

Change in net position, per above \$ 2,729,190

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	(1,404,015)
SSMA Capital Fund	287,955
Airport CIP Fund	(36,809)
Stormwater CIP Fund	726,349
Golf Course CIP Fund	26,711

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. 1,089

Change in Business-Type Activities in Net Position per Government-Wide Financial Statements \$ 2,330,470

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, 2016

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Airport Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 7,576,814	\$ 3,216,648	\$ 1,897,076	\$ 414,035	\$ 275,696	\$ 1,176,459	\$ 14,556,728
Receipts from other funds	593,630	-	-	-	-	-	593,630
Payments to suppliers	(2,081,360)	(1,202,163)	(707,168)	(370,164)	(582,091)	(214,351)	(5,157,297)
Payments to employees	(2,368,612)	(959,220)	(536,201)	(89,507)	(965)	(30,153)	(3,974,658)
Receipts of customer meter deposits	92,885	-	-	-	-	-	92,885
Refunds of customer meter deposits	(89,627)	-	-	-	-	-	(89,627)
Net Cash Provided by (Used in) Operating Activities	<u>3,733,730</u>	<u>1,055,265</u>	<u>653,707</u>	<u>(45,636)</u>	<u>(307,360)</u>	<u>931,955</u>	<u>6,021,661</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	3,859,536	-	-	100,000	220,000	-	4,179,536
Transfers to other funds	(14,257,865)	(74,000)	(363,175)	-	(26,703)	(1,000,000)	(15,721,763)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(10,398,349)</u>	<u>(74,000)</u>	<u>(363,175)</u>	<u>100,000</u>	<u>193,297</u>	<u>(1,000,000)</u>	<u>(11,542,227)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Principal paid on capital debt	(771,424)	(553,157)	-	-	(9,942)	-	(1,334,523)
Interest paid on capital debt	(1,041,282)	(108,072)	-	-	(76)	-	(1,149,430)
Debt issuance costs paid	(15,268)	(18,294)	-	-	-	-	(33,562)
Cash received on disposal of capital assets	10,879	-	-	-	-	-	10,879
Transfer of capital assets	45,105	(45,105)	-	-	-	-	-
Purchase of capital assets	(9,536)	-	-	-	-	-	(9,536)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,781,526)</u>	<u>(724,628)</u>	<u>-</u>	<u>-</u>	<u>(10,018)</u>	<u>-</u>	<u>(2,516,172)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (Purchase) of investments	9,314,218	(2,918)	(339)	-	-	-	9,310,961
Interest and dividends	25,867	4,668	3,130	24	21	55	33,765
Net Cash Provided by Investing Activities	<u>9,340,085</u>	<u>1,750</u>	<u>2,791</u>	<u>24</u>	<u>21</u>	<u>55</u>	<u>9,344,726</u>
Net Increase (Decrease) in Cash and Cash Equivalents	893,940	258,387	293,323	54,388	(124,060)	(67,990)	1,307,988
Balances - beginning of the year	3,250,321	2,069,061	174,444	162,417	265,946	462,402	6,384,591
Balances - end of the year	<u>\$ 4,144,261</u>	<u>\$ 2,327,448</u>	<u>\$ 467,767</u>	<u>\$ 216,805</u>	<u>\$ 141,886</u>	<u>\$ 394,412</u>	<u>\$ 7,692,579</u>
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$ 3,374,167	\$ 2,088,734	\$ 467,767	\$ 216,805	\$ 141,886	\$ 394,412	\$ 6,683,771
Restricted cash and cash equivalents	770,094	109,038	-	-	-	-	879,132
Noncurrent restricted cash and cash equivalents	-	129,676	-	-	-	-	129,676
	<u>\$ 4,144,261</u>	<u>\$ 2,327,448</u>	<u>\$ 467,767</u>	<u>\$ 216,805</u>	<u>\$ 141,886</u>	<u>\$ 394,412</u>	<u>\$ 7,692,579</u>

(Continued)

City of Sand Springs, Oklahoma
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Airport Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total Proprietary Funds
	\$ 1,738,026	\$ 51,540	\$ 582,117	\$ (450,771)	\$ (463,863)	\$ 797,952	\$ 2,255,001
	1,409,902	1,007,517	95,464	407,307	151,806	141,547	3,213,543
	8,829	-	-	121	32,080	-	41,030
	(17,891)	(954)	(2,959)	(2,390)	55	(6,319)	(30,458)
	42,000	-	-	796	-	-	42,796
	-	-	-	-	(117)	-	(117)
	(49)	-	-	-	-	-	(49)
	593,630	-	-	-	-	-	593,630
	(105,120)	-	-	-	-	-	(188,648)
	3,258	(17,875)	(33,853)	(741)	(27,321)	(3,738)	(188,648)
	-	(2,482)	-	-	-	-	(2,482)
	27,525	10,917	5,689	768	-	-	45,360
	4,953	3,651	1,107	455	-	1,176	11,342
	28,667	2,951	6,142	(1,181)	-	876	37,455
	<u>\$ 3,733,730</u>	<u>\$ 1,055,265</u>	<u>\$ 653,707</u>	<u>\$ (45,636)</u>	<u>\$ (307,360)</u>	<u>\$ 931,955</u>	<u>\$ 6,021,661</u>
	\$ 3,414,767	\$ 9,309,270	\$ -	\$ 390,959	\$ 13,241	\$ -	\$ 13,128,237
	<u>\$ 3,414,767</u>	<u>\$ 9,309,270</u>	<u>\$ -</u>	<u>\$ 390,959</u>	<u>\$ 13,241</u>	<u>\$ -</u>	<u>\$ 13,128,237</u>

See accompanying notes to the basic financial statements.

Reconciliation of operating income (loss) to net cash provided

by (used in) operating activities:	
Operating income (loss)	
Adjustments to reconcile operating income (loss) to net cash provided	
by (used in) operating activities:	
Depreciation expense	
Other non-operating revenues (expenses)	
Change in assets and liabilities:	
Receivables, net	
Inventory	
Unearned revenue	
Prepaid expenses	
Due from other funds	
Accounts payables	
Customer meter deposits payable	
Payable to other governments	
Net OPEB obligation	
Accrued payroll liabilities	
Accrued compensated absences	

Net Cash Provided by (Used in) Operating Activities

Noncash activities:

Contributed capital assets	
Total Noncash Activities	

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

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
- H. PENSIONS

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, 2016**

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, 2016**

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 SSEDAA 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, 2016**

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
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

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 funds:

CDBG Home Investment Partnership Fund
Vision 2025 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
Public Safety Capital Improvement Fund

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

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>
Major:	
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.
Public Safety Capital Improvement	Accounts for the forty-five hundredths of one-cent increase in sales tax approved by the citizens in 2015 which go into effect January 2017 to repay the debt. Also, accounts for the bonds proceeds to be expended for building and improving public safety facilities and land acquisition for public safety facilities for the benefit of the City as provided in the ordinance.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

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.
Vision 2025	Accounts for grants received from Tulsa County restricted for the river park project.

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, 2016**

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
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

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, DEFERRED INFLOWS, DEFERRED OUTFLOWS 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, 2016**

Receivables and Related Deferred Inflows

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 Prepaids

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, 2016. 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, 2016**

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, 2016**

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.
- 9/20 cent transferred to Public Safety Capital Improvement Fund as required by city ordinance and as required by revenue bond indenture.

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, 2016, the City's net assessed valuation of taxable property was \$129,590,630. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2016 was \$9.70.

**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 \$52,332,244. Pledged sales taxes received in the current year were \$3,059,536 and the net utility revenues were \$4,006,985. Debt service payments of \$2,483,952 for the current fiscal year were 81.2% of the pledged sales taxes and 35.2% of both pledged sales taxes and utility revenues.

Sales Tax Revenues Pledge - The City, as approved by a vote of the citizens, an additional .45% of one cent of sales tax for the repayment of the Series 2015 and 2016 Capital Improvement Revenue Bonds. This sales tax will not go into effect until January 2017, therefore, the first payment of the debt was made from the proceeds. Proceeds of these bonds provided financing for public safety capital assets, including facilities. These bonds are payable through 2042. If the pledged sales tax isn't sufficient at any time, the remaining net utility revenues can be used to service the debt.

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.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

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.

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
CITY OF SAND SPRINGS, OKLAHOMA
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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.

1.H. PENSIONS

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

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, 2016.

**NOTES TO BASIC FINANCIAL STATEMENTS
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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.
- 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, 2016, 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, 2016, 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, 2016, the City complied with this restriction.

**NOTES TO BASIC FINANCIAL STATEMENTS
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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, 2016, no such debt was incurred by the City.

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, 2016.

<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 \$129,666.	Balance in Reserve Account at June 30, 2016 is \$129,676.
2012 Revenue Bonds:	
Required balance is \$1,678,162.	Balance in Reserve Account at June 30, 2016 is \$1,681,874.
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, 2016, net revenues plus sales tax amounted to \$7,066,521 maximum annual principal and interest requirements was \$1,927,071. Actual coverage was 367%.
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, 2016, net revenues plus sales tax amounted to \$7,066,521 average annual principal and interest requirements was \$1,675,637. Actual coverage was 422%.

**NOTES TO BASIC FINANCIAL STATEMENTS
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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.
- 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, 2016:

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

Type	Maturities	Rating	Fair Value Heirarchy	Carrying Value
Deposits:				
Demand deposits				\$ 24,056,027
Time deposits	Due within 1 year		N/A	14,704,944
Total deposits				<u>38,760,971</u>
Investments:				
Cavanal Hill Govt Sec Money Market Inst 1949		Aaa-mf	N/A	16,335,252
Cavanal Hill US Money Market Treas-Admin #0002		Aaa-mf	N/A	1,681,874
Total investments				<u>18,017,126</u>
Total deposits and investments				<u>\$ 56,778,097</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents				\$ 40,319,031
Investments				<u>16,459,066</u>
				<u>\$ 56,778,097</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, 2016, 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.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

As noted in the schedule of deposits and investments above, at June 30, 2016, all of the City's investments in debt securities were rated Aaa-mf by Moody's.

The City implemented GASB Statement No. 72, Fair Value Measurement and Application, during the fiscal year ended June 30, 2016. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets' Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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, 2016, 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, 2016 is as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Service receivables	\$ 195,555	2,489,288	\$ 2,684,843
Other receivables	113,172	86,725	199,897
Municipal court fines receivable	1,756,450	-	1,756,450
Allowance for uncollectible accounts	<u>(1,581,607)</u>	<u>(967,914)</u>	<u>(2,549,521)</u>
Net accounts receivable	<u>\$ 483,570</u>	<u>\$ 1,608,099</u>	<u>\$ 2,091,669</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

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, 2016 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:			
2009 OWRB Notes:			
Bond Fund Account	\$ -	\$ -	\$ 38,909
2012 OWRB Notes:			
Reserve Fund Account	109,038	129,676	-
Bond Fund Account	-	-	33,336
2012 Revenue Bonds:			
Bond Fund Account	623,796	-	-
Reserve Fund Account	-	-	1,681,874
Deposits held for refund	<u>146,298</u>	<u>-</u>	<u>312,265</u>
Total	<u>\$ 879,132</u>	<u>\$ 129,676</u>	<u>\$ 2,066,384</u>

3.D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

	Balance at <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	Balance at <u>June 30, 2016</u>
PRIMARY GOVERNMENT:					
<i>Governmental Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 10,903,651	\$ 16,700	\$ -	\$ -	\$ 10,920,351
Construction-in-progress	4,323,331	3,005,360	-	(148,035)	7,180,656
Total capital assets not being depreciated	<u>15,226,982</u>	<u>3,022,060</u>	<u>-</u>	<u>(148,035)</u>	<u>18,101,007</u>
Other capital assets:					
Buildings	8,614,104	-	56,836	-	8,557,268
Other improvements	4,077,334	44,092	5,574	-	4,115,852
Machinery and equipment	9,193,866	300,906	492,696	146,505	9,148,581
Infrastructure	40,106,202	190,389	-	-	40,296,591
Total other capital assets at historical cost	<u>61,991,506</u>	<u>535,387</u>	<u>555,106</u>	<u>146,505</u>	<u>62,118,292</u>
Less accumulated depreciation for:					
Buildings	2,295,842	179,803	33,732	-	2,441,913
Other improvements	1,551,213	160,613	5,574	-	1,706,252
Machinery and equipment	6,228,709	569,315	466,192	-	6,331,832
Infrastructure	26,564,863	1,086,986	-	-	27,651,849
Total accumulated depreciation	<u>36,640,627</u>	<u>1,996,717</u>	<u>505,498</u>	<u>-</u>	<u>38,131,846</u>
Other capital assets, net	<u>25,350,879</u>	<u>(1,461,330)</u>	<u>49,608</u>	<u>146,505</u>	<u>23,986,446</u>
Governmental activities capital assets, net	<u>\$ 40,577,861</u>	<u>\$ 1,560,730</u>	<u>\$ 49,608</u>	<u>\$ (1,530)</u>	<u>\$ 42,087,453</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	22,482,272	12,687,408	-	(9,558,551)	25,611,129
Total capital assets not being depreciated	<u>31,354,142</u>	<u>12,687,408</u>	<u>-</u>	<u>(9,558,551)</u>	<u>34,482,999</u>
Other capital assets:					
Buildings	22,147,918	9,536	3,000	-	22,154,454
Improvements other than buildings	29,631,821	19,750	25,385	9,001,488	38,627,674
Machinery and equipment	4,879,837	362,441	313,136	563,863	5,493,005
Infrastructure	56,235,470	69,211	-	-	56,304,681
Total other capital assets at historical cost	<u>112,895,046</u>	<u>460,938</u>	<u>341,521</u>	<u>9,565,351</u>	<u>122,579,814</u>
Less accumulated depreciation for:					
Buildings	10,127,052	457,952	3,000	-	10,582,004
Improvements other than buildings	14,788,506	1,164,488	3,559	-	15,949,435
Machinery and equipment	3,378,553	350,307	306,306	5,270	3,427,824
Infrastructure	37,625,773	1,240,796	-	-	38,866,569
Total accumulated depreciation	<u>65,919,884</u>	<u>3,213,543</u>	<u>312,865</u>	<u>5,270</u>	<u>68,825,832</u>
Other capital assets, net	<u>46,975,162</u>	<u>(2,752,605)</u>	<u>28,656</u>	<u>9,560,081</u>	<u>53,753,982</u>
Business-type activities capital assets, net	<u>\$ 78,329,304</u>	<u>\$ 9,934,803</u>	<u>\$ 28,656</u>	<u>\$ 1,530</u>	<u>\$ 88,236,981</u>

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

Primary Government:	
Governmental Activities:	
General Government	\$ 198,459
Financial Administration	25,107
Public Safety	393,812
Highways and Streets	1,186,585
Health and Welfare	2,625
Culture and Recreation	188,439
Economic Development	1,690
Total depreciation expense for governmental activities	<u>\$ 1,996,717</u>
Business-Type Activities:	
Water	\$ 1,409,902
Wastewater	1,007,517
Solid Waste	95,464
Storm Water	141,547
Airport	407,307
Golf	151,806
Total depreciation expense for business-type activities	<u>\$ 3,213,543</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

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, 2016, the governmental activities long-term debt consisted of the following:

General Obligation Bonds:

\$2,310,000 General Obligation Refunding Bonds of 2016, used for advanced refunding of the 2006, due in annual installments of \$450,000, final payment due March 1, 2021, with interest rates of 3.7% to 5.0%	\$2,310,000
\$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%	320,000
\$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%	365,000
\$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>2,250,000</u>
Total General Obligation Bonds	<u>\$5,245,000</u>
Current portion	\$1,050,000
Non-current portion	<u>4,195,000</u>
Total General Obligation Bonds	<u>\$5,245,000</u>

Revenue Bonds:

\$8,640,000 Capital Improvement Revenue Bonds of 2015 dated January 1, 2016, used for capital improvements for public safety, issued by Sand Springs Municipal Authority, secured by dedicated sales tax, interest rates 2.0% to 4.25%, due in annual installments varying from \$245,000 to \$510,000, final payment due January 1, 2042	\$8,640,000
\$7,360,000 Capital Improvement Revenue Bonds of 2016 dated January 1, 2016, used for capital improvements for public safety, issued by Sand Springs Municipal Authority, secured by dedicated sales tax, interest rates 2.0% to 4.0%, due in annual installments varying from \$210,000 to \$430,000, final payment due January 1, 2042	<u>7,360,000</u>
Total Revenue Bonds	<u>\$16,000,000</u>
Current portion	\$0
Non-current portion	<u>16,000,000</u>
Total Revenue Bonds	<u>\$16,000,000</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

Capital Leases Payable:

\$647,799 capital lease with Motorola for police radio equipment, due in annual installments of \$92,543, final payment due August 1, 2021, with no interest	\$ 555,256
\$66,418 capital lease with Motorola for fire radio equipment, due in annual installments of \$10,411, final payment due May 1, 2022, with interest rate of 3.21%	56,007
\$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>329,547</u>
Total Capital Leases Payable	<u>\$940,810</u>
Current portion	\$162,860
Non-current portion	<u>777,950</u>
Total Capital Leases Payable	<u>\$940,810</u>

Accrued Compensated Absences:

Current portion	\$180,411
Non-current portion	<u>721,645</u>
Total Accrued Compensated Absences	<u>\$902,056</u>

Business-Type Activities:

As of June 30, 2016, 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.	\$389,991
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.	380,323
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.	1,303,568
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.	1,224,492
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 \$187,337.	1,799,599

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

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 895,000

2013 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. 765,000

Total Notes Payable \$6,757,973

Current portion \$663,953
Non-current portion 6,094,020
Total Notes Payable \$6,757,973

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. \$28,495,000

Current portion \$690,000
Non-current portion 27,805,000
Total Revenue Bonds Payable \$28,495,000

Accrued Compensated Absences:

Current portion \$61,774
Non-current portion 251,711
Total Accrued Compensated Absences \$313,485

Deposits Subject to Refund:

Current portion \$146,298
Non-current portion 312,265
Total Deposits Subject to Refund \$458,563

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2016:

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

<u>Type of Debt</u>	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Primary Government</u>					
Governmental Activities:					
General Obligation Bonds	\$ 6,255,000	\$ 2,310,000	\$ 3,320,000	\$ 5,245,000	\$ 1,050,000
Revenue Bonds	-	16,000,000	-	16,000,000	-
Capital Leases Payable	1,104,003	-	163,193	940,810	162,860
Accrued Compensated Absences	<u>839,788</u>	<u>554,737</u>	<u>492,469</u>	<u>902,056</u>	<u>180,411</u>
Total Governmental Activities	<u>\$ 8,198,791</u>	<u>\$ 18,864,737</u>	<u>\$ 3,975,662</u>	23,087,866	<u>\$ 1,393,271</u>
Plus: Net OPEB obligation (See Note 4A)				667,921	
Unamortized bond premium (See Note 3E)				123,220	
Net pension liability (See Note 4A)				7,522,369	
				<u>\$ 31,401,376</u>	
Reconciliation to Statement of Net Position:					
Due in one year				\$ 1,393,271	
Due in more than one year				30,008,105	
				<u>\$ 31,401,376</u>	
Business-Type Activities:					
Notes Payable	\$ 7,411,830	\$ -	\$ 653,857	\$ 6,757,973	\$ 663,953
Revenue Bonds Payable	29,170,000	-	675,000	28,495,000	690,000
Accrued Compensated Absences	276,030	190,250	152,795	313,485	61,774
Deposits Subject to Refund	<u>455,305</u>	<u>92,885</u>	<u>89,627</u>	<u>458,563</u>	<u>146,298</u>
Total Business-Type Activities	<u>\$ 37,313,165</u>	<u>\$ 283,135</u>	<u>\$ 1,571,279</u>	36,025,021	<u>\$ 1,562,025</u>
Plus: Net OPEB obligation (See Note 4A)				295,761	
Unamortized bond premium (See Note 3E)				39,663	
Less: Unamortized bond discount (See Note 3E)				110,284	
				<u>\$ 36,250,161</u>	
Reconciliation to Statement of Net Position:					
Due in one year				\$ 1,562,025	
Due in more than one year				34,668,136	
				<u>\$ 36,230,161</u>	

The General, SSMA Water, SSMA Wastewater, SSMA Solid Waste, SSMA Airport, and SSMA Golf Course funds have been used to liquidate the net pension liability and 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, 2016 are as follows:

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

Governmental Activities						
Year Ending June 30,	General Obligation Bonds		Revenue Bonds		Capital Leases Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 1,050,000	\$ 102,583	\$ -	\$ 459,764	\$ 162,860	\$ 9,053
2018	785,000	109,770	455,000	516,750	164,639	7,274
2019	575,000	92,562	465,000	507,650	166,462	5,451
2020	575,000	77,876	475,000	498,350	168,331	3,581
2021	635,000	63,188	485,000	488,850	170,248	1,665
2022-2026	625,000	207,500	2,580,000	2,054,253	108,270	336
2027-2031	625,000	123,436	2,915,000	1,951,455	-	-
2032-2036	375,000	25,752	3,475,000	1,392,387	-	-
2037-2041	-	-	4,210,000	657,651	-	-
2042	-	-	940,000	35,035	-	-
Totals	\$ 5,245,000	\$ 802,667	\$ 16,000,000	\$ 8,562,145	\$ 940,810	\$ 27,360

Business-Type Activities				
Year Ending June 30,	Notes Payable		Revenue Bonds Payable	
	Principal	Interest	Principal	Interest
2017	\$ 663,953	\$ 148,062	\$ 690,000	\$ 977,950
2018	673,919	133,040	705,000	964,000
2019	694,202	117,107	720,000	949,750
2020	709,534	101,429	735,000	932,444
2021	725,748	84,231	755,000	911,012
2022-2026	2,697,825	191,529	4,110,000	4,204,995
2027-2031	703,522	47,832	4,880,000	3,412,747
2032-2036	76,607	1,022	5,785,000	2,483,060
2037-2041	-	-	6,945,000	1,295,862
2042-2043	-	-	3,170,000	123,200
Totals	\$ 6,945,310	\$ 824,252	\$ 28,495,000	\$ 16,255,020
Remaining loan proceeds to be drawn	(187,337)			
	\$ 6,757,973			

Advance Refunding

On May 1, 2016, the City issued \$2,310,000 General Obligation Refunding Series 2016, with annual interest rate varying from 2.5% to 2.75% to refund \$2,310,000 of the 2006 Series General Obligation Bonds. The proceeds were placed in escrow to pay the principal and interest at the next redemption date. As a result, the 2006 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 5 years by \$89,202.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

3.F. INTERFUND TRANSACTIONS AND BALANCES

Interfund transfers reported in the fund financial statements for the year ended June 30, 2016, were as follows:

		TRANSFERS OUT							
		GENERAL FUND	CAPITAL IMPROVEMENT WATER/WASTEWATER FUND	SSMA WATER FUND	SSMA WASTEWATER FUND	SSMA SOLID WASTE FUND	SSMA GOLF FUND	SSMA STORMWATER FUND	
<i>TRANSFERS IN</i>									
<i>Primary Government:</i>									
<i>Governmental Activities:</i>									
<i>Major Funds:</i>									
General Fund	\$ 1,198,556	\$ -	\$ -	\$ 980,000	\$ -	\$ 100,000	\$ -	\$ -	\$ 118,556
Street Improvement Fund	1,569,301	1,529,768	-	-	-	-	-	-	39,533
Capital Improvement Water/Wastewater Fund	12,792,085	-	-	12,792,085	-	-	-	-	-
Capital Project Funds	14,361,386	1,529,768	-	12,792,085	-	-	-	-	39,533
Sub-total Major Funds	15,559,942	1,529,768	-	13,772,085	-	100,000	-	-	158,089
Non-Major Funds	2,520,401	790,723	-	165,800	74,000	263,175	26,703	1,000,000	200,000
Total Governmental Activities	18,080,343	2,320,491	-	13,937,885	74,000	363,175	26,703	1,000,000	358,089
<i>Business-Type Activities:</i>									
<i>Major Funds:</i>									
SSMA Water Fund	3,859,536	3,059,536	800,000	-	-	-	-	-	-
SSMA Airport Fund	100,000	-	-	100,000	-	-	-	-	-
SSMA Golf Fund	220,000	-	-	220,000	-	-	-	-	-
Total Business-Type Activities	4,179,536	3,059,536	800,000	320,000	-	-	-	-	-
Total Primary Government	\$ 22,259,879	\$ 5,380,027	\$ 800,000	\$ 14,257,885	\$ 74,000	\$ 363,175	\$ 26,703	\$ 1,000,000	\$ 358,089

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	Short-Term Capital Improvement	\$ 15,200	A E911 wireless system
Short-Term Capital Improvement	* General Fund	95,000	B E911 wireless system
Sinking Fund	* General Fund	3,556	B Interest earnings
SSMA Water Fund	* General Fund	980,000	Operating subsidy
SSMA Solid Waste Utility Fund	* General Fund	100,000	Operating subsidy
SSMA Water Fund	Capital Improvement Fund	130,800	A Capital asset purchases
General Fund	* Street Improvement Fund	1,529,768	Sales tax transfer
Park & Recreation Fund	* General Fund	20,000	B Operating subsidy
Park & Recreation Fund	2014 GO. Bond Fund	200,000	A/B Capital asset purchases
2006 GO. Bond Fund	* Street Improvement Fund	39,533	B Capital asset purchases
General Fund	Short-Term Capital Improvement	206,980	A Capital asset purchases
General Fund	Capital Improvement Fund	36,100	A Capital asset purchases
General Fund	T.I.D. #1 Cimarron Center Fund	532,443	A Property tax transfer
SSMA Golf Course Fund	Golf Course Capital Improvement	26,703	A Capital asset purchases
Capital Improvement W&WW Fund	* SSMA Water Fund	800,000	Debt service
SSMA Water Fund	* Capital Improvement W&WW Fund	9,732,549	Operating subsidy
General Fund	* SSMA Water Fund	3,059,536	Sales tax transfer
SSMA Wastewater Utility Fund	SSMA Capital Fund	74,000	A Capital asset purchases
SSMA Solid Waste Utility Fund	SSMA Capital Fund	263,175	A Capital asset purchases
SSMA Stormwater Fund	Stormwater Capital Improvement	1,000,000	A Operating subsidy
SSMA Water Fund	* Capital Improvement W&WW Fund	3,059,536	Sales tax transfer
SSMA Water Fund	* SSMA Golf Course Fund	220,000	Operating subsidy
SSMA Water Fund	* SSMA Airport Fund	100,000	Operating subsidy
SSMA Water Fund	SSMA Capital Fund	35,000	A Capital asset purchases
		<u>\$ 22,259,879</u>	

Denotes major fund

Sub-total of Nonmajor Governmental Fund Transfers In 2,520,401 Sum of A
Sub-total of Nonmajor Governmental Fund Transfers Out (358,089) Sum of B

	Transfers In	Transfers Out	Net Transfers
Reconciliation to Fund Financials:			
Governmental Funds	\$ 18,080,343	\$ (6,538,116)	\$ 11,542,227
Enterprise Funds	4,179,536	(15,721,763)	(11,542,227)
Total Transfers	<u>\$ 22,259,879</u>	<u>\$ (22,259,879)</u>	<u>\$ -</u>

Reconciliation to Statement of Activities:

Net Transfers Governmental Funds	\$ 11,542,227
Net transfer for Capital project funds reported as business-type activities	(13,390,963)
Capital outlay for governmental capital project funds reported as transfers to business-type activities	(14,251,338)
Capital assets transferred to governmental activities	14,243,707
Net Transfers/Internal Activity	<u>\$ (1,856,367)</u>

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Interfund receivables and payables at June 30, 2016 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>
SSMA Water	Vision 2025	\$ 491,902	Advance for project costs
SSMA Water	Public Safety Capital Improvement	7,500	Advance for project costs
		\$ 499,402	
			Net Activity/ Internal Balances
	Due From Other Funds	Due To Other Funds	
Reconciliation to Fund			
Financial Statements:			
Governmental Funds	\$ -	\$ (499,402)	\$ (499,402)
Enterprise Funds	499,402	-	499,402
Total Interfund Balances	\$ 499,402	\$ (499,402)	\$ -

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:

	General Fund	Major Capital Project Funds			Other Governmental Funds	TOTAL
		Street Improvement	Capital Improvement Water & Wastewater	Public Safety Capital Improvement		
Fund Balances:						
Nonspendable:						
Inventory & prepaids	\$ 21,720	\$ -	\$ -	\$ -	\$ -	\$ 21,720
Sub-total Nonspendable	21,720	-	-	-	-	21,720
Restricted for:						
Animal Sterilization	21,148	-	-	-	-	21,148
Jail Reserves	100,480	-	-	-	-	100,480
Substance Abuse	92,473	-	-	-	-	92,473
Juvenile Programs	70,270	-	-	-	-	70,270
Economic Development	310,771	-	-	-	-	310,771
Streets	-	8,041,278	-	-	-	8,041,278
Housing Rehabilitation	-	-	-	-	51,563	51,563
License Plates	25,200	-	-	-	-	25,200
Public Safety Capital Improvements	-	-	-	15,122,635	-	15,122,635
Capital Improvements	-	-	-	-	109,349	109,349
Contract Wages	92,295	-	-	-	-	92,295
E911	-	-	-	-	371,032	371,032
Utility Capital Projects	-	-	7,771,024	-	-	7,771,024
Debt Service	-	-	-	-	780,471	780,471
Sub-total Restricted	712,637	8,041,278	7,771,024	15,122,635	1,312,415	32,959,989
Assigned to:						
Subsequent Year Budget	1,229,403	-	-	-	-	1,229,403
Community Center	310,675	-	-	-	-	310,675
Police	160,136	-	-	-	-	160,136
Fire	7,227	-	-	-	-	7,227
Alive at 25	5,191	-	-	-	-	5,191
Streets	-	129,206	-	-	-	129,206
Public Safety Capital Improvements	-	-	-	6,096	-	6,096
Capital Improvements	-	-	-	-	1,339,406	1,339,406
Parks	5,034	-	-	-	29,231	34,265
Energy Efficiency Projects	-	-	-	-	6	6
River City Crossing	-	-	-	-	51,225	51,225
South Side Park	-	-	-	-	10,750	10,750
Stormwater Projects	-	-	-	-	4,083,201	4,083,201
Utility Capital Projects	-	-	661,560	-	447,872	1,109,432
Golf Course	-	-	-	-	80,840	80,840
Debt Service	-	-	-	-	2,724	2,724
Other	871	-	-	-	-	871
Sub-total Assigned	1,718,537	129,206	661,560	6,096	6,045,255	8,560,654
Unassigned (deficit):	3,172,263	-	-	-	(34,926)	3,137,337
TOTAL FUND BALANCES	\$ 5,625,157	\$ 8,170,484	\$ 8,432,584	\$ 15,128,731	\$ 7,322,744	\$ 44,679,700

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Enterprise Funds:	
Restricted for Debt Service:	
Cash and Cash Equivalents	\$ 861,787
Investments	<u>1,754,118</u>
	2,615,905
Less: accrued interest payable	<u>(212,817)</u>
Total Enterprise Fund Restricted Net Position	<u>\$ 2,403,088</u>

NOTE 4. OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

The City participates in three employee pension systems as follows:

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

Oklahoma Police Pension and Retirement Systems

Summary of Significant Accounting Policies

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

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

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

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the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

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

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

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

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$214,512. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$197,487 this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$197,218. These on-behalf payments did not meet the criteria of a special funding situation.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the City reported a liability of \$22,670 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2015. Based upon this information, the City's proportion was .5557%.

For the year ended June 30, 2016, the City recognized pension expense of \$89,693. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 125,298
Net difference between projected and actual earnings on pension plan investments	406,049	493,241
Changes in proportion and differences between City contributions and proportionate share of contributions	24,916	1,814
City contributions subsequent to the measurement date	214,512	-
Total	<u>\$ 645,477</u>	<u>\$ 620,353</u>

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The \$214,512 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

	2017	\$	(87,742)
	2018		(87,742)
	2019		(87,742)
	2020		79,621
	2021		(5,783)
	Total	<u>\$</u>	<u>(189,388)</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	2.24%
Domestic equity	4.87%
International equity	7.68%
Real estate	5.47%
Private Equity	5.80%
Commodities	2.96%

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

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 1,361,547	\$ 22,670	\$ (1,106,116)

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

Oklahoma Fire Pension and Retirement Systems

Summary of Significant Accounting Policies

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

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

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

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

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

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

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$282,811. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$694,901 this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$644,654. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the City reported a liability of \$7,499,699 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2015. Based upon this information, the City's proportion was .7066%.

For the year ended June 30, 2016, the City recognized pension expense of \$655,634. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 148,170	\$ -
Net difference between projected and actual earnings on pension plan investments	265,868	824,916
Changes in proportion and differences between City contributions and proportionate share of contributions	101,017	-
City contributions during the measurement date	-	2,372
City contributions subsequent to the measurement date	282,811	-
Total	<u>\$ 797,866</u>	<u>\$ 827,288</u>

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The \$282,811 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

	2017	\$	(154,904)
	2018		(154,904)
	2019		(154,904)
	2020		120,068
	2021		26,225
	Thereafter		6,186
	Total	<u>\$</u>	<u>(312,233)</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

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

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	5.13%
Domestic equity	37%	8.02%
International equity	20%	9.94%
Real estate	10%	7.40%
Other assets	13%	6.25%

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	\$ 9,737,573	\$ 7,499,699	\$ 5,622,784

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

Defined Contribution Plan - 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 50% after completion of five years of service and then 10% per year for the next five years. The employee is fully vested after 10 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, 2016, the following amounts related to the defined contribution plan:

Employee contributions made	\$208,910
Employer (City) contributions made	\$409,320

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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 2016 were \$13,030 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, 2016, approximately 7 retired employees are receiving benefits under this plan. The Plan does not have a separate, audited financial report prepared.

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 2016 the City contributed \$14,273 to the plan. Plan members receiving benefits contributed \$14,273, or approximately 100 percent of the total premiums, through their required contribution of \$503.17 per month for retiree-only coverage and \$1,001.38 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, 2016:

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

Annual required contribution	\$200,423
Interest on OPEB obligation	28,498
Adjustment to annual required contribution	(60,881)
Annual OPEB cost (expense)	168,040
Contributions made	(14,273)
Increase in net OPEB obligation	153,767
Net OPEB obligation—beginning of year	809,915
Net OPEB obligation—end of year	\$963,682
Governmental Activities	\$667,921
Business-Type Activities	295,761
	\$963,682

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 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
6/30/15	\$168,044	8.0%	\$809,915
6/30/16	\$168,040	8.0%	\$963,682

Funded Status and Funding Progress. As of July 1, 2015, the most recent actuarial valuation date, the plan was 100% percent unfunded. The actuarial accrued liability for benefits was \$1,545,544, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,545,544. The covered payroll (annual payroll of active employees covered by the plan) was \$8.2 million.

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.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

In the July 1, 2015, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.35 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, 2016, was twenty-three 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.
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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

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.

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.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016**

Commitments:

Construction Projects

At June 30, 2016, the City had several construction projects ongoing. The material projects are noted below:

<u>Project</u>	<u>Total Contracts</u>	<u>Remaining Contracts</u>	<u>Funding Source</u>
Main Street Improvements	\$ 664,478	\$ 39,356	Street Improvement Fund
Spring Lake Campus	7,680,174	100,267	2012 Revenue Bond
WWTP Improvements	14,889,104	2,409,147	2012 Revenue Bond
Splashpads/Playgrounds- RCP and Pratt Civitan Parks	1,280,279	1,940	GO Bond 14

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 2016, the ad valorem assessments on the District totaled \$532,443.

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

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* - GASB No. 74 was issued in June 2015, and replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension*

NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016

Disclosures. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The City has not yet determined the impact that implementation of GASB 74 will have on its net position.

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

GASB Statement No. 77, *Tax Abatement Disclosures* - GASB 77 was issued in August 2015, and establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. The City has not yet determined the impact that implementation of GASB 77 will have on its net position.

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

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* - GASB 79 was issued in December 2015, and addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. At this time, the impact to the System is unknown.

NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2016

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

GASB Statement No. 81, *Irrevocable Split-Interest Agreements* - GASB 81 was issued in March 2016, to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The System does not believe that GASB No. 81 will have significant impact on its financial statements.



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:

- Defined Benefit Cost Sharing Plans:
 - Police
 - Schedule of the City's proportionate share of the net pension liability
 - Schedule of City contributions
 - Fire
 - Schedule of the City's proportionate share of the net pension liability
 - Schedule of City contributions
- Budgetary Comparison Schedule - General Fund
- Notes to RSI - Budgetary Comparison Schedule
- Schedule of OPEB Status and Funding Process

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

	<u>2015</u>	<u>2016</u>
City's proportion of the net pension liability (asset)	0.5255%	0.5557%
City's proportionate share of the net pension liability (asset)	\$ (176,923)	\$ 22,670
City's covered-employee payroll	\$1,522,161	\$ 1,649,772
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(11.62%)	1.37%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	101.53%

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

Notes to Schedule:

Only two fiscal years are presented because 10-year data is not yet available.

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

	<u>2015</u>	<u>2016</u>
Statutorially required contribution	\$ 204,866	\$ 214,512
Contributions in relation to the statutorially required contribution	<u>204,866</u>	<u>214,512</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,522,161	\$ 1,649,772
Contributions as a percentage of covered-employee payroll	13.46%	13.00%

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

Notes to Schedule:

Only two fiscal years are presented because 10-year data is not yet available.

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

	<u>2015</u>	<u>2016</u>
City's proportion of the net pension liability	0.696226%	0.7066%
City's proportionate share of the net pension liability	\$ 7,159,629	\$ 7,499,699
City's covered-employee payroll	\$ 1,941,928	\$ 2,020,060
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	369%	371%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.12%

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

Notes to Schedule:

Only two fiscal years are presented because 10-year data is not yet available.

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

	<u>2015</u>	<u>2016</u>
Statutorially required contribution	\$ 271,870	\$ 282,811
Contributions in relation to the statutorially required contribution	<u>271,870</u>	<u>282,811</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,941,928	\$ 2,020,060
Contributions as a percentage of covered-employee payroll	14.00%	14.00%

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

Notes to Schedule:

Only two fiscal years are presented because 10-year data is not yet available.

**CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$4,374,739	\$6,372,017	\$6,372,017	-
Resources (Inflows):				
TAXES:				
Sales tax	10,798,180	10,798,180	10,708,375	(89,805)
Use tax	402,360	402,360	405,819	3,459
Hotel/Motel tax	157,200	157,200	193,952	36,752
Incremental tax	750,000	1,172,336	110,107	(1,062,229)
Franchise tax	838,700	838,700	792,394	(46,306)
Video Provider Fee	30,000	30,000	50,705	20,705
Emergency telephone tax	38,000	38,000	32,258	(5,742)
VOIP fees	10,000	10,000	-	(10,000)
Abatement fees	25,000	25,000	34,015	9,015
Payment in lieu of taxes	1,155,739	1,155,739	1,161,172	5,433
Total Taxes	<u>14,205,179</u>	<u>14,627,515</u>	<u>13,488,797</u>	<u>(1,138,718)</u>
INTERGOVERNMENTAL:				
Taxes	213,200	213,200	213,542	342
Cigarette tax	125,000	125,000	127,808	2,808
Grants	-	269,966	242,538	(27,428)
Total Intergovernmental	<u>338,200</u>	<u>608,166</u>	<u>583,888</u>	<u>(24,278)</u>
CHARGES FOR SERVICES:				
Court costs	181,500	150,000	152,567	2,567
Zoning and inspection fees	84,000	84,000	61,570	(22,430)
Park and recreation fees	62,300	62,300	97,860	35,560
Fire run fees	2,000	2,000	1,875	(125)
Fire protection fee	158,000	158,000	159,394	1,394
First responder runs	20,000	20,000	8,200	(11,800)
First responder fees	242,000	242,000	243,747	1,747
EMSA fees	266,000	266,000	271,486	5,486
Other fees	25,380	25,380	17,237	(8,143)
Total Charges for Services	<u>1,041,180</u>	<u>1,009,680</u>	<u>1,013,936</u>	<u>4,256</u>
FINES AND FORFEITURES	<u>339,000</u>	<u>376,500</u>	<u>278,610</u>	<u>(97,890)</u>
LICENSES AND PERMITS:				
Licenses	107,400	107,400	106,238	(1,162)
Permits	49,600	49,600	32,328	(17,272)
Total Licenses and Permits	<u>157,000</u>	<u>157,000</u>	<u>138,566</u>	<u>(18,434)</u>
OTHER:				
Capital lease proceeds	-	67,914	-	(67,914)
Transfers from other funds	1,176,500	1,196,500	1,198,556	2,056
Interest on taxes	5,000	5,000	4,985	(15)
Interest	7,000	7,000	12,001	5,001
Other	265,000	272,000	296,474	24,474
Total Other	<u>1,453,500</u>	<u>1,548,414</u>	<u>1,512,016</u>	<u>(36,398)</u>
Total Resources (Inflows)	<u>17,534,059</u>	<u>18,327,275</u>	<u>17,015,813</u>	<u>(1,311,462)</u>
Amounts available for appropriation	<u>21,908,798</u>	<u>24,699,292</u>	<u>23,387,830</u>	<u>(1,311,462)</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2016
(Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
GENERAL GOVERNMENT:				
General Administration:				
Materials and supplies	\$ 700	\$ 1,700	\$ 633	\$ 1,067
Other services and charges	158,125	174,235	118,900	55,335
Total General Administration	<u>158,825</u>	<u>175,935</u>	<u>119,533</u>	<u>56,402</u>
Municipal Court:				
Personal services	176,655	182,210	144,787	37,423
Materials and supplies	1,825	2,800	1,999	801
Other services and charges	18,151	19,651	15,684	3,967
Total Municipal Court	<u>196,631</u>	<u>204,661</u>	<u>162,470</u>	<u>42,191</u>
City Manager:				
Personal services	335,480	348,746	345,937	2,809
Materials and supplies	1,465	1,463	1,248	215
Other services and charges	2,600	4,580	4,367	213
Total City Manager	<u>339,545</u>	<u>354,789</u>	<u>351,552</u>	<u>3,237</u>
City Clerk:				
Personal services	151,895	160,190	124,926	35,264
Materials and supplies	2,500	4,300	3,068	1,232
Other services and charges	14,420	14,620	10,665	3,955
Total City Clerk	<u>168,815</u>	<u>179,110</u>	<u>138,659</u>	<u>40,451</u>
Information Services:				
Personal services	131,146	136,206	127,643	8,563
Materials and supplies	5,925	6,025	5,690	335
Other services and charges	178,682	178,822	145,654	33,168
Total Information Services	<u>315,753</u>	<u>321,053</u>	<u>278,987</u>	<u>42,066</u>
TOTAL GENERAL GOVERNMENT	<u>1,179,569</u>	<u>1,235,548</u>	<u>1,051,201</u>	<u>184,347</u>
PLANNING AND ZONING:				
Planning and Development:				
Personal services	132,333	137,913	134,969	2,944
Materials and supplies	1,300	1,330	672	658
Other services and charges	20,140	20,110	16,711	3,399
TOTAL PLANNING AND ZONING	<u>153,773</u>	<u>159,353</u>	<u>152,352</u>	<u>7,001</u>
FINANCIAL ADMINISTRATION:				
Human Resources:				
Personal services	172,696	187,142	171,690	15,452
Materials and supplies	4,310	5,265	5,045	220
Other services and charges	13,289	12,219	10,315	1,904
Total Human Resources	<u>190,295</u>	<u>204,626</u>	<u>187,050</u>	<u>17,576</u>
Finance:				
Personal services	409,135	425,450	365,655	59,795
Materials and supplies	6,524	6,629	3,016	3,613
Other services and charges	167,876	207,597	110,327	97,270
Total Finance	<u>583,535</u>	<u>639,676</u>	<u>478,998</u>	<u>160,678</u>
City Attorney:				
Personal services	21,109	22,188	20,610	1,578
Materials and supplies	-	1	-	1
Other services and charges	83,700	83,700	80,176	3,524
Total City Attorney	<u>104,809</u>	<u>105,889</u>	<u>100,786</u>	<u>5,103</u>
TOTAL FINANCIAL ADMINISTRATION	<u>878,639</u>	<u>950,191</u>	<u>766,834</u>	<u>183,357</u>

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2016
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
PUBLIC SAFETY:				
Police:				
Personal services	\$ 3,044,605	\$ 3,052,255	\$ 2,788,213	\$ 264,042
Materials and supplies	194,658	179,788	124,538	55,250
Other services and charges	57,526	57,526	46,338	11,188
Total Police	<u>3,296,789</u>	<u>3,289,569</u>	<u>2,959,089</u>	<u>330,480</u>
Emergency Management:				
Personal services	37,409	39,253	37,978	1,275
Materials and supplies	5,921	5,506	1,572	3,934
Other services and charges	14,892	15,193	10,660	4,533
Total Emergency Management	<u>58,222</u>	<u>59,952</u>	<u>50,210</u>	<u>9,742</u>
Animal Control:				
Personal services	87,851	94,949	93,039	1,910
Materials and supplies	16,480	9,480	7,655	1,825
Other services and charges	1,356	19,046	16,868	2,178
Total Animal Control	<u>105,687</u>	<u>123,475</u>	<u>117,562</u>	<u>5,913</u>
Communications:				
Personal services	462,750	463,180	449,480	13,700
Materials and supplies	17,945	10,945	9,735	1,210
Other services and charges	118,193	130,193	126,169	4,024
Total Communications	<u>598,888</u>	<u>604,318</u>	<u>585,384</u>	<u>18,934</u>
Fire:				
Personal services	3,104,544	3,079,707	2,869,832	209,875
Materials and supplies	122,292	107,779	91,101	16,678
Other services and charges	323,005	323,120	267,372	55,748
Capital outlay	67,914	242,914	178,283	64,631
Total Fire	<u>3,617,755</u>	<u>3,753,520</u>	<u>3,406,588</u>	<u>346,932</u>
Neighborhood Services:				
Personal services	266,077	264,977	239,404	25,573
Materials and supplies	10,150	9,150	2,502	6,648
Other services and charges	82,516	92,516	87,188	5,328
Total Neighborhood Services	<u>358,743</u>	<u>366,643</u>	<u>329,094</u>	<u>37,549</u>
TOTAL PUBLIC SAFETY	<u>8,036,084</u>	<u>8,197,477</u>	<u>7,447,927</u>	<u>749,550</u>
HIGHWAYS AND STREETS:				
Street and Alley:				
Personal services	495,558	495,558	365,622	129,936
Materials and supplies	206,670	206,670	91,315	115,355
Other services and charges	245,956	245,956	171,604	74,352
TOTAL HIGHWAYS AND STREETS	<u>948,184</u>	<u>948,184</u>	<u>628,541</u>	<u>319,643</u>
HEALTH AND WELFARE:				
Senior Citizens:				
Personal services	24,053	24,543	23,842	701
Materials and supplies	8,070	8,070	3,224	4,846
Other services and charges	1,999	1,999	1,511	488
TOTAL HEALTH AND WELFARE	<u>34,122</u>	<u>34,612</u>	<u>28,577</u>	<u>6,035</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2016
(Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
CULTURE AND RECREATION:				
Parks and Recreation:				
Personal services	\$ 551,548	\$ 570,215	\$ 555,959	\$ 14,256
Materials and supplies	128,155	137,001	118,758	18,243
Other services and charges	384,603	427,170	347,166	80,004
Capital outlay	-	173,786	112,807	60,979
Total Parks and Recreation	<u>1,064,306</u>	<u>1,308,172</u>	<u>1,134,690</u>	<u>173,482</u>
Museum:				
Personal services	9,848	10,279	9,606	673
Materials and supplies	5,400	8,073	6,701	1,372
Other services and charges	31,899	31,810	27,970	3,840
Total Museum	<u>47,147</u>	<u>50,162</u>	<u>44,277</u>	<u>5,885</u>
TOTAL CULTURE AND RECREATION	<u>1,111,453</u>	<u>1,358,334</u>	<u>1,178,967</u>	<u>179,367</u>
ECONOMIC DEVELOPMENT:				
Economic Development:				
Personal services	71,818	76,437	74,689	1,748
Materials and supplies	500	500	191	309
Other services and charges	262,608	277,577	267,535	10,042
Capital outlay	10,000	10,000	9,460	540
TOTAL ECONOMIC DEVELOPMENT	<u>344,926</u>	<u>364,514</u>	<u>351,875</u>	<u>12,639</u>
FACILITIES MANAGEMENT AND FLEET MAINTENANCE:				
Facilities Management:				
Personal services	242,839	246,384	243,905	2,479
Materials and supplies	116,650	110,689	60,751	49,938
Other services and charges	188,008	189,354	155,489	33,865
Total Facilities Management	<u>547,497</u>	<u>546,427</u>	<u>460,145</u>	<u>86,282</u>
Fleet Maintenance:				
Personal services	249,160	243,450	231,380	12,070
Materials and supplies	15,835	19,060	9,396	9,664
Other services and charges	34,090	28,654	27,387	1,267
Total Fleet Maintenance	<u>299,085</u>	<u>291,164</u>	<u>268,163</u>	<u>23,001</u>
TOTAL FACILITIES MANAGEMENT AND FLEET MAINTENANCE	<u>846,582</u>	<u>837,591</u>	<u>728,308</u>	<u>109,283</u>
OTHER FINANCING USES:				
Transfers to other funds	5,636,073	6,058,409	5,380,027	678,382
Debt service:				
Capital lease principal	162,782	163,202	163,192	10
Capital lease interest	8,721	9,021	9,020	1
Total Other Financing Uses	<u>5,807,576</u>	<u>6,230,632</u>	<u>5,552,239</u>	<u>678,393</u>
Total Charges to Appropriations	<u>19,340,908</u>	<u>20,316,436</u>	<u>17,886,821</u>	<u>2,429,615</u>
Ending Budgetary Fund Balance	<u>\$ 2,567,890</u>	<u>\$ 4,382,856</u>	<u>5,501,009</u>	<u>\$ 1,118,153</u>
Less:				
Encumbrances			(61,137)	
Ending Unobligated Budgetary Fund Balance			<u>\$ 5,439,872</u>	
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance:				
Total Resources per Budgetary Comparison Schedule			\$ 17,015,813	
Add State Fire and Police pension on-behalf payments			892,388	
Add Special Programs sub-fund account revenues			42,868	
Add Proceeds from contributed assets			16,700	
Less transfer in			(1,198,556)	
Total Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$ 16,769,213</u>	
Total Charges to Appropriations per Budgetary Comparison Schedule			\$ 17,886,821	
Add State Fire and Police pension on-behalf payments			892,388	
Add Special Programs sub-fund account expenditures			37,841	
Add contributed assets			16,700	
Less transfer out			(5,380,027)	
Total Expenditures per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$ 13,453,723</u>	

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

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.

CITY OF SAND SPRINGS
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF OPEB STATUS AND FUNDING PROGRESS
JUNE 30, 2016

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>July 1, 2010</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>July 1, 2012</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%
	<u>July 1, 2014</u>
Actuarial accrued liability - AAL (a)	\$1,375,683
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability – UAAL (funding excess) (a) – (b)	\$1,375,683
Funded ratio (b)/(a)	0%
Covered payroll (c)	\$8,170,000
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	17%

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, 2016

	<u>General Fund</u>	<u>Special Programs Account</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,466,723	\$ 99,453	\$ 2,566,176
Investments	1,412,604	50,623	1,463,227
Deposits with insurance pool	307,608	-	307,608
Accrued interest receivable	2,067	-	2,067
Taxes receivable, net	170,161	-	170,161
Receivable from other governments	1,479,444	-	1,479,444
Court fines receivable, net	174,843	-	174,843
Other receivables	308,727	-	308,727
Inventories	20,132	-	20,132
Prepaid items	1,588	-	1,588
Total assets	<u>\$ 6,343,897</u>	<u>\$ 150,076</u>	<u>\$ 6,493,973</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 162,572	\$ -	\$ 162,572
Payable to other governments	144,962	-	144,962
Other accrued expenses	242,440	-	242,440
Amounts held in escrow	40,606	-	40,606
Other payables	25,018	25,928	50,946
Total liabilities	<u>615,598</u>	<u>25,928</u>	<u>641,526</u>
Deferred inflows of resources:			
Deferred revenues	227,290	-	227,290
Fund balances:			
Non-spendable	21,720	-	21,720
Restricted	712,637	-	712,637
Assigned	1,594,389	124,148	1,718,537
Unassigned	3,172,263	-	3,172,263
Total fund balances	<u>5,501,009</u>	<u>124,148</u>	<u>5,625,157</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 6,343,897</u>	<u>\$ 150,076</u>	<u>\$ 6,493,973</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, 2016

	<u>General Fund</u>	<u>Special Programs Account</u>	<u>Total</u>
REVENUES			
Taxes	\$ 13,438,092	\$ -	\$ 13,438,092
Fees and fines	278,610	39,066	317,676
Licenses and permits	138,566	-	138,566
Intergovernmental	1,644,473	-	1,644,473
Charges for services	1,013,936	-	1,013,936
Investment earnings	42,733	1,055	43,788
Miscellaneous	169,935	2,747	172,682
Total revenues	<u>16,726,345</u>	<u>42,868</u>	<u>16,769,213</u>
EXPENDITURES			
Current:			
General government	1,051,201	-	1,051,201
Planning and zoning	152,352	-	152,352
Financial administration	766,834	-	766,834
Public Safety	8,162,032	37,841	8,199,873
Highways and streets	628,541	-	628,541
Health and welfare	28,577	-	28,577
Culture and recreation	1,066,160	-	1,066,160
Community and economic development	342,415	-	342,415
Facilities management and fleet maintenance	728,308	-	728,308
Debt Service:			
Principal	163,192	-	163,192
Interest and other charges	9,020	-	9,020
Capital Outlay	317,250	-	317,250
Total expenditures	<u>13,415,882</u>	<u>37,841</u>	<u>13,453,723</u>
Excess (deficiency) of revenues over expenditures	<u>3,310,463</u>	<u>5,027</u>	<u>3,315,490</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,198,556	-	1,198,556
Transfers out	(5,380,027)	-	(5,380,027)
Total other financing sources and uses	<u>(4,181,471)</u>	<u>-</u>	<u>(4,181,471)</u>
Net change in fund balances	(871,008)	5,027	(865,981)
Fund balances - beginning	6,372,017	119,121	6,491,138
Fund balances - ending	<u>\$ 5,501,009</u>	<u>\$ 124,148</u>	<u>\$ 5,625,157</u>

City of Sand Springs, Oklahoma
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2016

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS					
	CDBG Home Investment Partnership	Vision 2025	Short-Term Capital Improvements	Community Development Block Grant - EDIF	T.I.D. #1 Cimarron Center	Park and Recreation	ODOC EECBG	Airport Construction
ASSETS								
Cash and cash equivalents	\$ 51,563	\$ -	\$ 626,104	\$ 26,050	\$ -	\$ 29,231	\$ 6	\$ 83,299
Investments	-	-	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	-	-
Receivable from other governments	-	491,902	6,209	-	-	-	-	-
Total assets	\$ 51,563	\$ 491,902	\$ 632,313	\$ 26,050	\$ -	\$ 29,231	\$ 6	\$ 83,299
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ 34,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	491,902	-	-	-	-	-	-
Total liabilities	-	526,828	-	-	-	-	-	-
Deferred inflows of resources:								
Deferred revenues	-	-	-	-	-	-	-	-
Fund balances:								
Restricted	51,563	-	371,032	26,050	-	-	-	83,299
Assigned	-	-	261,281	-	-	29,231	6	-
Unassigned (deficit)	-	(34,926)	-	-	-	-	-	-
Total fund balances	\$ 51,563	\$ (34,926)	\$ 632,313	\$ 26,050	\$ -	\$ 29,231	\$ 6	\$ 83,299
Total liabilities, deferred inflows and fund balances	\$ 51,563	\$ 491,902	\$ 632,313	\$ 26,050	\$ -	\$ 29,231	\$ 6	\$ 83,299

City of Sand Springs, Oklahoma
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2016

	CAPITAL PROJECT FUNDS						DEBT SERVICE FUND		Total Other Governmental Funds
	Capital Improvement	Stormwater Capital Improvement	SSMA Capital	2002 General Obligation Bond Fund	2006 General Obligation Bond Fund	2014 GO Capital Improvement	Golf Course Capital Improvement	Debt Service Fund	
ASSETS									
Cash and cash equivalents	\$ 838,359	\$ 2,830,599	\$ 447,872	\$ -	\$ 18,852	\$ 281,026	\$ 80,840	\$ 322,952	\$ 5,636,753
Investments	91,121	1,251,413	-	-	50	-	-	440,000	1,782,584
Accrued interest receivable	-	2,513	-	-	-	-	-	1,009	3,522
Receivable from other governments	-	-	-	-	-	-	-	281,123	779,234
Total assets	\$ 929,480	\$ 4,084,525	\$ 447,872	\$ -	\$ 18,902	\$ 281,026	\$ 80,840	\$ 1,045,084	\$ 8,202,093
LIABILITIES, DEFERRED INFLOWS AND FUND BAL									
Liabilities:									
Accounts payable	\$ 611	\$ -	\$ -	\$ -	\$ -	\$ 88,697	\$ -	\$ -	\$ 124,234
Due to other funds	-	-	-	-	-	-	-	-	491,902
Total liabilities	611	-	-	-	-	88,697	-	-	616,136
Deferred inflows of resources:									
Deferred revenues	-	1,324	-	-	-	-	-	261,889	263,213
Fund balances:									
Restricted	-	-	-	-	-	-	-	780,471	1,312,415
Assigned	928,869	4,083,201	447,872	-	18,902	192,329	80,840	2,724	6,045,255
Unassigned (deficit)	-	-	-	-	-	-	-	-	(34,926)
Total fund balances	928,869	4,083,201	447,872	-	18,902	192,329	80,840	783,195	7,322,744
Total liabilities, deferred inflows and fund balances	\$ 929,480	\$ 4,084,525	\$ 447,872	\$ -	\$ 18,902	\$ 281,026	\$ 80,840	\$ 1,045,084	\$ 8,202,093

City of Sand Springs, Oklahoma
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2016

	SPECIAL REVENUE FUND		CAPITAL PROJECT FUNDS					
	CDBG Home Investment Partnership	Vision 2025	Short-Term Capital Improvements	Community Development Block Grant - EDIF	T.I.D. #1 Cimarron Center	Park and Recreation	ODOC EECBG	Airport Construction
REVENUES								
Taxes	-	\$ 603,364	\$ 97,514	-	-	-	\$ -	-
Intergovernmental	-	-	-	-	-	-	-	354,139
Charges for services	-	-	-	-	-	4,000	-	-
Investment earnings	24	-	58	-	33	15	-	12
Miscellaneous	-	-	69,671	-	-	-	-	-
Total revenues	24	603,364	167,243	-	33	4,015	-	354,151
EXPENDITURES								
Current:								
Community development	-	-	-	-	532,443	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-
Capital Outlay	-	638,290	153,461	-	-	-	-	390,960
Total expenditures	-	638,290	153,461	-	532,443	-	-	390,960
Excess (deficiency) of revenues over expenditures	24	(34,926)	13,782	-	(532,410)	4,015	-	(36,809)
OTHER FINANCING SOURCES (USES)								
Proceeds and premiums from long-term debt	-	-	-	-	-	-	-	-
Payment to refunding/escrow account	-	-	222,180	-	532,443	-	-	-
Transfers in	-	-	(65,000)	-	-	(220,000)	-	-
Transfers out	-	-	127,180	-	532,443	(220,000)	-	-
Total other financing sources and uses	-	-	140,962	-	33	(215,985)	-	(36,809)
Net change in fund balances	24	(34,926)	491,351	28,050	(33)	245,216	6	120,108
Fund balances - beginning	51,559	-	632,313	\$ 28,050	\$ -	\$ 29,231	\$ 6	\$ 83,299
Fund balances - ending	51,563	\$ (34,926)	\$ 632,313	\$ 28,050	\$ -	\$ 29,231	\$ 6	\$ 83,299

City of Sand Springs
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	CAPITAL PROJECT FUNDS						DEBT SERVICE FUND		
	Capital Improvement	Stormwater Capital Improvement	SSMA Capital	2002 General Obligation Bond Fund	2006 General Obligation Bond Fund	2014 GO Capital Improvement	Golf Course Capital Improvement	Debt Service Fund	Total Other Governmental Funds
REVENUES									
Taxes	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,250,740	\$ 1,348,254
Intergovernmental	42,000	-	-	-	-	-	-	-	999,503
Charges for services	-	-	-	-	-	-	-	-	4,000
Investment earnings	1,979	13,710	39	-	8	90	8	3,696	19,672
Miscellaneous	-	-	10,361	-	-	42,500	-	-	122,552
Total revenues	43,979	13,710	10,400	-	8	42,590	8	1,254,436	2,493,951
EXPENDITURES									
Current:									
Community development	-	-	-	-	-	-	-	-	532,443
Debt Service:									
Principal	-	-	-	-	-	-	-	1,010,000	1,010,000
Interest and other charges	-	-	-	-	-	-	-	289,999	289,999
Capital Outlay	27,417	287,361	94,620	-	7,500	1,635,072	-	-	3,234,681
Total expenditures	27,417	287,361	94,620	-	7,500	1,635,072	-	1,299,999	5,067,123
Excess (deficiency) of revenues over expenditures	16,562	(273,651)	(84,220)	-	(7,492)	(1,592,482)	8	(45,563)	(2,573,162)
OTHER FINANCING SOURCES (USES)									
Proceeds and premiums from long-term debt	-	-	-	-	-	-	-	2,403,316	2,403,316
Payment to refund/escrow account	166,900	1,000,000	372,175	-	-	200,000	26,703	(2,310,000)	(2,310,000)
Transfers in	-	-	-	-	-	-	-	(3,556)	(3,556)
Transfers out	166,900	1,000,000	372,175	-	(39,535)	200,000	26,703	89,760	(366,069)
Total other financing sources and uses	166,900	1,000,000	372,175	-	(39,535)	200,000	26,703	89,760	2,255,628
Net change in fund balances	183,462	726,349	287,955	-	(47,025)	(1,392,482)	26,711	44,197	(317,554)
Fund balances - beginning	745,407	3,356,852	159,917	-	65,927	1,584,811	54,129	738,998	7,640,278
Fund balances - ending	928,869	4,083,201	447,872	\$ -	18,902	192,329	80,840	783,195	7,322,744

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2016

	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	-	-	\$ -	\$ -	95,000	\$ 97,514	\$ 2,514	
Charges for services	-	-	-	-	20,526	-	(20,526)	
Investment income	20	20	24	4	200	58	(142)	
Miscellaneous	-	-	-	-	34,788	69,671	34,883	
Total Revenues	20	20	24	4	115,726	167,243	16,729	
Expenditures:								
Parks and Recreation:								
Capital outlay	-	-	-	-	-	-	-	
Total Parks and recreation	-	-	-	-	-	-	-	
Facilities Management:								
Capital outlay	-	-	-	-	26,000	-	26,000	
Police:								
Capital outlay	-	-	-	-	123,080	151,785	1,827	
Total Police	-	-	-	-	123,080	151,785	1,827	
Emergency Management:								
Capital outlay	-	-	-	-	-	1,676	3,869	
Total Fire	-	-	-	-	-	1,676	3,869	
Streets:								
Capital outlay	-	-	-	-	157,900	160,979	160,979	
Public Works:								
Capital outlay	-	-	-	-	-	7,808	7,808	
Total Expenditures	-	-	-	-	306,980	153,461	200,483	
Revenues over (under) expenditures	20	20	24	4	(191,254)	13,782	217,212	
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	222,180	222,180	-	
Transfers out	-	-	-	-	(95,000)	(95,000)	-	
Total Other Financing Sources (Uses)	-	-	-	-	127,180	127,180	-	
Revenues and other sources over (under) expenditures and other uses	20	20	24	4	(64,074)	140,962	217,212	
Fund Balance - beginning of year	51,536	51,539	51,539	-	478,184	491,351	-	
Fund Balance - end of year	51,556	51,559	51,563	4	414,110	632,313	217,212	

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2016

	COMMUNITY DEVELOPMENT BLOCK GRANT - EDIF				CAPITAL PROJECT - PARK AND RECREATION			
	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:								
Taxes	-	-	\$ -	\$ -	-	-	\$ -	\$ -
Intergovernmental	-	155,910	-	(155,910)	-	-	-	-
Charges for services	-	-	-	-	7,000	7,000	4,000	(3,000)
Investment income	-	-	-	-	500	500	15	(485)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	-	155,910	-	(155,910)	7,500	7,500	4,015	(3,485)
Expenditures:								
Parks and Recreation:								
Capital outlay	-	-	-	-	-	-	-	-
Streets:								
Capital outlay	-	155,910	-	155,910	-	-	-	-
Wastewater:								
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	155,910	-	155,910	-	-	-	-
Revenues over (under) expenditures	-	-	-	-	7,500	7,500	4,015	(3,485)
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	(220,000)	(220,000)	-
Transfers out	-	-	-	-	-	(220,000)	(220,000)	-
Total Other Financing Sources (Uses)	-	-	-	-	-	(220,000)	(220,000)	-
Revenues and other sources over (under) expenditures and other uses	-	-	-	-	7,500	(212,500)	(215,985)	(3,485)
Fund Balance - beginning of year	26,314	26,050	26,050	-	245,403	245,216	245,216	-
Fund Balance - end of year	\$ 26,314	\$ 26,050	\$ 26,050	\$ -	\$ 252,903	\$ 32,716	\$ 29,231	\$ (3,485)

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2016

	CAPITAL PROJECT - T.I.D. #1 CIMARRON CENTER				CAPITAL PROJECT - ODOC EEBG				
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts		
	Original	Final	Original	Final	Original	Final	Original	Final	
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Investment income	-	33	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Revenues	-	33	-	33	-	33	-	-	-
Expenditures:									
Economic Development:									
Capital Outlay	750,000	1,172,336	532,443	-	-	-	-	-	-
Community Development:									
Other Services and Charges	-	-	-	-	-	-	-	-	-
Facilities Management:									
Capital Outlay	-	-	-	-	-	-	-	-	-
Street:									
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	750,000	1,172,336	532,443	-	639,893	-	-	-	-
Revenues over (under) expenditures	(750,000)	(1,172,336)	(532,410)	-	639,926	-	-	-	-
Other Financing Sources (Uses):									
Transfers in	750,000	1,172,336	532,443	-	(639,893)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	750,000	1,172,336	532,443	-	(639,893)	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	33	33	33	-	33	-	-	-
Fund Balance - beginning of year	-	(33)	(33)	-	-	6	6	6	-
Fund Balance - end of year	-	(33)	-	-	-	6	6	6	-

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2016

	CAPITAL PROJECT - CAPITAL IMPROVEMENT				CAPITAL PROJECT - STORMWATER 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	-	168,000	42,000	(126,000)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	1,500	1,500	1,979	479	5,000	13,710	8,710	8,710
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	1,500	169,500	43,979	(125,521)	5,000	13,710	8,710	8,710
Expenditures:								
Current:								
Fleet Maintenance:								
Capital Outlay	10,000	10,000	-	10,000	-	-	-	-
Economic Development:								
Capital Outlay	49,880	436,317	7,563	428,754	-	-	-	-
Parks and Recreation:								
Capital Outlay	-	217,874	14,244	203,630	-	-	-	-
Streets:								
Capital Outlay	-	15,817	-	15,817	-	-	-	-
Emergency Management:								
Capital Outlay	-	4,660	-	4,660	-	-	-	-
Facilities Management:								
Capital Outlay	26,100	60,457	-	60,457	-	-	-	-
Public Works:								
Capital Outlay	-	7,000	-	7,000	-	-	-	-
Golf Course:								
Capital Outlay	-	113,862	5,610	108,252	-	-	-	-
Water:								
Capital Outlay	70,800	60,800	-	60,800	-	-	-	-
Stormwater:								
Capital Outlay	-	-	-	-	1,053,351	287,361	4,047,639	4,047,639
Total Expenditures	156,780	926,787	27,417	899,370	1,053,351	287,361	4,047,639	4,047,639
Revenues over (under) expenditures	(155,280)	(757,287)	16,562	773,849	(1,046,351)	(273,651)	4,056,349	4,056,349
Other Financing Sources (Uses):								
Transfers in	166,900	166,900	166,900	-	1,000,000	1,000,000	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	166,900	166,900	166,900	-	1,000,000	1,000,000	-	-
Revenues and other sources over (under) expenditures and other uses	11,620	(690,387)	183,462	773,849	(46,351)	726,349	4,056,349	4,056,349
Fund Balance - beginning of year	69,954	745,407	745,407	-	74,073	3,356,852	-	-
Fund Balance - end of year	\$ 81,574	\$ 155,020	\$ 928,869	\$ 773,849	\$ 25,722	\$ 4,083,201	\$ 4,056,349	\$ 4,056,349

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2016

	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	15	15	39	24	-	-	-	-
Miscellaneous	-	-	10,361	10,361	-	-	-	-
Total Revenues	15	15	10,400	10,385	-	-	-	-
Expenditures:								
Current:								
Water:								
Capital Outlay	35,000	35,000	27,551	7,449	-	-	-	-
Engineering:								
Capital Outlay	-	-	-	-	-	-	-	-
Wastewater:								
Capital Outlay	74,000	74,000	38,683	35,317	-	-	-	-
Police:								
Capital Outlay	-	-	-	-	-	-	-	-
Fire:								
Capital Outlay	-	-	-	-	-	-	-	-
Parks & Recreation:								
Capital Outlay	-	-	-	-	-	-	-	-
Solid Waste:								
Capital Outlay	263,175	265,675	28,386	237,289	-	-	-	-
Environmental Compliance:								
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	372,175	374,675	94,620	280,055	-	-	-	-
Revenues over (under) expenditures	(372,160)	(374,660)	(84,220)	290,440	-	-	-	-
Other Financing Sources (Uses):								
Transfers in	372,175	372,175	372,175	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	372,175	372,175	372,175	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	15	(2,485)	287,955	290,440	-	-	-	-
Fund Balance - beginning of year	22,887	159,917	159,917	-	-	-	-	-
Fund Balance - end of year	22,802	157,432	447,872	290,440	-	-	-	-

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2016

	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	10	10	8	(2)	10	8	(2)	(2)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	10	10	8	(2)	10	8	(2)	(2)
Expenditures:								
Park and Recreation:								
Capital Outlay	-	-	-	-	-	-	-	-
Fire:								
Capital Outlay	-	26,396	7,500	18,896	-	-	-	-
Golf Course:								
Capital Outlay	-	-	-	-	25,000	54,129	54,129	54,129
Wastewater:								
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	26,396	7,500	18,896	25,000	54,129	54,129	54,129
Revenues over (under) expenditures	10	(26,386)	(7,492)	18,894	(24,990)	(64,119)	8	54,127
Other Financing Sources (Uses):								
Transfers in	-	(39,531)	(39,533)	(2)	25,500	25,500	26,703	1,203
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(39,531)	(39,533)	(2)	25,500	25,500	26,703	1,203
Revenues and other sources over (under) expenditures and other uses	10	(65,917)	(47,025)	18,892	510	(28,619)	26,711	55,330
Fund Balance - beginning of year	33,842	65,927	65,927	-	695	54,129	54,129	-
Fund Balance - end of year	\$ 33,852	\$ 10	\$ 18,902	\$ 18,892	\$ 1,205	\$ 25,510	\$ 80,840	\$ 55,330

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2016

	2014 G.O. CAPITAL IMPROVEMENT				AIRPORT CONSTRUCTION			
	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	-	-	-	-	-	380,895	354,139	(26,756)
Charges for services	-	-	-	-	-	-	-	-
Investment income	150	150	90	(60)	-	5	12	7
Miscellaneous	-	72,500	42,500	(30,000)	-	-	-	-
Total Revenues	150	72,650	42,590	(30,060)	5	380,900	354,151	(26,749)
Expenditures:								
Current:								
Finance:								
Capital Outlay	-	3,093	-	3,093	-	-	-	-
Airport:								
Capital Outlay	-	-	-	-	3,120	480,491	390,960	89,531
Parks & Recreation:								
Capital Outlay	-	1,530,869	1,334,433	196,436	-	-	-	-
Museum:								
Capital Outlay	-	299,922	293,008	6,914	-	-	-	-
Golf Course:								
Capital Outlay	-	20,947	7,631	13,316	-	-	-	-
Total Expenditures	-	1,854,831	1,635,072	219,759	3,120	480,491	390,960	89,531
Revenues over (under) expenditures	150	(1,782,181)	(1,592,482)	189,699	(3,115)	(99,591)	(36,809)	62,782
Other Financing Sources (Uses):								
Transfers in	-	200,000	200,000	-	-	-	-	-
Total Other Financing Sources (Uses)	-	200,000	200,000	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	150	(1,582,181)	(1,392,482)	189,699	(3,115)	(99,591)	(36,809)	62,782
Fund Balance - beginning of year	2,441	1,584,811	1,584,811	-	13,632	120,108	120,108	-
Fund Balance - end of year	\$ 2,591	\$ 2,630	\$ 192,329	\$ 189,699	\$ 10,517	\$ 20,517	\$ 83,299	\$ 62,782

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2016

	VISION 2025				DEBT SERVICE FUND			
	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:								
Taxes	-	3,305,301	603,364	(2,701,937)	1,335,530	1,335,530	1,250,740	(84,790)
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	1,750	1,750	3,696	1,946
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	-	3,305,301	603,364	(2,701,937)	1,337,280	1,337,280	1,254,436	(82,844)
Expenditures:								
Water:								
Capital Outlay	-	-	-	-	-	-	-	-
Parks & Recreation:								
Capital Outlay	-	3,305,301	638,290	2,667,011	-	-	-	-
Wastewater:								
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Total Expenditures	-	3,305,301	638,290	2,667,011	1,101,888	3,610,625	3,609,999	626
Revenues over (under) expenditures	-	-	(34,926)	(34,926)	235,392	(2,273,345)	(2,355,563)	(82,218)
Other Financing Sources (Uses):								
Long-term debt proceeds	-	-	-	-	-	2,403,317	2,403,316	(1)
Transfers out	-	-	-	-	(1,500)	(1,500)	(3,556)	(2,056)
Total Other Financing Sources (Uses)	-	-	-	-	(1,500)	2,401,817	2,399,760	(2,057)
Revenues and other sources over (under) expenditures and other uses	-	-	(34,926)	(34,926)	233,892	128,472	44,197	(84,275)
Fund Balance - beginning of year	-	-	-	-	833,206	738,998	738,998	-
Fund Balance - end of year	-	-	(34,926)	(34,926)	1,067,098	867,470	783,195	(84,275)

CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS (CAPITAL PROJECT FUNDS)
For the fiscal year ended June 30, 2016

	CAPITAL PROJECT - STREET IMPROVEMENT				CAPITAL PROJECT - CAPITAL IMPROVEMENT WATER/WASTEWATER				CAPITAL PROJECT - PUBLIC SAFETY CAPITAL IMPROVEMENT			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final			Original	Final		
Revenues:												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,750,000	-	(1,750,000)	-	-	46,350	(23,650)	-	-	-	-
Charges for services	-	-	64,575	39,575	70,000	70,000	27,539	21,539	-	-	-	-
Investment income	25,000	25,000	-	-	6,000	6,000	777	777	-	-	6,096	6,096
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	25,000	1,775,000	64,575	(1,710,425)	76,000	76,000	74,866	(1,334)	-	-	6,096	6,096
Expenditures:												
Finance:												
Capital Outlay	-	-	-	-	-	-	-	-	-	710,139	696,715	13,424
Police:												
Capital Outlay	-	-	-	-	-	-	-	-	-	7,556,568	13,399	7,543,169
Fire:												
Capital Outlay	-	-	-	-	-	-	-	-	-	7,306,567	-	7,306,567
Water:												
Capital Outlay	-	-	-	-	1,616,997	4,189,765	2,119,159	2,070,607	-	-	-	-
Wastewater:												
Capital Outlay	-	-	-	-	814,712	13,907,743	9,456,898	4,450,845	-	-	-	-
Public Works:												
Capital Outlay	-	-	-	-	-	2,205,226	1,894,710	310,516	-	-	-	-
Street:												
Capital Outlay	1,596,395	10,807,562	1,029,754	9,777,808	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	205,000	200,289	4,711
Total Expenditures	1,596,395	10,807,562	1,029,754	9,777,808	2,431,709	20,302,734	13,470,766	6,831,969	-	15,778,274	910,403	14,867,871
Revenues over (under) expenditures	(1,571,395)	(9,032,562)	(965,179)	8,067,383	(2,355,709)	(20,226,734)	(13,396,100)	6,830,634	-	(15,778,274)	(904,307)	14,873,967
Other Financing Sources (Uses):												
Long-term debt proceeds	-	-	-	-	3,085,195	12,816,891	12,792,085	(24,806)	-	15,778,274	16,033,038	254,764
Transfers in	1,542,598	1,582,129	1,569,301	(12,828)	(800,000)	(800,000)	(800,000)	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,542,598	1,582,129	1,569,301	(12,828)	2,285,195	12,016,891	11,992,085	(24,806)	-	15,778,274	16,033,038	254,764
Revenues and other sources over (under) expenditures and other uses	(28,797)	(7,450,433)	604,122	8,054,555	(70,514)	(8,209,843)	(1,404,015)	6,805,828	-	-	15,128,731	15,128,731
Fund Balance - beginning of year	58,499	7,566,362	7,566,362	-	419,339	9,836,599	9,836,599	-	-	-	-	-
Fund Balance - end of year	\$ 29,702	\$ 115,929	\$ 8,170,484	\$ 8,054,555	\$ 348,825	\$ 1,626,756	\$ 8,432,584	\$ 6,805,828	\$ -	\$ -	\$ 15,128,731	\$ 15,128,731

**CITY OF SAND SPRINGS, OKLAHOMA
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
For the fiscal year ended June 30, 2016**

	Museum Trust Authority	Economic Development Authority
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 6,301	\$ -
Payments to suppliers	(3,980)	(3,335)
Payments to employees	(1,876)	
	<u>445</u>	<u>(3,335)</u>
Net Cash Provided by (Used in) Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	-	3,792
Interest and dividends	630	10
	<u>630</u>	<u>3,802</u>
Net Cash Provided by Investing Activities		
Net Increase in Cash and Cash Equivalents	1,075	467
Balances - beginning of the year	<u>165,576</u>	<u>1,826</u>
Balances - end of the year	<u>\$ 166,651</u>	<u>\$ 2,293</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 364	\$ (3,335)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
Accounts payable	(453)	-
Accrued payroll liabilities	520	
Due to other governmental agencies	14	-
	<u>14</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 445</u>	<u>\$ (3,335)</u>

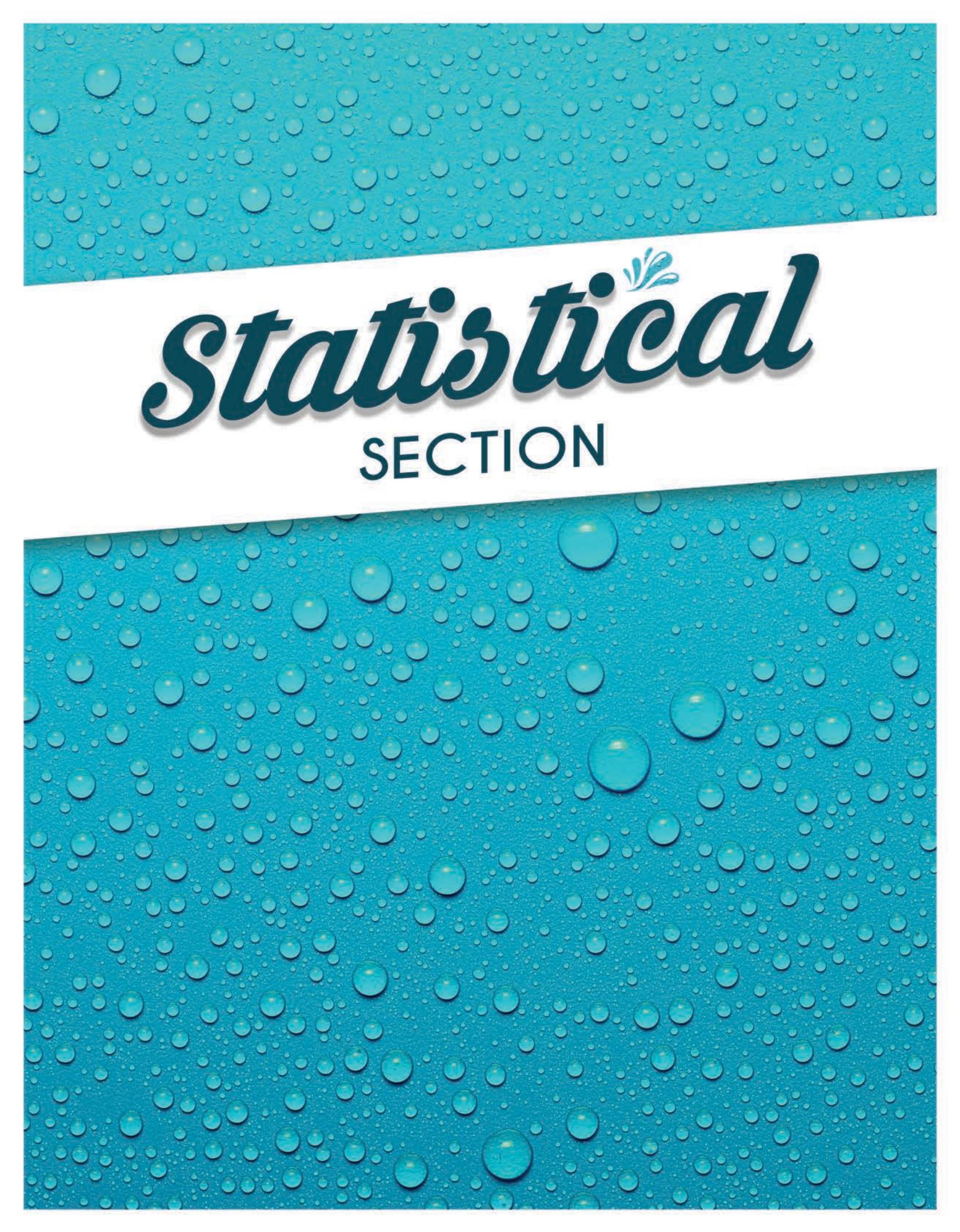
**CITY OF SAND SPRINGS, OKLAHOMA
SCHEDULE OF DEBT COVERAGE
For the fiscal year ended June 30, 2016**

	Series 2003, 2004, 2005, 2006, 2009, 2012 & 2013 OWRB Notes and <u>Series 2012 Revenue Bond</u>
Gross Revenue Available for Debt Service:	
Charges for services:	
Water charges	\$ 7,385,876
Wastewater charges	3,217,602
Sales tax pledged and transferred	<u>3,059,536</u>
Total Gross Revenues Available	<u>13,663,014</u>
 Operating Expenses:	
Water	4,437,948
Wastewater	<u>2,158,545</u>
Total Operating Expenses	<u>6,596,493</u>
 Net Revenues Available for Debt Service	 <u>\$ 7,066,521</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>196%</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.

**CITY OF SAND SPRINGS, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Federal/State Grantor/Pass Through Agency Grantor/Program Title</u>	<u>Federal CFDA#</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
<u>U. S. DEPARTMENT OF TRANSPORTATION:</u>			
Airport Improvement Program	20.106	\$ 53,280	\$ 53,280
Airport Improvement Program	20.106	380,895	354,140
		<u>434,175</u>	<u>407,420</u>
Passed Through Oklahoma Highway Safety Office:			
State and Community Highway Safety	20.600	48,720	18,238
State and Community Highway Safety	20.600	50,000	31,880
		<u>98,720</u>	<u>50,118</u>
Total U. S. Department of Transportation		<u>532,895</u>	<u>457,538</u>
<u>U. S. DEPARTMENT OF JUSTICE:</u>			
Bulletproof vests	16.607	3,979	2,352
Total Department of Justice		<u>3,979</u>	<u>2,352</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Federal Emergency Management Agency:			
Passed through Oklahoma Civil Emergency Management:			
Emergency Management Preparedness Grant	97.042	20,000	15,609
		<u>20,000</u>	<u>15,609</u>
Assistance to Firefighters Grant	97.044	159,091	158,946
		<u>159,091</u>	<u>158,946</u>
Total Federal Emergency Management Agency		<u>179,091</u>	<u>174,555</u>
 TOTAL FEDERAL AWARDS		 <u>\$ 715,965</u>	 <u>\$ 634,445</u>

The background of the entire page is a vibrant blue color, densely populated with numerous water droplets of varying sizes. The droplets are rendered with realistic shading and highlights, giving them a three-dimensional appearance. The top and bottom portions of the page are dominated by this droplet pattern, while the middle section is a white diagonal band containing the text.

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, 2016
 TABLE 1

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$25,487,774	\$26,609,943	\$27,381,827	\$28,851,218	\$30,526,321	\$30,816,820	\$32,505,624	\$33,255,246	\$33,248,179	\$18,346,326
Restricted	4,678,135	6,438,915	7,083,138	7,722,731	8,138,469	8,213,492	8,213,492	9,112,520	10,589,915	25,072,566
Unrestricted (deficit)	3,460,471	3,735,791	3,938,052	4,256,358	4,635,252	6,649,538	7,604,073	4,246,875	(1,644,109)	(716,374)
Total governmental activities net position	\$33,626,380	\$36,784,649	\$38,403,017	\$40,830,307	\$43,300,042	\$45,679,850	\$48,323,189	\$46,614,641	\$42,193,985	\$42,702,518
Business-type activities										
Net investment in capital assets	\$42,403,325	\$48,620,995	\$49,632,325	\$49,617,735	\$51,590,911	\$51,114,327	\$50,561,549	\$50,419,150	\$51,548,644	\$53,054,629
Restricted	593,305	605,905	612,159	623,522	602,187	573,042	2,698,557	2,468,184	2,385,880	2,403,088
Unrestricted	9,710,518	8,616,261	8,881,754	10,182,084	11,623,672	14,033,434	18,929,949	22,510,729	22,744,600	23,551,877
Total business-type activities net position	\$52,707,148	\$57,843,161	\$59,126,238	\$60,423,341	\$63,816,770	\$65,720,803	\$72,190,055	\$75,398,063	\$76,679,124	\$79,009,594
Primary government										
Net investment in capital assets	\$67,891,099	\$75,230,938	\$77,014,152	\$78,468,953	\$82,117,232	\$81,931,147	\$83,067,173	\$83,674,396	\$84,796,823	\$71,400,955
Restricted	5,271,440	7,044,820	7,695,297	8,346,253	8,740,656	8,786,534	10,912,049	11,580,704	12,975,795	27,475,654
Unrestricted	13,170,989	12,352,052	12,819,806	14,438,442	16,258,924	20,682,972	26,534,022	26,757,604	21,100,491	22,835,503
Total primary government net position	\$86,333,528	\$94,627,810	\$97,529,255	\$101,253,648	\$107,116,812	\$111,400,653	\$120,513,244	\$122,012,704	\$118,873,109	\$121,712,112

CITY OF SAND SPRINGS, OKLAHOMA
CHANGES IN NET ASSETS
 Last Ten Fiscal Years
 June 30, 2016
 TABLE 2

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Government activities:										
Governmental activities:										
Government government	\$ 660,936	\$ 947,343	\$ 965,662	\$ 945,967	\$ 1,082,775	\$ 1,433,226	\$ 1,164,073	\$ 2,662,169	\$ 1,322,426	\$ 1,382,934
Planning and zoning	166,669	224,498	167,527	155,859	107,071	156,231	123,879	136,407	101,842	155,897
Financial administration	826,693	797,290	768,416	635,064	677,511	655,916	778,035	891,880	826,352	797,905
Public Safety	6,611,563	8,446,033	7,357,456	7,183,822	7,184,873	7,824,047	8,239,023	8,482,160	8,211,241	8,831,758
Highways and streets	2,738,366	3,244,249	2,662,136	2,110,331	2,136,980	2,562,148	2,306,716	2,295,442	2,280,869	1,917,538
Health and Welfare	65,755	69,808	67,528	78,942	220,668	55,807	35,958	38,152	34,322	31,587
Culture and recreation	1,085,249	1,190,069	1,232,443	988,997	712,249	1,103,527	1,181,165	1,334,749	1,286,258	1,368,145
Economic development	245,110	201,337	177,654	169,517	186,419	346,436	503,795	718,360	614,822	887,161
Facilities Mgmt & Fleet Maint	666,365	582,302	531,806	523,629	486,409	453,988	606,146	600,341	595,485	619,711
Interest on long-term debt	413,384	453,445	404,049	352,741	316,308	222,039	186,830	202,090	220,338	491,729
Total governmental activities expenses	<u>13,480,090</u>	<u>16,156,374</u>	<u>14,334,877</u>	<u>13,144,869</u>	<u>13,160,423</u>	<u>14,764,205</u>	<u>15,125,620</u>	<u>17,361,750</u>	<u>15,493,955</u>	<u>16,484,365</u>
Business-type activities:										
Water	5,958,896	5,977,518	5,551,089	5,710,896	5,488,136	5,643,653	7,276,661	7,217,517	6,960,079	7,582,078
Wastewater	2,938,901	3,135,457	3,680,021	3,287,638	3,111,019	4,082,209	3,454,771	3,542,099	3,699,133	3,463,644
Solid Waste	1,206,394	1,252,313	1,248,133	1,264,220	1,316,341	1,316,341	1,343,240	1,373,312	1,383,708	1,356,840
Stormwater	265,620	336,197	312,960	344,514	341,465	324,183	325,681	387,534	341,828	673,179
Airport	672,050	645,473	580,753	523,944	547,780	645,081	646,802	765,017	706,851	869,466
Golf course	843,319	872,651	768,141	806,336	797,618	832,127	788,392	818,843	914,668	1,042,559
Total business-type activities expenses	<u>11,885,180</u>	<u>12,219,609</u>	<u>12,141,097</u>	<u>11,917,548</u>	<u>11,552,754</u>	<u>12,843,594</u>	<u>13,835,547</u>	<u>14,104,322</u>	<u>13,996,267</u>	<u>14,987,766</u>
Total primary government expenses	<u>\$ 25,365,270</u>	<u>\$ 28,375,983</u>	<u>\$ 26,475,774</u>	<u>\$ 25,062,417</u>	<u>\$ 24,713,177</u>	<u>\$ 27,607,799</u>	<u>\$ 28,961,167</u>	<u>\$ 31,466,072</u>	<u>\$ 29,490,222</u>	<u>\$ 31,472,131</u>
Program Revenues										
Government activities:										
Charges for services:										
General government	\$ 231,003	\$ 257,035	\$ 319,310	\$ 214,752	\$ 258,705	\$ 276,483	\$ 306,843	\$ 303,965	\$ 214,664	\$ 210,245
Planning and zoning	11,248	11,131	9,758	10,206	8,424	10,033	10,220	9,873	5,482	5,190
Public safety	308,505	920,555	1,033,857	1,262,554	1,127,012	1,217,555	1,134,480	1,201,771	1,101,018	1,103,750
Highways and streets	1,625	1,155	1,275	1,545	1,180	1,475	1,298	1,294	386	114
Culture and recreation	39,197	29,641	59,683	59,997	71,802	84,991	99,001	104,868	100,759	101,860
Operating grants and contributions	1,058,660	1,937,238	927,006	967,138	1,231,916	1,650,439	1,366,190	1,105,579	1,013,534	1,296,996
Capital grants and contributions	1,918,152	3,033,280	500,299	821,415	182,110	395,186	3,237,687	78,024	1,434,539	620,064
Total governmental activities program revenues	<u>3,568,390</u>	<u>6,190,015</u>	<u>2,851,188</u>	<u>3,337,607</u>	<u>2,881,149</u>	<u>3,636,162</u>	<u>6,155,719</u>	<u>2,805,374</u>	<u>3,870,382</u>	<u>3,338,219</u>

TABLE 2

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Water	6,472,253	6,447,181	6,548,363	6,383,640	6,743,572	7,444,684	7,692,277	7,838,862	7,394,814	7,676,330
Wastewater	2,570,584	2,611,383	2,663,316	2,615,660	2,783,389	2,926,048	3,122,031	3,305,188	3,269,735	3,233,067
Solid Waste	1,289,409	1,332,182	1,409,823	1,519,914	1,575,918	1,622,290	1,725,143	1,794,651	1,841,535	1,906,505
Stormwater	423,312	430,029	435,950	495,067	575,355	701,081	848,193	1,016,272	1,143,193	1,183,770
Airport	222,268	234,067	229,342	222,551	242,640	344,829	340,534	398,421	413,053	418,815
Golf course	452,656	410,977	444,065	414,739	470,994	542,909	506,516	535,236	524,171	571,012
Operating grants and contributions	-	-	-	-	167,252	25,100	-	-	2,208	-
Capital grants and contributions	1,448,481	3,857,066	184,335	1,399,517	1,428,524	304,391	3,347,274	673,634	157,268	354,139
Total business-type activities program revenues	12,878,963	15,322,895	11,915,194	13,051,088	13,987,644	13,883,332	17,581,968	15,562,264	14,745,977	15,343,638
Total primary government program revenues	\$ 16,447,353	\$ 21,152,910	\$ 14,766,382	\$ 16,388,695	\$ 16,868,793	\$ 17,519,494	\$ 23,737,687	\$ 18,367,638	\$ 18,616,359	\$ 18,681,857
Net (Expense)/Revenue										
Government activities:	\$ (9,911,700)	\$ (9,966,359)	\$ (11,483,488)	\$ (9,807,262)	\$ (10,279,274)	\$ (11,128,043)	\$ (8,969,901)	\$ (14,556,376)	\$ (11,623,573)	\$ (13,146,146)
Business-type activities:	983,783	3,103,286	(225,903)	1,133,540	2,434,890	1,039,738	3,746,421	1,457,942	749,710	355,872
Total primary government net expense	\$ (8,917,917)	\$ (6,863,073)	\$ (11,709,392)	\$ (8,673,722)	\$ (7,844,384)	\$ (10,088,305)	\$ (5,223,480)	\$ (13,098,434)	\$ (10,873,863)	\$ (12,790,274)
General Revenues and Other Changes in Net Assets										
Government activities:										
Taxes:										
Sales and use taxes	\$ 9,923,881	\$ 10,236,749	\$ 10,109,396	\$ 9,238,802	\$ 9,595,485	\$ 10,493,465	\$ 10,555,793	\$ 10,883,650	\$ 11,070,144	\$ 11,114,194
Property taxes	1,366,579	1,227,930	1,243,884	1,246,910	1,207,441	1,145,387	1,172,499	406,950	1,497,025	1,296,849
Franchise and public service taxes	1,092,544	1,118,390	1,188,713	850,678	845,865	817,700	845,444	833,193	856,339	792,394
Other taxes	1,178,664	1,168,310	1,195,425	1,156,779	1,213,471	1,321,145	1,396,360	1,479,104	1,448,920	1,539,832
Unrestricted grants and contributions	164,064	282,188	282,315	328,756	337,019	306,994	526,006	723,417	1,079,758	399,296
Investment earnings	665,958	535,617	303,822	181,840	187,952	221,243	192,065	189,547	201,361	274,233
Miscellaneous	103,704	301,570	13,425	28,495	277,837	38,446	75,382	36,714	48,281	134,148
Special item	-	-	-	296,703	-	-	-	-	-	-
Transfers	(717,269)	(1,746,122)	(1,235,120)	(1,094,411)	(916,062)	(836,527)	(3,018,162)	(1,704,747)	(397,664)	(1,856,367)
Total governmental activities	13,788,125	13,124,632	13,101,860	12,234,552	12,749,008	13,507,853	11,696,387	12,847,828	15,804,164	13,694,679
Business-type activities:										
Investment earnings	483,795	282,182	256,198	120,158	40,910	26,365	42,218	39,496	48,937	75,790
Special item	-	-	-	-	-	(1,523)	-	-	-	-
Miscellaneous	6,380	4,426	17,662	873	1,567	3,844	2,738	5,823	84,750	42,441
Transfers	717,269	1,746,122	1,235,120	1,094,411	916,062	836,213	3,018,162	1,704,747	397,664	1,856,367
Total business-type activities	1,217,444	2,032,730	1,508,980	1,215,442	958,539	864,899	3,063,118	1,750,066	531,351	1,974,598
Total primary government	\$ 14,985,569	\$ 15,157,362	\$ 14,610,840	\$ 13,449,994	\$ 13,707,547	\$ 14,372,752	\$ 14,759,505	\$ 14,597,894	\$ 16,335,515	\$ 15,629,277
Change in Net Assets										
Government activities	\$ 3,856,425	\$ 3,158,273	\$ 1,618,371	\$ 2,427,290	\$ 2,469,734	\$ 2,379,810	\$ 2,726,486	\$ (1,708,548)	\$ 4,180,591	\$ 508,533
Business-type activities	2,211,227	5,136,016	1,283,077	2,348,982	3,393,429	1,904,637	6,809,539	3,208,008	1,281,061	2,330,470
Total primary government	\$ 6,067,652	\$ 8,294,289	\$ 2,901,448	\$ 4,776,272	\$ 5,863,163	\$ 4,284,447	\$ 9,536,025	\$ 1,499,460	\$ 5,461,652	\$ 2,839,003

CITY OF SAND SPRINGS, OKLAHOMA
 FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 June 30, 2016
 TABLE 3

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund	\$ 1,045,543	\$ 882,736	\$ 430,283	\$ 484,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	1,570,957	2,224,572	3,032,268	2,645,547	-	-	-	-	-	-
Unreserved	-	-	-	-	23,616	22,597	22,982	30,035	18,653	21,720
Nonspendable	-	-	-	-	269,763	319,094	400,085	524,551	680,401	712,637
Restricted	-	-	-	-	-	-	-	-	240,318	-
Committed	-	-	-	-	1,052,274	1,322,428	1,432,738	1,825,667	2,283,351	1,718,537
Assigned	-	-	-	-	2,785,293	3,161,144	3,320,280	3,129,894	3,268,415	3,172,263
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	\$ 2,616,500	\$ 3,107,308	\$ 3,462,551	\$ 3,130,337	\$ 4,130,946	\$ 4,825,263	\$ 5,176,085	\$ 5,510,147	\$ 6,491,138	\$ 5,625,157
All Other Governmental Funds										
Reserved	\$ 5,131,179	\$ 1,260,303	\$ 1,426,121	\$ 4,198,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	545,923	390,572	562,483	599,264	-	-	-	-	-	-
Debt service funds	1,263,778	1,139,456	1,102,825	1,080,982	-	-	-	-	-	-
Capital project funds	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	17,685,547	32,247,352
Committed	-	-	-	-	26,000	43,536	-	-	-	-
Assigned	-	-	-	-	2,985,162	4,787,572	4,395,998	7,643,981	7,357,725	6,842,117
Unassigned	-	-	-	-	(697,538)	(973,423)	(36,827)	-	(33)	(34,926)
Total all other governmental funds	\$ 16,188,245	\$ 11,525,773	\$ 12,014,684	\$ 13,711,517	\$ 14,301,210	\$ 16,898,852	\$ 20,706,236	\$ 25,132,827	\$ 25,043,239	\$ 39,054,543
GRAND TOTAL	\$ 18,804,745	\$ 14,633,081	\$ 15,477,235	\$ 16,841,854	\$ 18,432,156	\$ 21,724,115	\$ 25,882,321	\$ 30,642,974	\$ 31,534,377	\$ 44,679,700

Note: GASB 54 was implemented in fiscal year 2011. Years prior to implementation of GASB 54 have not been restated.

CITY OF SAND SPRINGS, OKLAHOMA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 June 30, 2016
TABLE 4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 13,521,336	\$ 13,771,835	\$ 13,728,301	\$ 12,444,830	\$ 12,908,683	\$ 13,786,404	\$ 14,096,209	\$ 14,018,930	\$ 15,373,972	\$ 14,786,346
Intergovernmental	1,424,660	2,484,795	1,572,496	1,769,104	1,675,578	2,356,440	4,430,432	4,430,432	2,753,093	2,643,976
Charges for services	458,241	1,061,311	1,046,901	1,023,287	1,069,579	1,145,909	1,099,110	1,142,732	1,064,055	1,064,286
Fines and forfeitures	154,594	205,494	252,006	302,569	371,277	413,805	415,268	432,401	393,102	317,876
Licenses and permits	128,184	114,291	132,115	150,813	112,131	173,722	194,444	177,498	141,721	138,566
Investment income	817,798	768,500	450,644	250,813	450,644	62,465	69,717	68,370	114,015	161,670
Miscellaneous	216,008	402,072	166,948	591,137	465,838	199,827	288,530	561,977	287,885	295,991
Total Revenues	\$ 16,720,821	\$ 18,808,298	\$ 17,349,411	\$ 16,497,045	\$ 16,751,843	\$ 18,096,572	\$ 20,593,710	\$ 18,377,555	\$ 20,127,843	\$ 19,408,511
Expenditures:										
General government	\$ 566,298	\$ 758,973	\$ 752,642	\$ 756,851	\$ 671,627	\$ 778,817	\$ 875,356	\$ 835,759	\$ 856,027	\$ 1,051,201
Planning and zoning	164,969	223,746	167,431	156,007	154,985	103,903	121,776	140,877	101,272	152,352
Financial administration	774,229	787,438	763,458	643,633	571,438	654,358	763,850	795,667	795,137	766,834
Public safety	6,283,029	7,982,580	6,908,601	6,798,342	6,750,855	7,071,741	7,465,352	8,012,482	8,194,641	8,896,588
Highways and streets	918,413	898,688	904,388	853,007	827,865	648,994	643,840	675,929	664,245	628,541
Health and welfare	60,978	65,526	62,815	71,857	51,842	51,572	32,088	34,219	31,108	28,577
Culture and recreation	985,803	1,069,565	1,021,500	845,083	700,856	919,003	934,028	1,086,835	1,055,016	1,066,160
Economic development	244,891	215,964	160,612	143,509	137,435	341,095	493,817	697,993	586,018	874,858
Facilities Mgmt & Fleet Maint	560,109	578,014	527,770	523,870	478,511	454,319	703,484	716,874	709,666	728,308
Water	-	-	-	-	42,221	14,989	7,293,491	-	-	-
Capital outlay	5,325,002	9,717,407	5,220,108	5,055,225	6,649,063	5,097,127	7,293,491	5,966,389	21,014,013	18,065,850
Debt service	1,408,531	1,374,779	946,003	946,030	943,896	507,967	991,142	1,030,859	1,035,360	1,173,192
Principal	488,287	440,853	402,579	361,914	325,066	233,420	179,312	172,495	212,826	499,308
Interest	17,780,539	24,111,533	17,837,907	17,155,328	18,305,460	16,877,305	20,497,536	20,166,378	35,255,329	33,931,769
Total Expenditures	\$ (1,059,718)	\$ (5,303,235)	\$ (488,496)	\$ (658,283)	\$ (1,553,617)	\$ 1,219,267	\$ 96,174	\$ (1,788,823)	\$ (15,127,486)	\$ (14,523,258)
Excess of revenues over(under) expenditures	\$ 12,142	\$ 408,047	\$ -	\$ -	\$ -	\$ -	\$ 496,304	\$ 2,367,241	\$ 714,217	\$ 18,436,354
Other financing sources(uses)										
Issuance of debt	9,007,653	8,724,058	6,723,405	7,922,227	8,608,201	8,856,527	10,696,533	11,118,523	22,278,068	18,080,343
Transfers in	(6,418,316)	(8,000,529)	(5,390,750)	(5,899,323)	(5,464,282)	(6,307,866)	(7,130,805)	(6,936,288)	(6,973,396)	(6,538,116)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	2,540,000	-	-	-	-
Premium on bonds sold	-	-	-	-	-	-	-	-	-	-
Payment of issue costs	-	-	-	-	-	(74,611)	-	-	-	-
Transfer to bond escrow	-	-	-	-	-	(2,941,356)	-	-	-	-
Total other financing sources(uses)	\$ 2,601,479	\$ 1,131,576	\$ 1,332,655	\$ 2,022,904	\$ 3,143,919	\$ 2,072,694	\$ 4,062,032	\$ 6,549,476	\$ 16,018,889	\$ 27,668,581
Net change in fund balances	\$ 1,541,761	\$ (4,171,659)	\$ 844,159	\$ 1,364,621	\$ 1,590,302	\$ 3,291,961	\$ 4,158,206	\$ 4,760,653	\$ 891,403	\$ 13,145,323
Debt service as a percentage of noncapital expenditures	15.2%	12.6%	8.2%	8.6%	7.8%	4.7%	9.7%	8.5%	9.6%	11.8%

CITY OF SAND SPRINGS, OKLAHOMA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 Last Ten Fiscal Years
 June 30, 2016
TABLE 5

Fiscal Year	Ad Valorem Tax	Sales Tax	Franchise Tax	Hotel/Motel Tax	Use Tax	Emergency Telephone Tax	Payment in Lieu of Taxes	Abatement Tax	Incremental Property Tax	Totals
2007	1,355,511	9,631,280	1,092,544	124,960	292,601	149,711	903,993	11,068	-	13,561,668
2008	1,227,990	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	-	12,483,169
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
2015	1,300,990	10,631,021	856,339	153,898	439,123	135,272	1,124,972	18,762	713,655	15,373,972
2016	1,250,740	10,708,375	792,394	193,952	405,819	129,772	1,161,172	34,015	110,107	14,786,346

REVENUE CAPACITY

CITY OF SAND SPRINGS OKLAHOMA
SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years
 June 30, 2016
TABLE 6

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund Operations	1.980 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %
TIF District (Economic Development)	0.036	-	-	-	-	-	-	-	-	-
Water & Wastewater Improvements	0.989	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Street Improvements	0.495	0.500	0.500	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	1.250 %	1.250 %	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	0.850	0.850	0.850	0.920	0.920
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)	9.250	9.250 %	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 %	8.850 %	8.850 %	8.850 %	8.920 %	8.920 %

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, 2016
TABLE 7

Category	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Manufacturing	\$ 6,190,383	\$ 5,953,722	\$ 5,821,246	\$ 4,579,167	\$ 4,865,836	\$ 6,474,226	\$ 6,733,569	\$ 7,564,199	\$ 7,255,899	\$ 7,135,431
Telecommunications & Other	9,528,113	9,885,585	10,297,993	10,464,868	10,386,773	11,683,916	8,223,040	6,143,900	6,439,582	6,368,003
Public Utilities	20,948,925	19,909,178	19,411,239	11,989,841	17,945,755	18,032,682	16,426,109	18,203,837	19,469,901	18,374,328
Wholesale trade	12,742,978	12,861,982	11,221,153	8,751,312	10,278,070	17,835,578	15,467,491	18,781,723	16,877,375	18,999,974
Retail - Building Materials	9,741,230	8,970,844	8,588,221	7,407,764	6,342,063	8,787,999	8,603,061	7,670,664	9,717,333	7,205,809
Retail - General Merchandise	114,331,070	118,663,516	120,144,526	112,456,892	106,016,119	109,547,834	104,402,935	105,798,763	106,713,323	104,434,347
Retail - Food	25,096,753	26,301,397	26,984,740	26,082,097	27,023,835	28,800,036	36,373,046	32,841,537	34,151,564	42,613,748
Retail - Automotive	8,242,938	8,708,689	9,161,857	9,084,846	9,753,355	9,667,077	10,541,623	10,321,611	10,662,095	9,040,782
Retail - Apparel	3,583,126	3,424,991	2,966,055	2,784,830	2,937,195	3,043,655	3,391,412	3,428,369	3,332,375	3,594,669
Retail - Furniture & Accessories	7,363,451	8,673,964	8,855,436	8,025,192	7,776,746	6,990,153	10,123,520	11,209,826	10,823,357	9,952,364
Retail - Restaurants	29,871,371	32,536,241	31,440,715	30,529,296	33,419,129	38,597,334	36,561,022	36,421,806	38,056,035	41,034,691
Retail - Miscellaneous	15,070,351	15,218,655	14,385,069	13,908,037	14,647,439	16,173,648	17,209,459	18,972,661	19,403,128	15,673,799
Retail - Hotel	2,480,909	2,578,607	2,242,911	1,853,185	1,917,219	1,923,991	2,060,773	2,487,256	576,134	1,691,857
Services - Business	6,426,879	3,983,746	4,518,959	1,509,937	1,432,019	1,335,123	2,843,803	1,847,657	2,370,215	884,919
Services - Other	5,814,532	6,729,053	6,484,679	8,785,053	8,660,226	10,557,317	9,040,125	11,781,384	11,509,395	11,975,167
All Other Categories	728,657	1,956,101	1,194,079	1,469,187	1,494,020	1,363,093	1,853,813	8,659,817	9,287,849	8,874,337
Total	\$ 278,161,666	\$ 286,356,071	\$ 283,718,878	\$ 259,691,506	\$ 264,895,799	\$ 290,813,662	\$ 289,854,801	\$ 302,135,010	\$ 306,645,560	\$ 307,854,225

Source:

- Oklahoma Tax Commission

Note:

- The City is prohibited by state law from reporting individual sales tax payers.
- 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, 2016
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
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
2015	104,590,024	20,304,774	6,397,195	131,291,993	4,073,410	127,218,583	10.50	1,193,563,573
2016	107,629,055	19,617,887	6,364,548	133,611,490	4,020,860	129,590,630	9.70	1,214,649,909

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, 2016
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	
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	
2015	10.50	72.61	22.23	7.21	13.33	125.88	
2016	9.70	72.31	22.22	7.21	13.33	124.77	
2017	8.70	71.51	22.24	7.21	13.33	122.99	

The levy certified to the tax rolls for the upcoming fiscal year is as follows:

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, 2016
TABLE 10

	2016			2007		
	Type of Business	Taxable Assessed Value	Percentage of Net Total Assessed Value	Rank	Taxable Assessed Value	Percentage of Net Total Assessed Value
Chemlink Inc/Baker Petrolite	Manufacturing	6,253,283	4.69%	1	2,378,278	2.21%
Wecco Industries/Southwest Tube	Manufacturing	5,115,786	3.83%	2	2,708,978	2.52%
Public Service Co of Okla	Utility	3,884,392	2.91%	3	2,369,500	2.20%
Wal-Mart	Retail	2,549,742	1.91%	4	2,276,277	2.12%
Sand Springs Home	Real Estate	1,443,194	1.08%	5	1,337,518	1.24%
Highland Crossing	Apartment	1,295,317	0.97%	6	—	—
Yellowhouse Machinery	Equipment	1,104,844	0.83%	7	1,009,829	0.94%
Gerdau Ameristeel	Manufacturing	1,007,204	0.75%	8	6,487,926	6.03%
RockTenn/Stone Container Corp	Manufacturing	997,168	0.75%	9	—	—
Sand Springs Railway Co	Estate	899,147	0.67%	10	1,143,692	1.06%
Cust-O-Fab/B P Enterprises	Manufacturing	897,552	0.67%	11	—	—
Holiday Inn Express	Hotel	733,352	0.55%	12	—	—
Oklahoma Natural Gas Co	Utility	718,461	0.54%	13	—	—
Green Tree	Real Estate	650,386	0.49%	14	946,900	0.88%
AT&T	Utility	630,241	0.47%	15	1,216,318	1.13%
Totals		<u>\$ 28,180,069</u>	<u>21.11%</u>		<u>\$ 21,875,216</u>	<u>20.33%</u>

Source:
 1. Tulsa County Assessors Office

CITY OF SAND SPRINGS, OKLAHOMA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
June 30, 2016
TABLE 11

Fiscal Year	Actual Levy Year	Tax Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections To Date		Net Assessed Value	Mill Levy
			Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy		
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
2015	2014	\$ 1,335,530	\$ 1,281,373	96%	\$ 19,557	\$ 1,300,930	97.4%	\$ 129,590,630	10.50
2016	2015	\$ 1,256,849	\$ 1,201,748	96%	\$ 48,992	\$ 1,250,740	99.5%	\$ 129,590,630	9.70

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

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, 2016
 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
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
2015	19,553	129,590,630	6,255,000	738,998	5,516,002	4.26%	282
2016	19,783	129,590,630	5,245,000	783,195	4,461,805	3.44%	226

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, 2016
TABLE 13

Jurisdiction	Net Debt Outstanding	Percentage (1) Applicable to City of Sand Springs	Amount Applicable to City of Sand Springs
City of Sand Springs	\$ 5,245,000	100.00%	\$ 5,245,000
Overlapping Debt: Sand Springs School District	17,265,000	75.05%	12,957,383
Berryhill School District	2,560,000	21.07%	539,392
Tulsa County	0	2.44%	0
Tulsa Community College	0	2.49%	0
Total overlapping debt	<u>19,825,000</u>		<u>13,496,775</u>
Total Direct and Overlapping Debt	<u>\$ 25,070,000</u>		<u>\$ 18,741,775</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, 2016
TABLE 14

	Fiscal Year										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 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	\$ 12,721,858	\$ 12,959,063
Total net debt applicable to limit	<u>7,945,207</u>	<u>7,682,782</u>	<u>7,064,679</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>	<u>5,163,023</u>	<u>4,329,211</u>
Legal debt margin	\$ 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	\$ 7,558,835	\$ 8,629,852
Total net debt applicable to the limit as a percentage of debt limit	84.96%	77.18%	64.42%	55.68%	47.03%	43.51%	38.92%	33.43%	46.19%	40.56%	33.41%
Legal Debt Margin Calculation for Fiscal Year 2016											
Net assessed valuation	\$ 129,590,630										
Debt limit (10% of total assess value)	\$ 12,959,063										
Debt applicable to limit:											
General obligation bonds	\$ 5,245,000										
Less: Street bonds outstanding	915,789										
Total net debt applicable to limit	<u>4,329,211</u>										
Legal debt margin	<u>\$ 8,629,852</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
PLEGDED REVENUE COVERAGE
Last Ten Fiscal Years
June 30, 2016
TABLE 15**

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for		Average Annual Debt Service (1)	Debt Service Coverage
			Debt Service	Debt Service		
2007	11,510,750	5,571,560	5,939,190	898,125	898,125	6.61
2008	11,668,999	6,006,857	5,662,142	898,125	898,125	6.30
2009	11,883,093	5,773,039	6,110,054	898,125	898,125	6.80
2010	11,387,089	5,250,446	6,136,643	779,905	779,905	7.87
2011	12,028,674	5,292,914	6,735,760	779,905	779,905	8.64
2012	13,069,529	5,465,821	7,603,708	0	0	N/A
2013	13,544,073	5,715,422	7,828,651	1,675,637	1,675,637	4.67
2014	14,053,576	6,023,712	8,029,864	1,675,637	1,675,637	4.79
2015	13,527,517	6,334,327	7,193,190	1,675,637	1,675,637	4.29
2016	13,912,884	6,595,546	7,317,338	1,675,637	1,675,637	4.22

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 \$1,927,071 with coverage computed at 3.67.

CITY OF SAND SPRINGS, OKLAHOMA
RATIO FOR OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
June 30, 2016
TABLE 16

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds Payable	Capital Leases Payable	Revenue Bonds Payable	Unamortized Premium/Discount	Notes Payable	Capital Leases Payable			
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	4%	2,406
2014	7,165,000	-	514,814	29,830,000	67,773	8,146,832	-	45,724,419	4%	2,364
2015	6,255,000	-	1,104,003	29,170,000	69,197	7,411,830	-	44,010,030	4%	2,248
2016	5,245,000	16,000,000	940,810	28,495,000	70,621	6,757,973	-	57,509,404	4%	2,907



DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF SAND SPRINGS, OKLAHOMA
BUILDING PERMITS, CONSTRUCTION AND BANK DEPOSITS
 Last Ten Calendar Years
 June 30, 2016
 TABLE 17

Calendar Year	Number of Building Permits	Construction Values		Total	Estimated Actual Value of Taxable Property	Bank Deposits
		Residential	Commercial			
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
2014	238	14,969,551	17,720,381	32,689,932	1,193,563,573	329,335,000
2015	179	9,875,122	12,403,063	22,278,185	1,214,649,909	319,397,000

Source:
 1. City Neighborhood Services Department

CITY OF SAND SPRINGS, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Calendar Years
 June 30, 2016
TABLE 18

Calendar Year	Population (1)	Current Personal Income (thousands of dollars)	Per Capita Personal Income (MSA)	Median Age of Population (3)	School Enrollment (4)	Unemployment Rate (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	1,057,975 *	55,345 *	36.2	5,315	5.2%
2013	19,339	1,050,146 *	54,302 *	36.5	5,336	4.6%
2014	19,553	1,102,809	56,401	34.3	5,236	4.3%
2015	19,783	1,361,723	68,833	34.3	5,141	5.6%

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 2012 and 2013 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, 2016
TABLE 19

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Sand Springs Schools	612	1	8.75%	645	1	9.76%
Webco	432	2	6.17%	435	4	6.58%
Wal Mart	350	3	5.00%	502	2	7.60%
Piping Enterprise	233	4	3.53%	100	11	1.51%
Cust-O-Fab	193	5	2.76%	167	8	2.53%
City of Sand Springs	190	6	2.72%	274	6	4.15%
Baker Petrolite	157	7	2.24%	140	9	2.12%
Osage Million Dollar Elm	145	8	2.07%	—	—	—
Tulsa Community College	118	9	1.69%	221	7	3.35%
Keystone Chevrolet	108	10	1.54%	96	12	1.45%
Totals	2,538		36.47%	2,580		39.06%

Source:

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

Note:

1. 2016 percentage is based on the U S Census Bureau 2014 totals
2. 2007 numbers total 6,606 and 2014 numbers total 6,998
3. The total number of employees includes full and part time employees



Sand Springs

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OPERATING INFORMATION

CITY OF SAND SPRINGS OKLAHOMA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 June 30, 2016
TABLE 20

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	5	7	7	5	5	6	8	8	9	9
Planning and Zoning	1	1	1	1	1	1	1	2	2	2
Financial Administration	22	22	20	18	16	19	17	13	13	13
Public Safety	85	87	84	82	76	79	79	86	85	86
Highways and Streets	14	14	12	12	8	9	9	9	9	9
Culture and Recreation	13	14	14	11	7	6	6	8	8	8
Economic Development	1	1	1	1	1	1	1	1	1	1
Facilities Management & Maint	10	10	10	10	8	9	10	10	10	10
Water Operations	33	33	32	32	31	31	31	32	33	33
Stormwater	1	1	1	1	1	1	0	0	0	1
Wastewater Operations	20	20	19	19	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	0	0	0	0	0	0	0
Total	222	225	230	204	185	193	193	200	201	203

Source:
 1. City Finance Office

CITY OF SAND SPRINGS OKLAHOMA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
June 30, 2016
TABLE 21

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	31	31	33	33	33	38	38	40	36	33
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Trucks	10	11	11	11	13	13	9	10	10	10
Highways and Streets										
Roadways (arterial lane miles)	170	170	170	170	170	172	173	173	173	173
Streetslights	1,074	1,096	1,208	1,209	1,209	1,211	1,211	1,214	1,214	1,214
Signalized Intersections	18	18	18	18	18	18	18	19	19	19
Culture and Recreation										
Acreage	263	263	263	263	263	263	263	263	269	269
Tennis Courts	6	6	6	6	6	6	6	6	4	4
Ball diamonds	13	13	13	13	13	11	11	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)	426	430	431	448	452	452	454	454	455	455
Storage capacity (thousands of gallons)	6,550	7,023	7,023	7,023	7,023	6,523	6,523	6,523	6,523	6,523
Wastewater Operations										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (miles)	120	122	122	126	126	126	127	128	128	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	9	8	8	10	10	10	8	8	9	9
Stormwater Operations										
Storm sewers (miles)	50	50	50	50	50	50	51	51	51	51

Source:

1. City Departments

CITY OF SAND SPRINGS OKLAHOMA
OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 June 30, 2016
 TABLE 22

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
Number of Violations (Citations)	5,448	6,433	5,031	10,029	8,859	8,810	6,677	6,181	6,240	4,840
Fire										
Call Responses	2,866	3,452	3,054	3,033	3,475	3,959	4,023	4,114	4,226	4,386
Highways and Streets										
Streets Resurfacing (miles)	-	31	7	7	14	2	9	-	8	-
Asphalt Repairs (tons)	255	98	82	145	258	208	208	147	280	213
Culture and Recreation										
Community Center Visitors (daily average)	119	125	264	348	338	310	293	269	254	265
Water and Wastewater Operations										
Number of Water Consumers	11,007	11,059	11,151	11,828	11,774	11,767	11,836	12,008	12,027	12,134
Average Daily Water Consumption (thousands of gallons)	3,446	3,175	3,072	2,844	2,839	3,073	3,065	2,986	2,840	2,754
Number of Sewer Consumers	6,701	6,680	6,731	6,827	6,792	6,780	6,835	6,907	6,925	6,976
Solid Waste Operations										
Refuse collected (tons per day)	53.3	50.4	48.3	41.3	41.1	38.7	39.3	40.4	34.5	38.8
Active Refuse Accounts	6,703	6,740	6,789	6,883	6,850	6,859	6,911	7,038	7,048	7,107
Airport Operations										
Annual Aviation/Jet Fuel Sales ¹	38,470	34,868	30,944	29,168	30,006	47,481	43,357	62,754	64,832	84,989
Golf Operations										
Number of Rounds Played	20,533	18,269	19,942	19,542	23,880	24,919	25,254	25,699	25,201	26,884

Source: City Departments

Note:

1. FY 2007 City no longer selling jet aviation fuel



Sand Springs

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City of Sand Springs

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