

SAND SPRINGS

OKLAHOMA



Comprehensive Annual Financial Report
FOR FISCAL YEAR ENDED JUNE 30, 2019

*A Tale of One City
With Two Sides*





CITY OF SAND SPRINGS, OKLAHOMA

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

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

www.sandspringsok.org

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

**CITY OF SAND SPRINGS, OKLAHOMA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 AND ACCOMPANYING INDEPENDENT AUDITOR’S REPORTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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INTRODUCTION SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDING JUNE 30 2019





CITY OF SAND SPRINGS

100 E. Broadway St. • P.O. Box 338 • Sand Springs, Oklahoma 74063
Phone: 918.246.2500 • sandspringsok.org

December 31, 2019

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, 2019, 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, 2019. 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 20,527.

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; the Sand Springs Cultural and Historical Museum Trust Authority (SSCHMTA) is reported separately within the City's financial statements. Additional information on these legally separate entities can be found in the notes to the financial statements (see Note 1.A).

The City operates on a fiscal year basis, beginning July 1, and ending June 30. 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 The 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 local economy for Sand Springs slowed some but overall remains fairly steady. Taxable sales in fiscal year 2019 went up by 3.6% in the areas of wholesale trade, retail-food, retail-restaurants, and in the service industry. Net assessed valuation for Sand Springs also went up 2.9%. Unemployment in the metro area remains low at 3.1%. However, new construction slowed down during the year, largely in the commercial construction industry. In May 2019, Sand Springs sustained extensive damages from a major flooding event, affecting citizens as well as City property and facilities. This has contributed to the slowing of the local economy, resulting in millions of dollars in damages and months of recovery.

Major Initiatives

The City of Sand Springs worked on several large projects throughout the year designed to improve quality of life and enhance economic development opportunities. Following is a brief listing of current projects:

- **Billie A. Hall Public Safety Center-** This \$10.7M public safety complex project was completed in early summer and Sand Springs Police, Fire, and Municipal Court departments now operate out of a truly state-of-the-art public safety facility.
- **Sheffield Crossing Land Acquisition-** The City continued work on roadway, storm water and other infrastructure components at this site, along with the

clearing of the 18-acres purchased with GO bonds. The property is a top priority for the City and will be used for commercial and retail business activities. The City anticipates its first land sale at Sheffield Crossing at Sand Springs during fiscal year 2020.

- **Community Beautification-** The City has also made large investments toward improving city-wide beautification. Downtown tree plantings, a decorative screening wall and a modern litter vacuum vehicle were all part of this year's efforts to improve the community's public image. More work is planned for FY20.
- **Morrow Road Project-** This critical project to rebuild Morrow Road from Broad Street to Highway 97 was completed. The primary elements included removal of the existing 2-lane asphalt roadway, relocating an existing sanitary sewer force main, extending a new gravity sanitary sewer main, extending a new water main, and widening the roadway to 3-lanes of concrete paving. Citizens and emergency vehicle traffic can plan to enjoy this new road segment in the heart of Sand Springs for decades to come.
- **Keystone Ancient Forest Visitors Center-** This small visitors' center has undergone much planning and design work and will be ready to bid in January of 2020. Modern restrooms and a small indoor gathering area are the key components to this new addition, coming to one of Oklahoma's premier hiking destinations.
- **City of Sand Springs Municipal Building (Partial) Remodel-** Using GO Bond funds, City staff have secured an architectural design contract to remodel much of the interior of the City's century-old municipal building. With a focus on the first floor space, efficiencies in workspace, function, and customer satisfaction the redesigned space will be much more functional and secure. This project began mid-year and is anticipated to be completed in February 2020.

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, 2018. This was the 29th 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 23rd consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year 2018. 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 whom 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, 2019

MAYOR AND CITY COUNCIL

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

FINANCE COMMITTEE

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

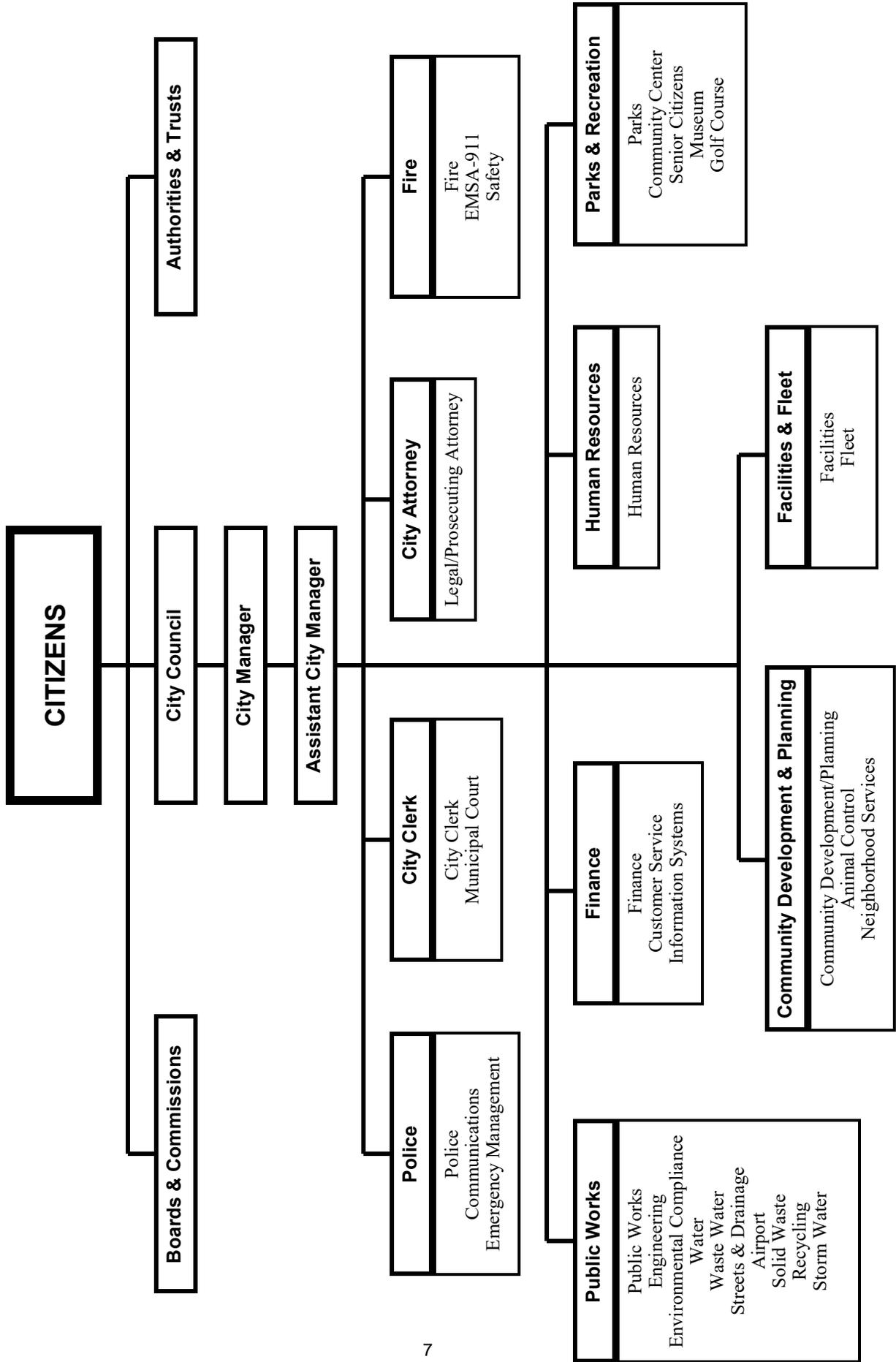
ADMINISTRATION

Elizabeth Gray	City Manager	Kelly Lamberson	Finance Director
Derek Campbell	Public Works Director	Brad Bates	City Planner
Mike Tinker	Asst City Manager	Grant Gerondale	Community Dev Director
Mike Carter	Police Chief	Mike Wood	Fire Chief
David Weatherford	City Attorney	Janice Almy	City Clerk
Amy Fairchild	Human Resources	Jeff Edwards	Parks Director

ACCOUNTING STAFF

Kelly Lamberson	Finance Director	Arlena Barnes	Budget Officer
Melissa Banker	Purchasing Agent	Jamie Muns-Dobson	Accountant
Nadine Rogers	Accounts Payable Specialist	Paula Fennell	Payroll Specialist

CITY OF SAND SPRINGS





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, 2018

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDING JUNE 30 2019





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 discretely presented component unit, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section 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 23, 2019 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 23, 2019

**MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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, 2019. 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 \$8.0 million and the assets and deferred outflows of the City continued to exceed its liabilities and deferred inflows at June 30, 2019, by \$142.2 million (net position). Of this amount, \$30.0 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2019, the City's governmental funds reported combined ending fund balances of \$40.7 million.
- At the end of fiscal year 2019, unassigned fund balance for the General Fund was \$4.0 million or 19.7% 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 a discretely presented component unit. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type, along with one discretely presented component unit. In the prior years, the City included a second discretely presented component unit; however, its activity is immaterial and not included in this report. See also Note 1.A.

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 unit -- This accounts 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, 2019

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 fund and are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City uses enterprise fund 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 31-75 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 (Asset) for both Police and Firefighter's Pension, Schedule of City Contributions for Police and Firefighter's Retirement Systems, and a Schedule of Changes in Total OPEB Liability and Related Ratios. Other supplementary information includes Combining and Individual Fund Financial Statements and Schedules, Budgetary Comparison Combining Schedules for Nonmajor Governmental Funds, Cash Flow Statements for the component unit, a Schedule of Debt Service and Schedule of Federal Awards. This information can be found on pages 77-104 of this report.

**MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

Also included in this report is the Statistical Section which can be found on pages 105-129. 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 \$99.0 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 Unit is excluded from the following table.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 30,035	\$ 36,850	\$ 29,619	\$ 28,609	\$ 59,654	\$ 65,459
Capital assets	66,560	55,125	88,993	89,308	155,553	144,433
Total assets	96,595	91,975	118,612	117,917	215,207	209,892
Deferred outflows of resources:						
Deferred amounts related to pension	2,681	2,431	-	-	2,681	2,431
Deferred amounts related to OPEB	59	14	4	7	63	21
Total deferred outflows	2,740	2,445	4	7	2,744	2,452
Liabilities:						
Long-term liabilities	38,099	40,681	32,511	34,002	70,610	74,683
Other liabilities	2,297	1,406	800	1,013	3,097	2,419
Total liabilities	40,396	42,087	33,311	35,015	73,707	77,102
Deferred inflows of resources:						
Deferred amounts related to pension	1,551	824	-	-	1,551	824
Deferred amounts related to OPEB	290	115	186	60	476	175
Total deferred inflows	1,841	939	186	60	2,027	999
Net position:						
Net investment in capital assets	41,002	40,484	57,984	56,884	98,986	97,368
Restricted	10,746	10,453	2,498	3,681	13,244	14,134
Unrestricted	5,350	457	24,637	22,283	29,987	22,740
Total net position	\$ 57,098	\$ 51,394	\$ 85,119	\$ 82,848	\$ 142,217	\$ 134,242

**MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for Services	\$ 1,337	\$ 1,361	\$ 15,727	\$ 16,090	\$ 17,064	\$ 17,451
Grants & Contributions	1,221	1,142	1	-	1,222	1,142
Capital Grants & Contributions	19	1,142	462	929	481	2,071
General Revenues:						
Sales & Use Tax	14,273	13,668	-	-	14,273	13,668
Other Taxes	3,583	3,437	-	-	3,583	3,437
Other General Revenues	2,703	1,440	515	237	3,218	1,677
Total Revenues	23,136	22,190	16,705	17,256	39,841	39,446
Program Expenses:						
General Government	1,485	1,418	-	-	1,485	1,418
Planning & Zoning	172	160	-	-	172	160
Financial Administration	909	866	-	-	909	866
Public Safety	8,397	9,182	-	-	8,397	9,182
Highways & Streets	2,131	2,070	-	-	2,131	2,070
Health & Welfare	26	30	-	-	26	30
Culture & Recreation	1,749	1,529	-	-	1,749	1,529
Economic Development	1,146	2,147	-	-	1,146	2,147
General Properties	530	586	-	-	530	586
Interest on Long-term Debt	837	684	-	-	837	684
Water	-	-	7,343	7,764	7,343	7,764
Wastewater	-	-	3,664	3,905	3,664	3,905
Solid Waste	-	-	1,470	1,523	1,470	1,523
Storm Water	-	-	390	445	390	445
Airport	-	-	807	913	807	913
Golf Course	-	-	810	852	810	852
Total Expenses	17,382	18,672	14,484	15,402	31,866	34,074
Excess/(Deficiency)	5,754	3,518	2,221	1,854	7,975	5,372
Special Item - gain on sale of capital assets	-	106	-	-	-	106
Net Transfers	(50)	169	50	(169)	-	-
Increase in Net Position	5,704	3,793	2,271	1,685	7,975	5,478
Beginning net position	51,394	47,601	82,848	81,163	134,242	128,764
Ending net position	\$ 57,098	\$ 51,394	\$ 85,119	\$ 82,848	\$ 142,217	\$ 134,242

MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019

In governmental activities, capital grants and contributions decreased from prior year by \$1.1 million. This decrease was due to the monies received from the project developer in the prior year. Public Safety and economic development expenses decreased for a combined total of approximately \$1.8 million from prior year.

Governmental Activities

The City's governmental activities' increase in net position of \$5.7 million represents a 10.9% increase.

Business-type Activities

The business-type activities' increase in net position of \$2.3 million represents a 2.7% increase.

Overall, total business-type activities' revenues are sufficient to cover their total business-type activities' expenses. Individually, Water, Solid Waste, and Stormwater revenues cover 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 2019 fiscal year, the governmental funds reported a combined fund balance of \$40.7 million, or a 14.4% decrease from the prior year. The enterprise funds reported combined net position of \$71.3 million, or a 1.1% increase from 2018. The fund balance and net position restrictions are listed below.

Fund Balance Classifications:

Nonspendable	\$ 28,627	
Restricted	22,081,014	
Assigned	14,490,041	
Unassigned	4,117,003	
Total Fund Balance	<u>40,716,685</u>	\$ <u>40,716,685</u>

Enterprise Funds Net Position Restrictions:

Restricted for debt service	\$ 2,498,430	
Total Net Position Restrictions	<u>2,498,430</u>	\$ <u>2,498,430</u>

Other fund highlights include:

For the year ended June 30, 2019, the General Fund's total fund balance increased by \$679,475, or 10.2%. 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 31.0% of net revenues.

- The Public Safety Capital Improvement Fund's total fund balance decreased by \$9,521,960 due to capital projects in progress.

General Fund Budgetary Highlights

Comparing the fiscal year 2019 original budget (or adopted) General Fund expenditures and transfers amount of \$21,664,474 to the final budgeted amount of \$22,773,277 shows a net increase of \$1,108,803 or 5.1%. Total original budgeted revenues and transfers were revised from \$19,848,832 to \$20,010,472, an increase of \$161,640 or 0.8%.

General Fund actual revenues and transfers totaled \$1,420,219 more than final estimates, while expenditures and transfers out were under final appropriations by \$2,042,643. Public safety and Culture and Recreation functions were the primary reason, coming in approximately \$1.3 million under budget appropriations.

CAPITAL ASSETS & DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2019, the City had \$155.6 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 \$11.1 million over last year.

Following are details regarding the change in the City's capital assets for the year ending June 30, 2019.¹

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

**MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 15,599	\$ 15,599	\$ 2,169	\$ 2,169	\$ 17,768	\$ 17,768
Buildings	11,303	9,795	47,833	47,788	59,136	57,583
Improvements & Other	7,299	4,636	44,432	41,302	51,731	45,938
Equipment	12,457	10,798	7,132	6,095	19,589	16,893
Infrastructure	44,864	44,864	57,944	57,808	102,808	102,672
Intangible	-	-	6,703	6,703	6,703	6,703
Construction-in-progress	18,957	12,046	1,598	2,996	20,555	15,042
Totals	110,479	97,738	167,811	164,861	278,290	262,599
Less Depreciation	(43,919)	(42,613)	(78,818)	(75,543)	(122,737)	(118,156)
Totals, Net	\$ 66,560	\$ 55,125	\$ 88,993	\$ 89,318	\$ 155,553	\$ 144,443

This year's more significant capital asset additions include:

- Community community park project \$4.7 million
- Public safety facilities \$9.6 million
- Morrow Rd. widening project \$1.7 million
- West 41st Street South \$3.0 million

Debt Administration

At year-end, the City had \$60.5 million in long-term debt outstanding, which represents a \$2.5 million decrease 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	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds, Net	\$ 12,645	\$ 13,090	\$ -	\$ -	\$ 12,645	\$ 13,090
Capital Lease Obligations	447	613	-	-	447	613
Notes Payable	-	-	4,703	5,407	4,703	5,407
Revenue Bonds	15,080	15,545	26,380	27,100	41,460	42,645
Accrued Compensation	937	907	349	337	1,286	1,244
Totals	\$ 29,109	\$ 30,155	\$ 31,432	\$ 32,844	\$ 60,541	\$ 62,999

² For more detailed information on long-term debt activity please refer to page 52, Note 3.E. Long-Term Debt

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Sand Springs' economy has slowed some over the past year but overall remains stable. The unemployment rate in the metro area remained low at 3.1%. Taxable sales were up 3.6% for the year; however, sales tax revenue growth began to slow down toward the end of the year. Net assessed valuation increased by 2.9%, however building permits and new construction values were down, largely in commercial development. The City experienced a significant flood in May 2019, causing damage to many homes along the Arkansas River, as well as to City parks and infrastructure. This forced temporary displacement of some citizens, likely affecting sales tax revenues.

Despite this short-term economic slowdown, the City continues to invest in beautification projects and preparing city-owned property for future development. As a result, construction has begun on two new businesses in the River West development corridor. Additionally, the City anticipates new development in the Sheffield Crossing retail corridor in the coming months. When these retailers come online, we expect to see incremental sales tax growth and minor increased property values.

All of this was taken into account and is reflected in the FY20 budget, which reflects an increase in projected sales tax revenues of 1.5%, and a continuation of the annual utility rate plan increase of 3%. The budget also reflects an increase in flood recovery expenditures, utilizing a portion of the emergency reserves which will be reimbursed using FEMA disaster assistance funds.

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.

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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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Museum Trust Authority
ASSETS				
Cash and equivalents	\$ 17,357,222	\$ 18,506,631	\$ 35,863,853	\$ 148,426
Investments	8,017,800	8,964,619	16,982,419	-
Deposit with insurance pool	1,079,712	-	1,079,712	-
Interest receivable	11,226	14,044	25,270	-
Accounts receivable, net	801,084	1,649,615	2,450,699	-
Due from other governmental agencies	2,462,217	269,139	2,731,356	-
Inventories	27,974	214,866	242,840	-
Other assets	653	292	945	-
Net pension asset	276,540	-	276,540	-
Capital assets:				
Capital assets, nondepreciable	34,555,615	10,470,331	45,025,946	-
Other capital assets, net of depreciation	32,004,773	78,522,420	110,527,193	-
Total Assets	96,594,816	118,611,957	215,206,773	148,426
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pension	2,681,306	-	2,681,306	-
Deferred amounts related to OPEB	58,491	3,905	62,396	-
Total Deferred Outflows of Resources	2,739,797	3,905	2,743,702	-
LIABILITIES				
Accounts payable and accrued expenses	996,936	498,108	1,495,044	501
Accrued interest payable	750,960	188,302	939,262	-
Accrued payroll liabilities	306,627	106,382	413,009	235
Due to other governmental agencies	204,242	2,316	206,558	241
Amounts held in escrow	38,830	-	38,830	-
Unearned revenue	-	5,094	5,094	-
Long-term liabilities:				
Due within one year	1,900,811	1,523,112	3,423,923	-
Due in more than one year	27,304,236	30,345,831	57,650,067	-
Net pension liability	7,514,168	-	7,514,168	-
Total OPEB liability	1,379,599	642,227	2,021,826	-
Total Liabilities	40,396,409	33,311,372	73,707,781	977
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pension	1,550,758	-	1,550,758	-
Deferred amounts related to OPEB	288,859	185,363	474,222	-
Total Deferred Inflows of Resources	1,839,617	185,363	2,024,980	-
NET POSITION				
Net investment in capital assets	41,002,139	57,984,084	98,986,223	-
Restricted for:				
Capital projects	9,354,001	-	9,354,001	-
Public safety	1,013,590	-	1,013,590	-
Debt service	44,975	2,498,430	2,543,405	-
Economic development	209,939	-	209,939	-
Other projects	124,036	-	124,036	-
Unrestricted	5,349,907	24,636,613	29,986,520	147,449
Total Net Position	\$ 57,098,587	\$ 85,119,127	\$ 142,217,714	\$ 147,449

See accompanying notes to the Basic Financial Statements.

City of Sand Springs, Oklahoma
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs Primary government	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Total
					Governmental Activities	Business-type Activities		
Governmental Activities	\$ 1,484,936	\$ 197,181	\$ -	\$ -	\$ (1,287,755)	\$ -	\$ -	
General government	172,027	10,309	-	-	(161,718)	-	(161,718)	
Planning and zoning	909,514	-	-	-	(909,514)	-	(909,514)	
Financial administration	8,396,933	1,007,835	994,153	-	(6,394,945)	-	(6,394,945)	
Public safety	2,130,852	211	177,011	18,990	(1,934,640)	-	(1,934,640)	
Highways and streets	25,629	-	-	-	(25,629)	-	(25,629)	
Health and welfare	1,749,415	121,890	50,000	-	(1,577,525)	-	(1,577,525)	
Culture and recreation	1,145,882	-	-	-	(1,145,882)	-	(1,145,882)	
Economic development	530,176	-	-	-	(530,176)	-	(530,176)	
Facilities management and fleet maintenance	836,705	-	-	-	(836,705)	-	(836,705)	
Interest on long-term debt	17,382,069	1,337,426	1,221,164	18,990	(14,804,489)	-	(14,804,489)	
Total governmental activities								
Business-type activities	7,343,452	7,978,639	-	106,099	741,286	-	741,286	
Water operations	3,663,633	3,422,291	-	-	(241,342)	-	(241,342)	
Wastewater operations	1,469,884	2,091,316	700	-	622,132	-	622,132	
Solid waste operations	389,921	1,316,046	-	-	926,125	-	926,125	
Stormwater operations	807,343	397,663	-	355,686	(53,994)	-	(53,994)	
Airport operations	810,275	521,587	-	-	(288,688)	-	(288,688)	
Golf course operations	14,484,508	15,727,542	700	461,785	1,705,519	-	1,705,519	
Total business-type activities	\$ 31,866,577	\$ 17,064,968	\$ 1,221,864	\$ 480,775	1,705,519	-	(13,098,970)	
Component Units								
Total primary government	\$ 36,554	\$ 22,807	\$ 7,699	\$ -	(6,048)	-	(6,048)	
Culture and recreation	\$ 36,554	\$ 22,807	\$ 7,699	\$ -	(6,048)	-	(6,048)	
Total component units								
General revenues:								
Taxes:								
Sales and use taxes					14,273,057	-	14,273,057	
Property taxes					1,033,290	-	1,033,290	
Franchise taxes					873,276	-	873,276	
Abatement taxes					26,153	-	26,153	
E-911 taxes					175,942	-	175,942	
Hotel/Motel taxes					262,051	-	262,051	
Payment in lieu of tax					1,212,599	-	1,212,599	
Grants and contributions not restricted to specific programs					1,472,465	-	1,472,465	
Unrestricted investment earnings					911,143	510,809	1,421,952	
Miscellaneous					319,481	3,837	323,318	
Transfers					(50,493)	50,493	-	
Total general revenues and transfers					20,508,964	565,139	21,074,103	
Change in net position					5,704,475	2,270,668	7,975,133	
Net position - beginning					51,394,112	82,848,469	134,242,581	
Net position - ending					\$ 57,098,587	\$ 85,119,127	\$ 142,217,714	

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma
Balance Sheet
Governmental Funds
June 30, 2019**

	General Fund	Street Improvement	Capital Improvement Water/Wastewater	Public Safety Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,817,750	\$ 3,977,389	\$ 4,253,091	\$ 3,117,370	\$ 12,846,898	\$ 27,012,498
Investments	1,532,516	6,056,414	3,016,093	-	1,580,387	12,185,410
Deposit with insurance pool	1,079,712	-	-	-	-	1,079,712
Accrued interest receivable	1,271	9,844	7,088	-	1,973	20,176
Taxes receivable, net	268,364	-	-	-	-	268,364
Due from other governments	1,876,851	-	-	-	586,141	2,462,992
Court fines receivable, net	180,097	-	-	-	-	180,097
Other receivables	620,987	-	-	-	-	620,987
Inventories	27,974	-	-	-	-	27,974
Prepaid items	653	-	-	-	-	653
Total assets	<u>\$ 8,406,175</u>	<u>\$ 10,043,647</u>	<u>\$ 7,276,272</u>	<u>\$ 3,117,370</u>	<u>\$ 15,015,399</u>	<u>\$ 43,858,863</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 194,616	\$ 151,015	\$ 55,149	\$ 440,820	\$ 147,221	\$ 988,821
Payable to other governments	204,242	-	-	516,692	-	720,934
Due to other funds	-	-	-	-	166,638	166,638
Other accrued expenditures	277,405	-	-	247,813	-	525,218
Amounts held in escrow	21,580	-	-	-	-	21,580
Other payables	46,472	-	-	-	-	46,472
Total liabilities	<u>744,315</u>	<u>151,015</u>	<u>55,149</u>	<u>1,205,325</u>	<u>313,859</u>	<u>2,469,663</u>
Deferred inflows of resources:						
Unavailable revenues	317,253	5,616	2,227	-	347,419	672,515
Fund balances:						
Nonspendable	28,627	-	-	-	-	28,627
Restricted	669,090	9,463,942	5,949,721	1,358,806	4,639,455	22,081,014
Assigned	2,529,887	423,074	1,269,175	553,239	9,714,666	14,490,041
Unassigned	4,117,003	-	-	-	-	4,117,003
Total fund balances	<u>7,344,607</u>	<u>9,887,016</u>	<u>7,218,896</u>	<u>1,912,045</u>	<u>14,354,121</u>	<u>40,716,685</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 8,406,175</u>	<u>\$ 10,043,647</u>	<u>\$ 7,276,272</u>	<u>\$ 3,117,370</u>	<u>\$ 15,015,399</u>	<u>\$ 43,858,863</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, 2019

Total fund balance, governmental funds	\$ 40,716,685
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 \$43,919,443	66,560,388
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported, or reported as unavailable in the funds:	
Accrued interest receivable	6,098
Court fines receivable	180,105
Receivable from other governments	423,501
Net pension asset	276,540
Deferred outflows of resources are not outflows that relate to the current period and therefore are not reported in the funds:	
Pension related deferred outflows	2,681,306
OPEB related deferred outflows	58,491
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	(7,218,896)
Fund balance of the SSMA CIP Fund	(72,915)
Fund balance of the Airport CIP Fund	(32,112)
Fund balance of the Stormwater CIP Fund	(6,438,139)
Fund balance of the Golf Course CIP Fund	(41,707)
Certain long-term liabilities and related accounts are not due and payable from current financial resources and therefore they, along with deferred inflows are not reported in the funds:	
Net pension liability	(7,514,168)
Pension related deferred inflows	(1,550,758)
OPEB related deferred inflows	(288,859)
Accrued interest payable	(62,327)
General obligation bonds payable	(12,645,000)
Revenue bonds payable	(15,080,000)
Capital lease payable	(446,943)
Unamortized premium on debt	(95,700)
Accrued compensated absences	(937,404)
Total OPEB liability	(1,379,599)
Net Position of Governmental Activities in the Statement of Net Position	\$ 57,098,587

See accompanying notes to the Basic Financial Statements.

City of Sand Springs, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Street Improvement	Capital Improvement Water/Wastewater	Public Safety Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 17,311,109	\$ -	\$ -	\$ -	\$ 1,169,694	\$ 18,480,803
Fees and fines	132,093	-	-	-	-	132,093
Licenses and permits	128,450	-	-	-	-	128,450
Intergovernmental	1,604,933	-	-	-	361,020	1,965,953
Charges for services	974,321	-	91,500	-	31,673	1,097,494
Investment earnings	139,581	172,505	132,743	204,202	258,278	907,309
Miscellaneous	568,926	43,210	86,420	38,889	256,502	993,947
Total revenues	<u>20,859,413</u>	<u>215,715</u>	<u>310,663</u>	<u>243,091</u>	<u>2,077,167</u>	<u>23,706,049</u>
EXPENDITURES						
Current:						
General government	1,072,013	-	-	-	-	1,072,013
Planning and zoning	168,156	-	-	-	-	168,156
Financial administration	881,904	-	-	-	-	881,904
Public safety	8,699,216	-	-	-	-	8,699,216
Highways and streets	726,931	-	-	-	-	726,931
Health and welfare	24,452	-	-	-	-	24,452
Culture and recreation	1,202,663	-	-	-	-	1,202,663
Community and economic development	410,025	-	-	-	690,104	1,100,129
Facilities management and fleet maintenance	639,563	-	-	-	-	639,563
Debt Service:						
Principal	166,461	-	-	465,000	575,000	1,206,461
Interest and other charges	5,245	-	-	511,026	383,926	900,197
Capital Outlay	77,559	1,713,912	1,636,550	10,268,238	4,031,543	17,727,802
Total expenditures	<u>14,074,188</u>	<u>1,713,912</u>	<u>1,636,550</u>	<u>11,244,264</u>	<u>5,680,573</u>	<u>34,349,487</u>
Excess of revenues over (under) expenditures	<u>6,785,225</u>	<u>(1,498,197)</u>	<u>(1,325,887)</u>	<u>(11,001,173)</u>	<u>(3,603,406)</u>	<u>(10,643,438)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of long-term debt	-	-	-	-	130,000	130,000
Transfers in	1,484,991	2,766,055	3,287,140	1,479,213	4,182,432	13,199,831
Transfers out	(7,590,741)	-	(1,036,643)	-	(778,870)	(9,406,254)
Total other financing sources and uses	<u>(6,105,750)</u>	<u>2,766,055</u>	<u>2,250,497</u>	<u>1,479,213</u>	<u>3,533,562</u>	<u>3,923,577</u>
Net change in fund balances	679,475	1,267,858	924,610	(9,521,960)	(69,844)	(6,719,861)
Fund balances - beginning	6,665,132	8,619,158	6,294,286	11,434,005	14,423,965	47,436,546
Fund balances - ending	<u>\$ 7,344,607</u>	<u>\$ 9,887,016</u>	<u>\$ 7,218,896</u>	<u>\$ 1,912,045</u>	<u>\$ 14,354,121</u>	<u>\$ 40,716,685</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, 2019

Net change in fund balances - total governmental funds:	\$	(6,719,861)
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		13,912,370
Book value of capital assets disposed or sold		(14,273)
Depreciation expense		(2,462,582)
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.		
		1,289,130
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 unavailable revenues.		
		215,311
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Capital lease obligation principal payments		166,461
General obligation bond principal payments		575,000
General obligation bond proceeds		(130,000)
Revenue bond principal payments		465,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Changes in:		
Accrued interest		40,662
Amortization expense		22,830
Accrued compensated absences		(30,627)
Total OPEB liability		(104,981)
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		(924,610)
SSMA Capital Fund		(11,841)
Airport CIP Fund		41,891
Stormwater CIP Fund		(605,877)
Golf Course CIP Fund		(19,528)
Change in net position of governmental activities	<u>\$</u>	<u>5,591,208</u>

See accompanying notes to the Basic Financial Statements.

City of Sand Springs, Oklahoma
Statement of Net Position
Proprietary Funds
June 30, 2019

	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	\$ 3,888,594	\$ 2,083,106	\$ 1,237,663	\$ 186,706	\$ 183,298	\$ 263,991	\$ 7,843,358
Restricted cash and cash equivalents	756,661	111,274	-	-	-	-	867,935
Investments	2,108,626	498,070	-	-	-	-	2,606,696
Interest receivable	3,834	1,260	-	-	-	-	5,094
Accounts receivable, net	870,102	377,783	217,742	22,625	29,015	132,348	1,649,615
Due from other funds	166,638	-	-	-	-	-	166,638
Inventories	190,356	-	-	24,510	-	-	214,866
Prepaid expenses	292	-	-	-	-	-	292
Total current assets	<u>7,985,103</u>	<u>3,071,493</u>	<u>1,455,405</u>	<u>233,841</u>	<u>212,313</u>	<u>396,339</u>	<u>13,354,494</u>
Noncurrent assets:							
Restricted cash and cash equivalents	-	130,402	-	-	-	-	130,402
Restricted investments	2,166,483	33,490	-	-	-	-	2,199,973
Capital assets, nondepreciable	8,528,743	387,812	-	847,758	468,645	237,373	10,470,331
Other capital assets, net	36,487,657	31,192,627	580,018	4,543,407	625,496	5,093,215	78,522,420
Total noncurrent assets	<u>47,182,883</u>	<u>31,744,331</u>	<u>580,018</u>	<u>5,391,165</u>	<u>1,094,141</u>	<u>5,330,588</u>	<u>91,323,126</u>
Total assets	<u>55,167,986</u>	<u>34,815,824</u>	<u>2,035,423</u>	<u>5,625,006</u>	<u>1,306,454</u>	<u>5,726,927</u>	<u>104,677,620</u>
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred amounts related to OPEB	2,036	989	752	64	-	64	3,905
LIABILITIES							
Current liabilities:							
Accounts payable	150,069	129,152	58,537	30,503	65,622	40	433,923
Accrued payroll liabilities	66,896	23,168	8,169	3,329	-	1,248	102,810
Accrued interest payable	167,374	20,928	-	-	-	-	188,302
Payable to other governments	-	2,316	-	-	-	-	2,316
Unearned revenue	3,834	1,260	-	-	-	-	5,094
Current portion of:							
Compensated absences	43,090	11,671	12,070	2,738	-	81	69,650
Deposits subject to refund	102,315	-	-	-	-	-	102,315
Notes payable	118,264	600,198	-	-	-	-	718,462
Revenue bonds payable	735,000	-	-	-	-	-	735,000
Total current liabilities	<u>1,386,842</u>	<u>788,693</u>	<u>78,776</u>	<u>36,570</u>	<u>65,622</u>	<u>1,369</u>	<u>2,357,872</u>
Noncurrent liabilities:							
Compensated absences	172,361	46,686	48,281	11,396	-	325	279,049
Deposits subject to refund	409,262	-	-	-	-	-	409,262
Total OPEB liability	356,793	142,717	118,931	11,893	-	11,893	642,227
Notes payable	1,350,456	2,657,308	-	-	-	-	4,007,764
Revenue bonds payable	25,547,441	-	-	-	-	-	25,547,441
Total non-current liabilities	<u>27,836,313</u>	<u>2,846,711</u>	<u>167,212</u>	<u>23,289</u>	<u>-</u>	<u>12,218</u>	<u>30,885,743</u>
Total liabilities	<u>29,223,155</u>	<u>3,635,404</u>	<u>245,988</u>	<u>59,859</u>	<u>65,622</u>	<u>13,587</u>	<u>33,243,615</u>
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred amounts related to OPEB	88,498	54,355	37,465	2,524	-	2,521	185,363
NET POSITION							
Net investment in capital assets	17,265,239	28,322,933	580,018	5,391,165	1,094,141	5,330,588	57,984,084
Restricted for debt service	2,244,193	254,237	-	-	-	-	2,498,430
Unrestricted	6,348,937	2,549,884	1,172,704	171,522	146,691	380,295	10,770,033
Total net position	<u>\$ 25,858,369</u>	<u>\$ 31,127,054</u>	<u>\$ 1,752,722</u>	<u>\$ 5,562,687</u>	<u>\$ 1,240,832</u>	<u>\$ 5,710,883</u>	<u>71,252,547</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	7,218,896
SSMA Capital Fund	72,915
Airport CIP Fund	32,112
Stormwater CIP Fund	6,438,139
Golf Course CIP Fund	41,707

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

62,811
\$ 85,119,127

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, 2019

	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	\$ 7,764,524	\$ 3,411,208	\$ 2,084,642	\$ 124,113	\$ 180,728	\$ 1,315,200	\$14,880,415
Miscellaneous	-	-	-	266,957	-	-	266,957
Total operating revenues	<u>7,764,524</u>	<u>3,411,208</u>	<u>2,084,642</u>	<u>391,070</u>	<u>180,728</u>	<u>1,315,200</u>	<u>15,147,372</u>
OPERATING EXPENSES							
Personal services	2,509,361	929,609	601,794	101,412	1,205	44,550	4,187,931
Operations and maintenance	2,058,626	1,535,098	783,941	348,825	373,581	195,896	5,295,967
Depreciation	1,578,499	1,021,695	77,475	352,213	94,630	148,629	3,273,141
Total operating expenses	<u>6,146,486</u>	<u>3,486,402</u>	<u>1,463,210</u>	<u>802,450</u>	<u>469,416</u>	<u>389,075</u>	<u>12,757,039</u>
Operating income (loss)	1,618,038	(75,194)	621,432	(411,380)	(288,688)	926,125	2,390,333
NON-OPERATING REVENUES (EXPENSES)							
Interest and investment revenue	177,812	55,576	16,615	2,945	3,097	5,624	261,669
Miscellaneous revenue	1,507	2,744	700	1,700	1,093	-	7,744
Interest expense and fiscal agent charges	(995,177)	(81,998)	-	-	-	-	(1,077,175)
Total non-operating revenue (expenses)	<u>(815,858)</u>	<u>(23,678)</u>	<u>17,315</u>	<u>4,645</u>	<u>4,190</u>	<u>5,624</u>	<u>(807,762)</u>
Income (loss) before contributions and transfers	802,180	(98,872)	638,747	(406,735)	(284,498)	931,749	1,582,571
Capital contributions	1,472,834	624,713	257,012	389,637	173,774	30,100	2,948,070
Transfers in	4,087,140	-	-	50,000	175,000	-	4,312,140
Transfers out	(5,970,640)	(453,000)	(457,012)	-	(25,065)	(1,200,000)	(8,105,717)
Change in net position	391,514	72,841	438,747	32,902	39,211	(238,151)	737,064
Total net position - beginning	25,466,855	31,054,213	1,313,975	5,529,785	1,201,621	5,949,034	70,515,483
Total net position - ending	<u>\$ 25,858,369</u>	<u>\$ 31,127,054</u>	<u>\$ 1,752,722</u>	<u>\$ 5,562,687</u>	<u>\$ 1,240,832</u>	<u>\$ 5,710,883</u>	<u>\$71,252,547</u>

Change in net position, per above \$ 737,064

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	924,610
SSMA Capital Fund	11,841
Airport CIP Fund	(41,891)
Stormwater CIP Fund	605,877
Golf Course CIP Fund	19,528

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. 13,629

Change in Business-Type Activities in Net Position per Government-Wide Financial Statements \$ 2,270,658

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, 2019

	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	\$ 7,905,174	\$ 3,403,354	\$ 2,086,854	\$ 398,085	\$ 179,509	\$ 1,308,009	\$ 15,280,985
Receipts from other funds	(166,638)	-	-	-	-	-	(166,638)
Payments to suppliers	(2,194,853)	(1,445,917)	(741,462)	(337,460)	(360,243)	(195,856)	(5,275,591)
Payments to employees	(2,487,951)	(929,239)	(595,700)	(98,420)	(1,205)	(43,814)	(4,156,329)
Receipts of customer meter deposits	92,885	-	-	-	-	-	92,885
Refunds of customer meter deposits	(80,195)	-	-	-	-	-	(80,195)
Net Cash Provided by (Used in) Operating Activities	3,068,622	1,028,198	749,692	(37,795)	(181,939)	1,068,339	5,695,117
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	4,087,140	-	-	50,000	175,000	-	4,312,140
Transfers to other funds	(5,970,640)	(453,000)	(457,012)	-	(25,065)	(1,200,000)	(8,105,717)
Net Cash Provided by (Used in) Noncapital Financing Activities	(1,883,500)	(453,000)	(457,012)	50,000	149,935	(1,200,000)	(3,793,577)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Principal paid on capital debt	(835,016)	(593,784)	-	-	-	-	(1,428,800)
Interest paid on capital debt	(994,279)	(85,891)	-	-	-	-	(1,080,170)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,829,295)	(679,675)	-	-	-	-	(2,508,970)
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (Purchase) of investments	(172,610)	(10,080)	-	-	-	-	(182,690)
Interest and dividends	177,975	55,576	16,615	2,945	3,097	5,624	261,832
Net Cash Provided by Investing Activities	5,365	45,496	16,615	2,945	3,097	5,624	79,142
Net Increase (Decrease) in Cash and Cash Equivalents	(638,808)	(58,981)	309,295	15,150	(28,907)	(126,037)	(528,288)
Balances - beginning of the year	5,284,063	2,383,763	928,368	171,556	212,205	390,028	9,369,983
Balances - end of the year	\$ 4,645,255	\$ 2,324,782	\$ 1,237,663	\$ 186,706	\$ 183,298	\$ 263,991	\$ 8,841,695
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$ 3,888,594	\$ 2,083,106	\$ 1,237,663	\$ 186,706	\$ 183,298	\$ 263,991	\$ 7,843,358
Restricted cash and cash equivalents	756,661	111,274	-	-	-	-	867,935
Noncurrent restricted cash and cash equivalents	-	130,402	-	-	-	-	130,402
	\$ 4,645,255	\$ 2,324,782	\$ 1,237,663	\$ 186,706	\$ 183,298	\$ 263,991	\$ 8,841,695

(Continued)

City of Sand Springs, Oklahoma
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

(Continued)

	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
	\$ 1,618,038	\$ (75,194)	\$ 621,432	\$ (411,380)	\$ (288,688)	\$ 926,125	\$ 2,390,333
	1,578,499	1,021,695	77,475	352,213	94,630	148,629	3,273,141
	1,507	2,744	700	1,700	1,093	-	7,744
	139,143	(10,598)	1,512	5,315	(195)	(7,191)	127,986
	4,301	-	-	(12,893)	-	-	(8,592)
	-	-	-	-	(2,118)	-	(2,118)
	(285)	-	-	-	-	-	(285)
	(166,638)	-	-	-	-	-	(166,638)
	1,846	764	626	61	-	61	3,358
	(140,043)	88,621	42,479	24,256	13,339	40	28,692
	12,690	-	-	-	-	-	12,690
	-	560	-	-	-	-	560
	(35,074)	(34,200)	(20,167)	(713)	-	(713)	(90,867)
	(5,652)	(5,255)	(6,650)	269	-	(133)	(17,421)
	3,984	(760)	6,247	1,892	-	36	11,399
	56,306	39,821	26,038	1,485	-	1,485	125,135
Net Cash Provided by (Used in) Operating Activities	\$ 3,068,622	\$ 1,028,198	\$ 749,692	\$ (37,795)	\$ (181,939)	\$ 1,068,339	\$ 5,695,117
Noncash activities:							
Contributed capital assets	\$ 1,472,834	\$ 624,713	\$ 257,012	\$ 389,637	\$ 173,774	\$ 30,100	\$ 2,948,070
Total Noncash Activities	\$ 1,472,834	\$ 624,713	\$ 257,012	\$ 389,637	\$ 173,774	\$ 30,100	\$ 2,948,070

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
Deferred outflows related to OPEB
Accounts payables
Customer meter deposits payable
Payable to other governments
Total OPEB liability
Accrued payroll liabilities
Accrued compensated absences
Deferred inflows related to OPEB

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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
- I. ACCOUNTING PRONOUNCEMENTS IMPLEMENTED

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. TAX ABATEMENTS
- C. RISK MANAGEMENT
- D. COMMITMENTS AND CONTINGENCIES

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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 Unit:	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.

BLENDING 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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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 would normally be 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. <i>(Component Unit activity deemed immaterial; therefore, it was not included)</i>
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.

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.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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.

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 account for reporting purposes. This 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:

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
Capital Improvement Fund
Airport Construction Fund

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

Stormwater Capital Improvement Fund
 SSMA Capital Fund
 2014 General Obligation Bond Capital Improvement Fund
 Capital Improvement Water and Wastewater Fund
 Golf Course Capital Improvement Fund
 Public Safety Capital Improvement Fund
 Economic Development Capital Improvement Fund
 2018 General Obligation Bond City Project Fund

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. The reporting entity includes the following discretely presented component unit:

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

Major and Nonmajor Funds

The funds are further classified as major or nonmajor 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 on September 11, 2007 with effective date of January 1, 2008. These funds are to be used to make capital improvements to the roads, streets and bridges.
Capital Improvement	
Water and Wastewater	Accounts for the one-cent increase in sales tax approved by the citizens in 1979. These funds are to be expended for water and wastewater capital improvement projects and retirement of debt as provided in the ordinance.

**NOTES TO BASIC FINANCIAL STATEMENTS
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Public Safety Capital Improvement	Accounts for the forty-five hundredths of one-cent increase in sales tax approved by citizens in 2015 which went 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.
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.
<i>Nonmajor:</i>	
Special Revenue Fund	
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.
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.
Stormwater Capital Improvement	Accounts for transfers from the Municipal Authority stormwater revenues set aside for stormwater capital improvement projects.

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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.
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.
Economic Development Capital Improvement	Accounts for the ten hundredths of one-cent increase in sales tax approved by citizens in 2015 which went into effect January 2017 for the purpose of promoting economic development and repayment of any debt issued for that purpose for the benefit of the City as provided in the ordinance.
2018 General Obligation Bond City Project Fund	Accounts for the proceeds of general obligation bond issues. These funds are to be expended for streets, bridges, public safety equipment, park improvement, and municipal facilities improvements.
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.
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.

**NOTES TO BASIC FINANCIAL STATEMENTS
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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.

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.

**NOTES TO BASIC FINANCIAL STATEMENTS
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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 acquisition 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

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.

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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, 2019. 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 is typically liquidated through the use of General Fund resources.

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.

**NOTES TO BASIC FINANCIAL STATEMENTS
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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 of the City’s governing body.
- d. Assigned – includes amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by City Council action or management decision when the City Council has delegated that authority 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.

1.E. REVENUES, EXPENDITURES AND EXPENSES

Sales Tax

The City levies a four and 5 hundredths (4.05) 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.
- 1/10 cent transferred to Economic Development Capital Improvement Fund as required by city ordinance.

Property Tax

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

**NOTES TO BASIC FINANCIAL STATEMENTS
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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, 2019, the City's net assessed valuation of taxable property was \$139,956,543. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2019 was \$7.38.

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 24.7%) 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 \$44,817,042. Pledged sales taxes received in the current year were \$3,287,140 and the net utility revenues were \$4,143,038. Debt service payments of \$2,508,970 for the current fiscal year were 76.3% of the pledged sales taxes and 33.8% of both pledged sales taxes and utility revenues.

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Sales Tax Revenues Pledge – The City, as approved by a vote of the citizens, added 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 went into effect January 2017. Proceeds of these bonds provided financing for public safety capital assets, including facilities. These bonds are payable through 2042. The total principal and interest payable for the remainder of the life of these bonds and notes is \$22,157,981. Pledged sales taxes received in the current year were \$1,479,213. Debt service payments of \$980,650 for the current fiscal year were 66.3% of the pledged sales taxes. If the pledged sales tax is not 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.

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.

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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.

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.

1.I. ACCOUNTING PRONOUNCEMENTS INPLEMENTED

GASB Statement No. 83, Certain Asset Retirement Obligations, issued December 2016, was effective for the City beginning with its fiscal year ending June 30, 2019. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information.

**NOTES TO BASIC FINANCIAL STATEMENTS
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GASB Statement No. 88, Certain Disclosures Related to Debt, issued April 2018, was effective for the City beginning with its fiscal year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. It defines debt for purposes of disclosure in the notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences; significant termination events with finance-related consequences; and significant subjective acceleration clauses. This Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

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, 2019.

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

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged.

**NOTES TO BASIC FINANCIAL STATEMENTS
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- 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, 2019, 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, 2019, 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, 2019, 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, 2019, 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, 2019.

<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, 2019 is \$130,402.
2012 Revenue Bonds:	
Required balance is \$1,678,162.	Balance in Reserve Account at June 30, 2019 is \$1,717,340.
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, 2019, net revenues plus sales tax amounted to \$7,430,178. Maximum annual principal and interest requirements were \$1,794,578. Actual coverage was 414%.
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, 2019, net revenues plus sales tax amounted to \$7,430,178. Average annual principal and interest requirements were \$1,675,637. Actual coverage was 443%.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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, 2019:

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

<u>Type</u>	<u>Maturities</u>	<u>Rating</u>	<u>Fair Value Heirarchy</u>	<u>Carrying Value</u>
Deposits:				
Demand deposits				\$ 32,709,565
Time deposits			N/A	<u>15,191,708</u>
Total deposits				<u>47,901,273</u>
 Investments:				
Invesco Prem US Gov Money Market - Inst 1949		Aaa-mf	Level 1	2,198,498
Cavanal Hill US Money Market Treas-Admin #0002		Aaa-mf	Level 1	2,646,775
Money Market Funds		Aaa	N/A	<u>99,726</u>
Total investments				<u>4,944,999</u>
Total deposits and investments				<u>\$ 52,846,272</u>
 Reconciliation to Statement of Net Position:				
Cash and cash equivalents				\$ 35,863,853
Investments				<u>16,982,419</u>
				<u>\$ 52,846,272</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, 2019, the City was not exposed to custodial credit risk as defined above.

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

As noted in the schedule of deposits and investments above, at June 30, 2019, all of the City’s investments in debt securities were rated by Moody’s.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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, 2019, the City had no concentration of credit risk.

Component Units:

Total bank deposits of the discretely presented component unit 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, 2019 is as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Service receivables	\$ 252,479	2,741,906	\$ 2,994,385
Other receivables	368,508	86,512	455,020
Municipal court fines receivable	1,883,535	-	1,883,535
Allowance for uncollectible accounts	<u>(1,703,438)</u>	<u>(1,178,803)</u>	<u>(2,882,241)</u>
Net accounts receivable	<u>\$ 801,084</u>	<u>\$ 1,649,615</u>	<u>\$ 2,450,699</u>

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.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

The restricted assets as of June 30, 2019 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	\$ -	\$ -	\$ 39,881
2012 OWRB Notes:			
Reserve Fund Account	-	130,402	-
Bond Fund Account	111,274	-	33,490
2012 Revenue Bonds:			
Bond Fund Account	654,346	-	-
Reserve Fund Account	-	-	1,717,340
Deposits held for refund	<u>102,315</u>	<u>-</u>	<u>409,262</u>
Total	<u>\$ 867,935</u>	<u>\$ 130,402</u>	<u>\$ 2,199,973</u>

3.D. CAPITAL ASSETS

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

	Balance at July 1, 2018	Additions	Deductions	Transfers	Balance at June 30, 2019
PRIMARY GOVERNMENT:					
<i>Governmental Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 15,598,999	\$ -	\$ -	\$ -	\$ 15,598,999
Construction-in-progress	12,046,006	10,180,816	-	(3,270,206)	18,956,616
Total capital assets not being depreciated	<u>27,645,005</u>	<u>10,180,816</u>	<u>-</u>	<u>(3,270,206)</u>	<u>34,555,615</u>
Other capital assets:					
Buildings	9,794,510	17,107	135,839	1,627,811	11,303,589
Other improvements	4,636,312	2,271,821	255,319	646,109	7,298,923
Machinery and equipment	10,798,327	1,463,359	779,694	975,554	12,457,546
Infrastructure	44,864,158	-	-	-	44,864,158
Total other capital assets at historical cost	<u>70,093,307</u>	<u>3,752,287</u>	<u>1,170,852</u>	<u>3,249,474</u>	<u>75,924,216</u>
Less accumulated depreciation for:					
Buildings	2,867,179	243,712	118,151	-	2,992,740
Other improvements	2,047,853	230,500	246,291	-	2,032,062
Machinery and equipment	7,549,273	708,780	771,404	(20,732)	7,465,917
Infrastructure	30,149,134	1,279,590	-	-	31,428,724
Total accumulated depreciation	<u>42,613,439</u>	<u>2,462,582</u>	<u>1,135,846</u>	<u>(20,732)</u>	<u>43,919,443</u>
Other capital assets, net	<u>27,479,868</u>	<u>1,289,705</u>	<u>35,006</u>	<u>3,270,206</u>	<u>32,004,773</u>
Governmental activities capital assets, net	<u>\$ 55,124,873</u>	<u>\$ 11,470,521</u>	<u>\$ 35,006</u>	<u>\$ -</u>	<u>\$ 66,560,388</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	2,996,160	1,732,701	-	(3,130,400)	1,598,461
Total capital assets not being depreciated	<u>11,868,030</u>	<u>1,732,701</u>	<u>-</u>	<u>(3,130,400)</u>	<u>10,470,331</u>
Other capital assets:					
Buildings	47,788,298	44,603	-	-	47,832,901
Improvements other than buildings	41,301,706	-	-	3,130,400	44,432,106
Machinery and equipment	6,094,419	1,034,564	18,063	20,732	7,131,652
Infrastructure	57,808,082	136,200	-	-	57,944,282
Total other capital assets at historical cost	<u>152,992,505</u>	<u>1,215,367</u>	<u>18,063</u>	<u>3,151,132</u>	<u>157,340,941</u>
Less accumulated depreciation for:					
Buildings	11,612,696	610,278	-	-	12,222,974
Improvements other than buildings	18,611,649	1,265,003	-	-	19,876,652
Machinery and equipment	4,180,010	361,668	18,063	20,732	4,544,347
Infrastructure	41,138,356	1,036,192	-	-	42,174,548
Total accumulated depreciation	<u>75,542,711</u>	<u>3,273,141</u>	<u>18,063</u>	<u>20,732</u>	<u>78,818,521</u>
Other capital assets, net	<u>77,449,794</u>	<u>(2,057,774)</u>	<u>-</u>	<u>3,130,400</u>	<u>78,522,420</u>
Business-type activities capital assets, net	<u>\$ 89,317,824</u>	<u>\$ (325,073)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,992,751</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

Primary Government:	
Governmental Activities:	
General Government	\$ 232,530
Financial Administration	18,516
Public Safety	398,421
Highways and Streets	1,371,798
Health and Welfare	1,282
Culture and Recreation	431,651
Economic Development	8,384
Total depreciation expense for governmental activities	<u>\$ 2,462,582</u>
Business-Type Activities:	
Water	\$ 1,578,499
Wastewater	1,021,695
Solid Waste	77,475
Storm Water	148,629
Airport	352,213
Golf	94,630
Total depreciation expense for business-type activities	<u>\$ 3,273,141</u>

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, 2019, the governmental activities long-term debt consisted of the following:

General Obligation Bonds:

\$3,500,000 General Obligation Bonds of 2018, used for streets, parks and municipal facilities, due in annual installments of \$185,000, final payment due April 1, 2038, with interest rates of 2.0% to 3.25%	\$3,500,000
\$6,180,000 General Obligation Limited Tax Bonds of 2018, used for economic development purposes, due in annual installments of \$325,000, final payment due April 1, 2038, with interest rates of 2.9% to 3.45%	6,180,000
\$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%	960,000
\$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%	1,875,000
\$130,000 Advance on \$6,500,000 General Obligation Bonds of 2019, used for capital improvement purposes, due in annual installments of \$340,000, final payment due July 1, 2039, with interest rate of 3.0%	<u>130,000</u>
Total General Obligation Bonds	<u>\$12,645,000</u>
Current portion	\$1,070,000
Non-current portion	<u>11,575,000</u>
Total General Obligation Bonds	<u>\$12,645,000</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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	\$8,145,000
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\$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>6,935,000</u>
Total Revenue Bonds	<u>\$15,080,000</u>

Plus: Unamortized Premium	<u>95,698</u>
Total Revenue Bonds, net	<u>\$15,175,698</u>

Current portion	\$475,000
Non-current portion, net	<u>14,700,698</u>
Total Revenue Bonds	<u>\$15,175,698</u>

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	\$ 277,628
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\$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%	29,330
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\$496,304 capital lease with Community First National Bank for fire pumper, due in monthly installments of \$5,747, final payment due July 1, 2021, with interest rate of 2.406%	<u>139,987</u>
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Total Capital Leases Payable	<u>\$446,945</u>
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Current portion	\$168,331
Non-current portion	<u>278,614</u>
Total Capital Leases Payable	<u>\$446,945</u>

Accrued Compensated Absences:

Current portion	\$187,480
Non-current portion	<u>749,924</u>
Total Accrued Compensated Absences	<u>\$937,404</u>

Business-Type Activities:

As of June 30, 2019, the long-term debt payable from business-type activities resources consisted of the following:

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

Notes Payable (direct borrowings):

<p>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. The loan is collateralized by the pledge of revenues. In the event of default, the lender may file suit to require any or all of the borrower covenants to be performed; accelerate the payment of principal and interest accrued on the note; appoint temporary trustees to take over, operate and maintain the System on a profitable basis; or file suit to enforce or enjoin the action or inaction of the Borrower under the provisions of the loan agreement.</p>	\$209,995
<p>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. The loan is collateralized by the pledge of revenues. In the event of default, the Secured Party may file suit to require any or all of the borrower covenants to be performed; accelerate the payment of principal and interest accrued on the note; appoint temporary trustees to take over, operate and maintain the System on a profitable basis; or file suit to enforce or enjoin the action or inaction of the Debtor under the provisions of the loan agreement.</p>	237,702
<p>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. The loan is collateralized by the pledge of revenues. In the event of default, the Secured Party may, at its' discretion, require the Debtor to assemble the collateral and make available to the Secured Party.</p>	952,061
<p>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. The loan is collateralized by the pledge of revenues. In the event of default, the Secured Party may, at its' discretion, require the Debtor to assemble the collateral and make available to the Secured Party.</p>	875,087
<p>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. The loan is collateralized by the pledge of revenues. In the event of default, the lender may file suit to require any or all of the borrower covenants to be performed; accelerate the payment of principal and interest accrued on the note; appoint temporary trustees to take over, operate and maintain the System on a profitable basis; or file suit to enforce or enjoin the action or inaction of the Borrower under the provisions of the loan agreement.</p>	1,468,719
<p>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. The loan is collateralized by the pledge of revenues. In the event of default, the lender may file suit to require any or all of the borrower covenants to be performed; accelerate the payment of principal and interest accrued on the note; appoint temporary trustees to take over, operate and maintain the System on a profitable basis; or file suit to enforce or enjoin the action or inaction of the Borrower under the provisions of the loan agreement.</p>	530,000

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

2013 Note Payable dated October 1, 2013, original amount of \$1,020,000 with an 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. The loan is collateralized by the pledge of revenues. In the event of default, the lender accelerate the payment of principal and interest accrued on the note; foreclose on the lien of mortgaged property; sale of collateral and real property; appoint temporary trustees to take over, operate and maintain the System on a profitable basis.

	<u>430,000</u>
Total Notes Payable	\$4,703,564
Plus: Unamortized Premium	<u>22,664</u>
Total Notes Payable, net	<u>\$4,726,228</u>
Current portion	\$718,462
Non-current portion, net	<u>4,007,766</u>
Total Notes Payable	<u>\$4,726,228</u>

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.

	\$26,380,000
Less: Unamortized discount	<u>(97,561)</u>
Total Revenue Bonds, net	<u>\$26,282,439</u>
Current portion	\$735,000
Non-current portion, net	<u>25,547,439</u>
Total Revenue Bonds Payable	<u>\$26,282,439</u>

Accrued Compensated Absences:

	\$69,650
Current portion	
Non-current portion	<u>279,049</u>
Total Accrued Compensated Absences	<u>\$348,699</u>

Deposits Subject to Refund:

	\$102,315
Current portion	
Non-current portion	<u>409,262</u>
Total Deposits Subject to Refund	<u>\$511,577</u>

Changes in Long-Term Debt

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

<u>Type of Debt</u>	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Primary Government</u>					
Governmental Activities:					
General Obligation Bonds	\$ 13,090,000	\$ 130,000	\$ 575,000	\$ 12,645,000	\$ 1,070,000
Revenue Bonds	15,545,000	-	465,000	15,080,000	475,000
Capital Leases Payable	613,406	-	166,461	446,945	168,331
Accrued Compensated Absences	<u>906,776</u>	<u>680,343</u>	<u>649,715</u>	937,404	<u>187,480</u>
Total Governmental Activities	<u>\$ 30,155,182</u>	<u>\$ 810,343</u>	<u>\$ 1,856,176</u>	29,109,349	<u>\$ 1,900,811</u>
Plus: Unamortized bond premium (See Note 3E)				95,698	
				<u>\$ 29,205,047</u>	
Reconciliation to Statement of Net Position:					
Due in one year				\$ 1,900,811	
Due in more than one year				<u>27,304,236</u>	
				<u>\$ 29,205,047</u>	
Business-Type Activities:					
Notes Payable (direct borrowing)	\$ 5,406,695	\$ -	\$ 703,131	\$ 4,703,564	\$ 718,462
Revenue Bonds Payable	27,100,000	-	720,000	26,380,000	735,000
Accrued Compensated Absences	<u>337,300</u>	<u>226,041</u>	<u>214,642</u>	348,699	<u>69,650</u>
Total Business-Type Activities	<u>\$ 32,843,995</u>	<u>\$ 226,041</u>	<u>\$ 1,637,773</u>	31,432,263	<u>\$ 1,523,112</u>
Plus: Unamortized bond premium (See Note 3E)				22,664	
Deposits subject to refund				511,577	
Less: Unamortized bond discount (See Note 3E)				<u>97,561</u>	
				<u>\$ 31,868,943</u>	
Reconciliation to Statement of Net Position:					
Due in one year				1,523,112	
Due in more than one year				<u>30,345,831</u>	
				<u>\$ 31,868,943</u>	

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, 2019 are as follows:

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

Governmental Activities						
Year Ending June 30,	General Obligation Bonds		Revenue Bonds		Capital Leases Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,070,000	\$ 371,465	\$ 475,000	\$ 498,350	\$ 168,331	\$ 3,581
2021	1,275,000	343,626	485,000	488,850	170,248	1,665
2022	635,000	310,088	495,000	242,570	108,366	336
2023	635,000	293,365	505,000	469,250	-	-
2024	635,000	276,488	510,000	459,150	-	-
2025-2029	3,175,000	1,110,237	2,770,000	2,104,392	-	-
2030-2034	3,175,000	630,801	3,215,000	1,650,713	-	-
2035-2039	2,045,000	168,061	3,905,000	959,528	-	-
2040-2042	-	-	2,720,000	205,178	-	-
Totals	<u>\$ 12,645,000</u>	<u>\$ 3,504,131</u>	<u>\$ 15,080,000</u>	<u>\$ 7,077,981</u>	<u>\$ 446,945</u>	<u>\$ 5,582</u>

Business-Type Activities				
Year Ending June 30,	Notes Payable (Direct borrowings)		Revenue Bonds Payable	
	Principal	Interest	Principal	Interest
2020	\$ 718,462	\$ 99,814	\$ 735,000	\$ 932,444
2021	734,681	81,992	755,000	911,012
2022	755,972	63,948	775,000	888,062
2023	682,618	45,661	800,000	865,637
2024	463,400	28,423	820,000	843,152
2025-2029	1,233,308	49,931	4,540,000	3,759,927
2030-2034	115,123	389	5,405,000	2,878,262
2035-2039	-	-	6,445,000	1,803,477
2040-2043	-	-	6,105,000	481,347
Totals	<u>\$ 4,703,564</u>	<u>\$ 370,158</u>	<u>\$ 26,380,000</u>	<u>\$ 13,363,320</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

3.F. INTERFUND TRANSACTIONS AND BALANCES

Interfund transfers reported in the fund financial statements for the year ended June 30, 2019, were as follows:

<i>TRANSFERS IN</i>	<i>TRANSFERS OUT</i>							
	GENERAL FUND	CAPITAL IMPROVEMENT WATER/WASTEWATER FUND	SSMA WATER FUND	SSMA WASTEWATER FUND	SSMA SOLID WASTE FUND	SSMA GOLF FUND	SSMA STORMWATER FUND	OTHER GOVERNMENTAL FUNDS
<i>Primary Government:</i>								
Governmental Activities:								
Major Funds:								
General Fund	\$ 1,484,991	\$ -	\$ -	\$ 980,000	\$ 200,000	\$ 200,000	\$ -	\$ -
Capital Project Funds:								
Street Improvement Fund	2,766,055	1,643,570	226,643	122,000	115,000	-	-	658,842
Capital Improvement Water/Wastewater Fund	3,287,140	-	-	3,287,140	-	-	-	-
Public Safety Capital Improvement Fund	1,479,213	1,479,213	-	-	-	-	-	-
Capital Project Funds	7,532,408	3,122,783	226,643	3,409,140	115,000	-	-	658,842
Sub-total Major Funds	9,017,399	3,122,783	226,643	4,389,140	315,000	200,000	-	763,833
Nonmajor Funds	4,182,432	1,180,818	10,000	1,356,500	138,000	257,012	25,065	1,200,000
Total Governmental Activities	13,199,831	4,303,601	236,643	5,745,640	453,000	457,012	25,065	1,200,000
Business-Type Activities:								
Major Funds:								
SSMA Water Fund	4,087,140	3,287,140	800,000	-	-	-	-	-
SSMA Airport Fund	50,000	-	-	50,000	-	-	-	-
SSMA Golf Fund	175,000	-	-	175,000	-	-	-	-
Total Business-Type Activities	4,312,140	3,287,140	800,000	225,000	-	-	-	-
Total Primary Government	\$ 17,511,971	\$ 7,590,741	\$ 1,036,643	\$ 5,970,640	\$ 453,000	\$ 457,012	\$ 25,065	\$ 1,200,000

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	Short-Term Capital Improvement	\$ 10,000	A E911 wireless system
General Fund	Short-Term Capital Improvement	152,000	A Capital asset purchases
Short-Term Capital Improvement	* General Fund	95,000	B E911 wireless system
Sinking Fund	* General Fund	9,991	B Interest earnings
SSMA Water Fund	* General Fund	980,000	Budgeted subsidy
SSMA Wastewater Fund	* General Fund	200,000	Budgeted subsidy
SSMA Solid Waste Utility Fund	* General Fund	200,000	Budgeted subsidy
SSMA Water Fund	Capital Improvement Fund	50,000	A Capital asset purchases
SSMA Wastewater Fund	* Street Improvement Fund	115,000	Capital asset purchases
General Fund	* Street Improvement Fund	1,643,570	Sales tax transfer
General Fund	* Public Safety Capital Improvement Fund	1,479,213	Sales tax transfer
Capital Improvement W&WW Fund	* Street Improvement Fund	226,643	Capital asset purchases
Economic Development Capital Impr Fund	Short-Term Capital Improvement	15,037	A/B Capital asset purchases
General Fund	T.I.D. #1 Cimarron Center Fund	690,104	A Property tax transfer
General Fund	Economic Development Capital Impr Fund	328,714	A Sales tax transfer
SSMA Golf Course Fund	Golf Course Capital Improvement	25,065	A Capital asset purchases
Capital Improvement W&WW Fund	* SSMA Water Fund	800,000	Debt service
General Fund	* SSMA Water Fund	3,287,140	Sales tax transfer
Stormwater Capital Improvement	* Street Improvement Fund	658,842	B Capital asset purchases
SSMA Stormwater Fund	Stormwater Capital Improvement	1,200,000	A Budgeted subsidy
SSMA Water Fund	* Street Improvement Fund	122,000	Capital asset purchases
SSMA Water Fund	* Capital Improvement W&WW Fund	3,287,140	Sales tax transfer
Capital Improvement W&WW Fund	CDBG - EDIF Fund	10,000	A Budgeted subsidy
SSMA Water Fund	Airport Construction Fund	5,000	A Budgeted subsidy
SSMA Water Fund	2018 GO Bond City Project Fund	1,124,500	A Capital asset purchases
SSMA Water Fund	SSMA Short-term Capital Improvement Fund	177,000	A Capital asset purchases
SSMA Water Fund	* SSMA Golf Course Fund	175,000	Budgeted subsidy
SSMA Water Fund	* SSMA Airport Fund	50,000	Budgeted subsidy
SSMA Wastewater Fund	SSMA Short-term Capital Improvement Fund	138,000	A Capital asset purchases
SSMA Solid Waste Fund	SSMA Short-term Capital Improvement Fund	257,012	A Capital asset purchases
		<u>\$ 17,511,971</u>	

Denotes major fund

Sub-total of Nonmajor Governmental Fund Transfers In	4,182,432	Sum of A
Sub-total of Nonmajor Governmental Fund Transfers Out	(778,870)	Sum of B

	Transfers In	Transfers Out	Net Transfers
Reconciliation to Fund Financials:			
Governmental Funds	\$ 13,199,831	\$ (9,406,254)	\$ 3,793,577
Enterprise Funds	4,312,140	(8,105,717)	(3,793,577)
Total Transfers	<u>\$ 17,511,971</u>	<u>\$ (17,511,971)</u>	<u>\$ -</u>

Reconciliation to Statement of Activities:		
Net Transfers Governmental Funds		\$ 3,793,577
Net transfer for Capital project funds reported as business-type activities		251,251
Capital outlay for governmental capital project funds reported as transfers to business-type activities		(4,095,321)
Net Transfers/Internal Activity		<u>\$ (50,493)</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

Interfund receivables/payables reported in the fund financial statements for the year ended June 30, 2019 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>
SSMA Water	Airport Construction	\$ 166,638	Expenses reimbursement
		<u>\$ 166,638</u>	
	Due From Other Funds	Due To Other Funds	Net Activity/ Internal Balances
Reconciliation to Fund Financial Statements:			
Governmental Funds	\$ -	\$ (166,638)	\$ (166,638)
Enterprise Funds	166,638	-	166,638
Total Interfund Balances	<u>\$ 166,638</u>	<u>\$ (166,638)</u>	<u>\$ -</u>

3.G. FUND EQUITY

Fund Balance and Net Position:

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

	Major Capital Project Funds				Other Governmental Funds	TOTAL
	General Fund	Street Improvement	Capital Improvement Water & Wastewater	Public Safety Capital Improvement		
Fund Balances:						
Nonspendable:						
Inventory & prepaids	\$ 28,627	\$ -	\$ -	\$ -	\$ -	\$ 28,627
Sub-total Nonspendable	28,627	-	-	-	-	28,627
Restricted for:						
Animal Sterilization	8,545	-	-	-	-	8,545
Jail Reserves	100,269	-	-	-	-	100,269
Substance Abuse	114,801	-	-	-	-	114,801
Juvenile Programs	71,320	-	-	-	-	71,320
Economic Development	209,939	-	-	-	-	209,939
Streets	-	9,463,942	-	-	-	9,463,942
License Plates	40,180	-	-	-	-	40,180
Public Safety Capital Improvements	-	-	-	1,358,806	-	1,358,806
Capital Improvements	-	-	-	-	3,165,045	3,165,045
Contract Wages	124,036	-	-	-	-	124,036
E911	-	-	-	-	678,475	678,475
Utility Capital Projects	-	-	5,949,721	-	-	5,949,721
Debt Service	-	-	-	-	795,935	795,935
Sub-total Restricted	669,090	9,463,942	5,949,721	1,358,806	4,639,455	22,081,014
Assigned to:						
Subsequent Year Budget	1,922,443	-	-	-	-	1,922,443
Encumbrances	137,996	-	-	-	-	137,996
Economic Development Capital Improvements	-	-	-	-	681,286	681,286
Community Center	281,842	-	-	-	-	281,842
Police	159,383	-	-	-	-	159,383
Fire	1,225	-	-	-	-	1,225
Municipal Court Technology	21,795	-	-	-	-	21,795
Alive at 25	5,191	-	-	-	-	5,191
Streets	-	423,074	-	-	-	423,074
Public Safety Capital Improvements	-	-	-	553,239	-	553,239
Capital Improvements	-	-	-	-	1,088,481	1,088,481
Parks	-	-	-	-	48,296	48,296
River City Crossing	-	-	-	-	1,325,608	1,325,608
South Side Park	-	-	-	-	10,750	10,750
Stormwater Projects	-	-	-	-	6,438,139	6,438,139
Utility Capital Projects	-	-	1,269,175	-	72,915	1,342,090
Golf Course	-	-	-	-	41,707	41,707
Debt Service	-	-	-	-	7,484	7,484
Other	12	-	-	-	-	12
Sub-total Assigned	2,529,887	423,074	1,269,175	553,239	9,714,666	14,490,041
Unassigned:	4,117,003	-	-	-	-	4,117,003
TOTAL FUND BALANCES	<u>\$ 7,344,607</u>	<u>\$ 9,887,016</u>	<u>\$ 7,218,896</u>	<u>\$ 1,912,045</u>	<u>\$ 14,354,121</u>	<u>\$40,716,685</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

Enterprise Funds:	
Restricted for Debt Service:	
Cash and Cash Equivalents	\$ 896,022
Investments	<u>1,790,711</u>
	2,686,733
Less: accrued interest payable	<u>(188,303)</u>
 Total Enterprise Fund Restricted Net Position	 <u><u>\$ 2,498,430</u></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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
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JUNE 30, 2019**

	Governmental Activities
Net Pension Asset	
Police Pension System	\$ 276,540
Total Net Pension Asset	\$ 276,540
Net Pension Liability	
Firefighter's Pension System	7,514,168
Total Net Pension Liability	\$ 7,514,168
Deferred Outflows of Resources	
Police Pension System	\$ 551,027
Firefighter's Pension System	2,130,279
Total Deferred Outflows of Resources	\$ 2,681,306
Deferred Inflows of Resources	
Police Pension System	\$ 266,640
Firefighter's Pension System	1,284,118
Total Deferred Inflows of Resources	\$ 1,550,758
Pension Expense	
Police Pension System	\$ 204,498
Firefighter's Pension System	(54,820)
Total Pension Expense	\$ 149,678

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
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Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later. 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 \$253,949. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$226,571 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 \$226,573. 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, 2019, the City reported an asset of \$276,540 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2018. Based upon this information, the City's proportion was .5805540%.

For the year ended June 30, 2019, the City recognized pension expense of \$204,498. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,633	\$ 259,119
Changes of assumptions	120,775	
Net difference between projected and actual earnings on pension plan investments	144,006	-
Changes in proportion and differences between City contributions and proportionate share of contributions	13,218	3,402
City contributions during the measurement date	17,446	4,119
City contributions subsequent to the measurement date	253,949	-
Total	\$ 551,027	\$ 266,640

The \$253,949 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction/addition of the net pension liability (asset) in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
	2020	\$ 153,681
	2021	64,567
	2022	(149,442)
	2023	(46,857)
	2024	8,489
	Total	\$ 30,438

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

Inflation:	2.75%
Salary increases:	3.5% to 17% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Cost-of-living adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary.
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.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
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The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

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

<u>Asset Class</u>	<u>Real Rate of Return</u>
Fixed income	4.53%
Domestic equity	5.86%
International equity	8.83%
Real estate	6.58%
Private equity	9.21%
Commodities	5.06%

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

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 220,964	\$ (276,540)	\$ (274,705)

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 .

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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

Normal Retirement:

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
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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 \$288,518. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$682,139 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 \$669,768. 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, 2019, the City reported a liability of \$7,514,168 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City’s proportion of the net pension liability was based on the City’s contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2018. Based upon this information, the City’s proportion was .667543%.

For the year ended June 30, 2019, the City recognized pension expense of (\$54,820). At June 30, 2019, 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	\$ 1,569,498	\$ -
Net difference between projected and actual earnings on pension plan investments	-	624,367
Changes in proportion and differences between City contributions and proportionate share of contributions	262,632	652,130
City contributions during the measurement date	9,631	7,621
City contributions subsequent to the measurement date	288,518	-
Total	\$ 2,130,279	\$ 1,284,118

The \$288,518 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2020	\$	274,996
2021		193,013
2022		(39,510)
2023		70,779
2024		58,365
Thereafter		-
Total	\$	557,643

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	7.00%
Domestic equity	47%	7.01%
International equity	15%	8.83%
Real estate	10%	6.58%
Other assets	8%	5.70%

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate-The following presents the 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:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability	\$ 9,842,081	\$ 7,514,168	\$ 5,559,094

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 .

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

Defined Contribution Plan - OkMRF

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 (OkMRF). OkMRF 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 OkMRF Plan issues a separate financial report that may be obtained from OkMRF. 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, 2019, the following amounts related to the defined contribution plan:

Employee contributions made	\$227,536
Employer (City) contributions made	\$432,378

Defined Contribution Plan – OkMRF - CMO Plan

The City has also provided a defined contribution plan in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OkMRF). The defined contribution plan is available to any person who is in the position of City Manager as of 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 2019 were \$13,528 which is 100% of the required contribution.

Other Post-Employment Benefits

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

Employees covered by benefit terms - At June 30, 2019 the following employees were covered by the benefit terms:

Active Employees	123
Inactives or beneficiaries currently receiving benefit payments	<u>2</u>
Total	<u>125</u>

Total OPEB Liability – The City’s total OPEB liability of \$2,021,826 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

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

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 3.58%, based on June 30, 2018 published Bond Pay Go-20 bond index
- Termination – Civilian employees are based on actual experience of the Oklahoma Municipal Retirement Fund. Rates for police and firefighters are based on rates for these groups in Oklahoma.

Retirement Age:

*Civilian
Retirement*

<u>Age</u>	<u>Rate</u>
55	7%
56	7%
57	7%
58	7%
59	7%
60	7%
61	7%
62	30%
63	17.5%
64	17.5%
65-69	40%
70	100%

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

Years of Service	Retirement Rate	
	Police	Fire
20	20%	10%
21	6%	5%
22	6%	5%
23	6%	5%
24	10%	10%
25	20%	15%
26	10%	15%
27	10%	15%
28	10%	15%
29	15%	15%
30	100%	20%
31	100%	20%
32	100%	20%
33	100%	20%
34	100%	25%
35	100%	100%

- Participation – 25% of currently covered civilian employees are assumed to elect retiree medical coverage and 50% for police and firefighters. Dependents are assumed acceptance rate is 50%
- Healthcare cost trend rates - Plan year dependent rates graded from 4.87% to 6.09%
- Mortality Rates - RPA-2000 Mortality Table with cohort mortality projection

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

	Total OPEB Liability
Balances Beginning of Year	\$ 2,136,680
Changes for the Year:	
Service cost	146,215
Interest expense	76,484
Difference between expected and actual experience	(135,792)
Changes in assumptions	(180,592)
Benefits paid	(21,169)
Net changes	(114,854)
Balances Ending of Year	\$ 2,021,826
Governmental Activities	\$ 1,379,599
Business-type Activities	642,227
	\$ 2,021,826

Changes of assumptions reflects a change in discount rate from 2.85 percent to 3.58 percent.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate-The following presents the total OPEB liability of the employer calculated using the discount rate of 3.87%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Employers' total OPEB liability	\$ 2,496,651	\$ 2,021,826	\$ 1,654,562

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate-The following presents the total OPEB liability of the employer calculated using the healthcare cost trend rate of 6.09% grading to 4.87%, as well as what the Plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (5.09% grading to 3.87%) or 1-percentage-point higher (7.09% grading to 5.87%) than the current rate:

	1% Decrease (5.09% grading to 3.87%)	Healthcare Costs Trend Rates (6.09% grading to 4.87%)	1% Increase (7.09% grading to 5.87%)
Employers' net OPEB liability	\$ 1,664,522	\$ 2,021,836	\$ 2,471,527

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB-

For the year ended June 30, 2019, the City recognized OPEB expense of \$153,427. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 117,925
Changes of assumptions	-	304,718
Changes in proportion	51,109	51,111
Benefit payments during measurement date	468	468
Benefit payments subsequent to the measurement date	10,819	-
Total	\$ 62,396	\$ 474,222

The \$10,819 reported as deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

	2020	\$	(69,270)
	2021		(69,270)
	2022		(69,270)
	2023		(69,270)
	2024		(69,270)
	Thereafter		(76,295)
	Total	\$	(422,645)

4.B. TAX ABATEMENTS

The City enters into sales tax rebate agreements with local businesses as allowed in the Oklahoma State Constitution, Article 10, Section 14. Under this law, the City may establish economic development programs and provide sales tax increments for development as part of its economic development plan.

The sales tax rebate program allows a retail store business or developer to receive rebated sales tax in an amount equal to one cent (\$0.01) from every three and one-half cents (\$0.035) of sales tax that the business generates. To be eligible for this program, the project area should be developed or redeveloped after a significant vacancy to provide economic opportunity to the City and its citizens.

Due to the confidentiality laws in Oklahoma Statutes, Title 68, Section 1354.11, the amounts of sales taxes rebated will not be disclosed. The following businesses had rebate agreements with the City as of June 30, 2019:

A grocery retailer received rebated sales taxes during 2019. The sales tax rebated cannot exceed the lesser of (i) 1% of the gross sales tax generated over a 10 year period, or (ii) \$2,000,000. This sales tax rebate period is for ten years from the sales tax commencement date (the date the City first receives sales tax). The agreement must be renewed for the City Council annually to ensure a continuing public benefit. This agreement was entered into July 2012 and will terminate no later than June 2022.

The City is subject to ad valorem tax abatements granted by the State of Oklahoma in accordance with the Oklahoma Constitution, Article X, Section 6B for qualifying manufacturing concerns.

Under this program, a 5 year ad valorem tax exemption exempts all real and personal property that is necessary for the manufacturing of a product and facilities engaged in research and development which meet the requirements set by the Oklahoma Constitution and Statutes. In exchange for the 5 year exemption, qualifying manufacturing concerns must incur investment costs of \$250,000 or more for construction, acquisition, or expansion of a manufacturing facility. In addition, there are general minimal payroll requirements that must be met and qualifying manufacturing concerns must offer a basic health benefit plan to all full-time employees within 180 days of employment.

4.C. 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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

<p>b. Physical Property:</p> <ul style="list-style-type: none"> - Theft - Damage to assets - Natural disasters 	<p>All physical property except vehicles is insured through commercial insurance with deductible of \$1,000.</p> <p>Vehicle damage is not covered by insurance.</p>	<p>All physical property except vehicles - None</p> <p>Vehicles - entire risk of loss retained through fund incurring the loss.</p>
<p>c. Workers' Compensation:</p> <ul style="list-style-type: none"> - Employee injuries 	<p>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.</p>	<p>Specific aggregate stop loss coverage is provided by the State Insurance Fund and covers all claims above the loss reserve fund.</p>
<p>d. Health and Life:</p> <ul style="list-style-type: none"> - Medical - Dental 	<p>All group health and life coverage is insured through a commercial carrier.</p>	<p>None</p>

OMAG Workers 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 workers 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.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

4.D. 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.

Asset Retirement Obligation

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

Commitments:

Construction Projects

At June 30, 2019, the City had several construction projects ongoing. The material projects are noted below:

Project	Total Contract	Remaining Contract	Funding Source
Main Street Improvements	\$ 2,644,474	\$ 88,277	Street Improvement Fund
Public Safety Complex	12,719,093	1,133,617	2015 Revenue Bond
Morrow Road Widening	1,702,349	1,410	Vision 2025
Citywide Beautification - WTP Wall	1,348,405	857,158	2018 GO Bond
Northwoods Chlor Booster Station	1,101,158	57,215	W&WW Capital Improvement Fund

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2019**

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 2019, the ad valorem assessments on the District totaled \$742,335.

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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 Changes in Total OPEB Liability and Related Ratios

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>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's proportion of the net pension liability (asset)	0.5255%	0.5557%	0.5755%	0.5571%	0.5806%
City's proportionate share of the net pension liability (asset)	\$ (176,923)	\$ 22,670	\$ 881,406	\$ 42,849	\$ (276,540)
City's covered payroll	\$1,497,869	\$ 1,522,161	\$1,649,772	\$ 1,802,485	\$ 1,847,846
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(11.81%)	1.49%	53.43%	2.38%	(14.97%)
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%

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

Notes to Schedule:

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Statutorially required contribution	\$ 204,866	\$ 214,512	\$ 234,323	\$ 240,220	\$ 253,949
Contributions in relation to the statutorially required contribution	<u>204,866</u>	<u>214,512</u>	<u>234,323</u>	<u>240,220</u>	<u>253,949</u>
Contribution deficiency (excess)	<u>\$ -</u>				
City's covered payroll	\$ 1,522,161	\$ 1,649,772	\$ 1,802,485	\$ 1,847,846	\$ 1,953,454
Contributions as a percentage of covered payroll	13.46%	13.00%	13.00%	13.00%	13.00%

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

Notes to Schedule:

Only five 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>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's proportion of the net pension liability	0.696226%	0.7066%	0.7441%	0.71246%	0.66754%
City's proportionate share of the net pension liability	\$ 7,159,629	\$ 7,499,699	\$ 9,090,642	\$ 8,960,763	\$ 7,514,168
City's covered payroll	\$ 1,785,586	\$ 1,941,928	\$ 2,020,060	\$ 2,030,414	\$ 2,067,307
City's proportionate share of the net pension liability as a percentage of its covered payroll	401%	386%	450%	441%	363%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%

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

Notes to Schedule:

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Statutorially required contribution	\$ 271,870	\$ 282,811	\$ 284,258	\$ 289,423	\$ 288,518
Contributions in relation to the statutorially required contribution	<u>271,870</u>	<u>282,811</u>	<u>284,258</u>	<u>289,423</u>	<u>288,518</u>
Contribution deficiency (excess)	<u>\$ -</u>				
City's covered payroll	\$ 1,941,928	\$2,020,060	\$2,030,414	\$2,067,307	\$ 2,060,843
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

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

Notes to Schedule:

Only five 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, 2019**

	<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:	\$4,642,687	\$6,543,729	\$6,543,729	-
Resources (Inflows):				
TAXES:				
Sales tax	12,761,026	12,761,026	13,312,916	551,890
Use tax	425,000	425,000	960,141	535,141
Hotel/Motel tax	195,000	195,000	140,147	(54,853)
Incremental tax	750,000	750,000	742,335	(7,665)
Franchise tax	844,000	844,000	873,276	29,276
Video Provider Fee	21,500	21,500	24,193	2,693
Emergency telephone tax	25,000	25,000	19,349	(5,651)
Abatement fees	20,000	20,000	26,153	6,153
Payment in lieu of taxes	1,258,456	1,258,456	1,212,599	(45,857)
Total Taxes	<u>16,299,982</u>	<u>16,299,982</u>	<u>17,311,109</u>	<u>1,011,127</u>
INTERGOVERNMENTAL:				
Taxes	209,000	209,000	224,006	15,006
Cigarette tax	136,000	136,000	113,392	(22,608)
Grants	-	149,205	106,706	(42,499)
Total Intergovernmental	<u>345,000</u>	<u>494,205</u>	<u>444,104</u>	<u>(50,101)</u>
CHARGES FOR SERVICES:				
Court costs	148,100	148,100	132,719	(15,381)
Zoning and inspection fees	87,000	87,000	69,110	(17,890)
Park and recreation fees	76,500	76,500	94,617	18,117
Fire run fees	750	750	200	(550)
Fire protection fee	160,000	160,000	162,284	2,284
First responder runs	13,000	13,000	7,000	(6,000)
First responder fees	247,000	247,000	249,933	2,933
EMSA fees	271,000	271,000	275,304	4,304
Other fees	21,650	21,650	23,438	1,788
Total Charges for Services	<u>1,025,000</u>	<u>1,025,000</u>	<u>1,014,605</u>	<u>(10,395)</u>
FINES AND FORFEITURES	<u>190,200</u>	<u>190,200</u>	<u>98,575</u>	<u>(91,625)</u>
LICENSES AND PERMITS:				
Licenses	110,150	110,150	88,719	(21,431)
Permits	42,000	42,000	39,731	(2,269)
Total Licenses and Permits	<u>152,150</u>	<u>152,150</u>	<u>128,450</u>	<u>(23,700)</u>
OTHER:				
Transfers from other funds	1,478,500	1,478,500	1,484,991	6,491
Interest on taxes	5,000	5,000	8,759	3,759
Interest	56,000	56,000	128,727	72,727
Other	297,000	309,435	811,371	501,936
Total Other	<u>1,836,500</u>	<u>1,848,935</u>	<u>2,433,848</u>	<u>584,913</u>
Total Resources (Inflows)	<u>19,848,832</u>	<u>20,010,472</u>	<u>21,430,691</u>	<u>1,420,219</u>
Amounts available for appropriation	<u>24,491,519</u>	<u>26,554,201</u>	<u>27,974,420</u>	<u>1,420,219</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2019
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges to Appropriations (Outflows):				
GENERAL GOVERNMENT:				
General Administration:				
Personal services	\$ 5,000	\$ 5,750	\$ 543	\$ 5,207
Materials and supplies	7,000	7,450	2,477	4,973
Other services and charges	154,837	176,944	109,991	66,953
Total General Administration	<u>166,837</u>	<u>190,144</u>	<u>113,011</u>	<u>77,133</u>
Municipal Court:				
Personal services	195,187	193,787	144,723	49,064
Materials and supplies	1,825	4,775	2,976	1,799
Other services and charges	20,510	20,510	16,193	4,317
Total Municipal Court	<u>217,522</u>	<u>219,072</u>	<u>163,892</u>	<u>55,180</u>
City Manager:				
Personal services	357,997	363,497	314,607	48,890
Materials and supplies	1,465	1,765	1,261	504
Other services and charges	2,600	1,800	1,164	636
Total City Manager	<u>362,062</u>	<u>367,062</u>	<u>317,032</u>	<u>50,030</u>
City Clerk:				
Personal services	177,910	181,495	168,662	12,833
Materials and supplies	2,500	2,500	1,376	1,124
Other services and charges	13,920	13,920	5,836	8,084
Total City Clerk	<u>194,330</u>	<u>197,915</u>	<u>175,874</u>	<u>22,041</u>
Information Services:				
Personal services	154,527	154,728	140,396	14,332
Materials and supplies	8,425	8,425	7,271	1,154
Other services and charges	176,550	176,550	154,537	22,013
Total Information Services	<u>339,502</u>	<u>339,703</u>	<u>302,204</u>	<u>37,499</u>
TOTAL GENERAL GOVERNMENT	<u>1,280,253</u>	<u>1,313,896</u>	<u>1,072,013</u>	<u>241,883</u>
PLANNING AND ZONING:				
Planning and Development:				
Personal services	154,986	155,135	149,611	5,524
Materials and supplies	1,260	1,455	920	535
Other services and charges	21,815	21,786	17,625	4,161
TOTAL PLANNING AND ZONING	<u>178,061</u>	<u>178,376</u>	<u>168,156</u>	<u>10,220</u>
FINANCIAL ADMINISTRATION:				
Human Resources:				
Personal services	199,160	202,004	157,707	44,297
Materials and supplies	4,310	4,460	3,824	636
Other services and charges	9,640	8,640	7,005	1,635
Total Human Resources	<u>213,110</u>	<u>215,104</u>	<u>168,536</u>	<u>46,568</u>
Finance:				
Personal services	444,057	456,831	423,996	32,835
Materials and supplies	7,278	7,664	6,044	1,620
Other services and charges	135,983	216,692	169,411	47,281
Total Finance	<u>587,318</u>	<u>681,187</u>	<u>599,451</u>	<u>81,736</u>
City Attorney:				
Personal services	22,397	22,397	14,929	7,468
Materials and supplies	-	-	-	-
Other services and charges	110,000	110,000	98,988	11,012
Total City Attorney	<u>132,397</u>	<u>132,397</u>	<u>113,917</u>	<u>18,480</u>
TOTAL FINANCIAL ADMINISTRATION	<u>932,825</u>	<u>1,028,688</u>	<u>881,904</u>	<u>146,784</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2019
(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	\$ 3,195,951	\$ 3,312,230	\$ 3,135,616	\$ 176,614
Materials and supplies	152,584	154,584	116,476	38,108
Other services and charges	87,244	88,744	57,446	31,298
Total Police	<u>3,435,779</u>	<u>3,555,558</u>	<u>3,309,538</u>	<u>246,020</u>
Emergency Management:				
Personal services	40,495	40,850	36,947	3,903
Materials and supplies	5,921	7,121	6,199	922
Other services and charges	15,116	13,916	11,061	2,855
Total Emergency Management	<u>61,532</u>	<u>61,887</u>	<u>54,207</u>	<u>7,680</u>
Animal Control:				
Personal services	105,437	105,447	94,190	11,257
Materials and supplies	16,153	16,143	13,601	2,542
Other services and charges	3,410	1,410	434	976
Capital outlay	8,100	5,850	5,848	2
Total Animal Control	<u>133,100</u>	<u>128,850</u>	<u>114,073</u>	<u>14,777</u>
Communications:				
Personal services	512,637	512,138	458,020	54,118
Materials and supplies	10,500	30,999	25,253	5,746
Other services and charges	163,055	182,558	167,707	14,851
Total Communications	<u>686,192</u>	<u>725,695</u>	<u>650,980</u>	<u>74,715</u>
Fire:				
Personal services	3,193,655	3,219,414	2,989,017	230,397
Materials and supplies	110,914	111,437	82,293	29,144
Other services and charges	331,774	334,340	309,773	24,567
Capital outlay	3,000	3,000	-	3,000
Total Fire	<u>3,639,343</u>	<u>3,668,191</u>	<u>3,381,083</u>	<u>287,108</u>
Neighborhood Services:				
Personal services	178,379	207,297	185,320	21,977
Materials and supplies	8,816	8,826	4,514	4,312
Other services and charges	114,961	123,293	91,892	31,401
Capital outlay	4,600	4,600	4,503	97
Total Neighborhood Services	<u>306,756</u>	<u>344,016</u>	<u>286,229</u>	<u>57,787</u>
TOTAL PUBLIC SAFETY	<u>8,262,702</u>	<u>8,484,197</u>	<u>7,796,110</u>	<u>688,087</u>
HIGHWAYS AND STREETS:				
Street and Alley:				
Personal services	522,676	552,575	391,508	161,067
Materials and supplies	206,377	208,959	136,548	72,411
Other services and charges	233,506	249,141	198,875	50,266
TOTAL HIGHWAYS AND STREETS	<u>962,559</u>	<u>1,010,675</u>	<u>726,931</u>	<u>283,744</u>
HEALTH AND WELFARE:				
Senior Citizens:				
Personal services	20,966	20,966	19,703	1,263
Materials and supplies	5,953	5,953	3,300	2,653
Other services and charges	1,494	1,494	1,449	45
TOTAL HEALTH AND WELFARE	<u>28,413</u>	<u>28,413</u>	<u>24,452</u>	<u>3,961</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2019
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CULTURE AND RECREATION:				
Parks and Recreation:				
Personal services	\$ 600,983	\$ 723,678	\$ 578,068	\$ 145,610
Materials and supplies	118,669	181,055	157,477	23,578
Other services and charges	477,918	494,305	423,900	70,405
Capital outlay	9,608	428,757	42,410	386,347
Total Parks and Recreation	<u>1,207,178</u>	<u>1,827,795</u>	<u>1,201,855</u>	<u>625,940</u>
Museum:				
Personal services	9,670	9,827	7,187	2,640
Materials and supplies	5,400	6,400	5,013	1,387
Other services and charges	34,808	34,302	31,018	3,284
Total Museum	<u>49,878</u>	<u>50,529</u>	<u>43,218</u>	<u>7,311</u>
TOTAL CULTURE AND RECREATION	<u>1,257,056</u>	<u>1,878,324</u>	<u>1,245,073</u>	<u>633,251</u>
ECONOMIC DEVELOPMENT:				
Economic Development:				
Personal services	112,870	137,224	130,615	6,609
Materials and supplies	8,720	11,490	3,064	8,426
Other services and charges	285,871	300,089	276,346	23,743
TOTAL ECONOMIC DEVELOPMENT	<u>407,461</u>	<u>448,803</u>	<u>410,025</u>	<u>38,778</u>
FACILITIES MANAGEMENT AND FLEET MAINTENANCE:				
Facilities Management:				
Personal services	253,611	253,611	220,955	32,656
Materials and supplies	113,350	117,600	87,597	30,003
Other services and charges	185,715	206,644	154,396	52,248
Total Facilities Management	<u>552,676</u>	<u>577,855</u>	<u>462,948</u>	<u>114,907</u>
Fleet Maintenance:				
Personal services	243,377	242,079	161,961	80,118
Materials and supplies	15,207	18,107	12,028	6,079
Other services and charges	16,707	16,707	2,626	14,081
Capital outlay	3,960	3,960	3,960	-
Total Fleet Maintenance	<u>279,251</u>	<u>280,853</u>	<u>180,575</u>	<u>100,278</u>
TOTAL FACILITIES MANAGEMENT AND FLEET MAINTENANCE	<u>831,927</u>	<u>858,708</u>	<u>643,523</u>	<u>215,185</u>
OTHER FINANCING USES:				
Transfers to other funds	7,351,285	7,371,285	7,590,741	(219,456)
Debt service:				
Capital lease principal	166,461	166,461	166,461	-
Capital lease interest	5,451	5,451	5,245	206
Total Other Financing Uses	<u>7,523,197</u>	<u>7,543,197</u>	<u>7,762,447</u>	<u>(219,250)</u>
Total Charges to Appropriations	<u>21,664,474</u>	<u>22,773,277</u>	<u>20,730,634</u>	<u>2,042,643</u>
Ending Budgetary Fund Balance	<u>\$ 2,827,045</u>	<u>\$ 3,780,924</u>	<u>\$ 7,243,786</u>	<u>\$ 3,462,862</u>

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance:

Total Resources per Budgetary Comparison Schedule	\$ 21,430,691
Add State Fire and Police pension on-behalf payments	908,710
Add Special Programs sub-fund account revenues	5,003
Less transfer in	(1,484,991)
Total Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 20,859,413</u>
Total Charges to Appropriations per Budgetary Comparison Schedule	\$ 20,730,634
Add State Fire and Police pension on-behalf payments	908,710
Add Special Programs sub-fund account expenditures	25,585
Less transfer out	(7,590,741)
Total Expenditures per Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 14,074,188</u>

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

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

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service cost	\$ 159,662	\$ 146,215
Interest	60,022	76,484
Difference between expected and actual experience	-	(135,792)
Change in assumptions	(203,174)	(180,592)
Benefit payments, including refunds of member contributions	<u>(27,737)</u>	<u>(21,169)</u>
Net change in total OPEB liability	<u>(11,227)</u>	<u>(114,854)</u>
Total OPEB liability - beginning	<u>2,147,907</u>	<u>2,136,680</u>
Total OPEB liability - ending	<u>\$ 2,136,680</u>	<u>\$ 2,021,826</u>
Covered employee payroll	\$ 9,012,000	\$ 8,900,000
Total OPEB liability as a percentage of covered employee payroll	23.71%	22.72%

Notes to Schedule:

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

The change in assumption is a result of an increase in the discount rate from 2.85% to 3.58% in 2018, and from 3.58% to 3.87% in 2019.

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 - Nonmajor governmental funds
- Budgetary Comparison Schedules - Nonmajor 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 2019**

	<u>General Fund</u>	<u>Special Programs Account</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,749,251	\$ 68,499	\$ 2,817,750
Investments	1,482,644	49,872	1,532,516
Deposits with insurance pool	1,079,712	-	1,079,712
Accrued interest receivable	1,271	-	1,271
Taxes receivable, net	268,364	-	268,364
Receivable from other governments	1,876,851	-	1,876,851
Court fines receivable, net	180,097	-	180,097
Other receivables	620,987	-	620,987
Inventories	27,974	-	27,974
Prepaid items	653	-	653
Total assets	<u>\$ 8,287,804</u>	<u>\$ 118,371</u>	<u>\$ 8,406,175</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 194,316	\$ 300	\$ 194,616
Payable to other governments	204,242	-	204,242
Other accrued expenses	277,405	-	277,405
Amounts held in escrow	21,580	-	21,580
Other payables	29,222	17,250	46,472
Total liabilities	<u>726,765</u>	<u>17,550</u>	<u>744,315</u>
Deferred inflows of resources:			
Unavailable revenues	317,253	-	317,253
Fund balances:			
Non-spendable	28,627	-	28,627
Restricted	669,090	-	669,090
Assigned	2,429,066	100,821	2,529,887
Unassigned	4,117,003	-	4,117,003
Total fund balances	<u>7,243,786</u>	<u>100,821</u>	<u>7,344,607</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,287,804</u>	<u>\$ 118,371</u>	<u>\$ 8,406,175</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, 2019

	General Fund	Special Programs Account	Total
REVENUES			
Taxes	\$ 17,311,109	\$ -	\$ 17,311,109
Fees and fines	132,093	-	132,093
Licenses and permits	128,450	-	128,450
Intergovernmental	1,604,933	-	1,604,933
Charges for services	974,321	-	974,321
Investment earnings	137,486	2,095	139,581
Miscellaneous	566,018	2,908	568,926
Total revenues	<u>20,854,410</u>	<u>5,003</u>	<u>20,859,413</u>
EXPENDITURES			
Current:			
General government	1,072,013	-	1,072,013
Planning and zoning	168,156	-	168,156
Financial administration	881,904	-	881,904
Public safety	8,694,469	4,747	8,699,216
Highways and streets	726,931	-	726,931
Health and welfare	24,452	-	24,452
Culture and recreation	1,202,663	-	1,202,663
Community and economic development	410,025	-	410,025
Facilities management and fleet maintenance	639,563	-	639,563
Debt Service:			
Principal	166,461	-	166,461
Interest and other charges	5,245	-	5,245
Capital Outlay	56,721	20,838	77,559
Total expenditures	<u>14,048,603</u>	<u>25,585</u>	<u>14,074,188</u>
Excess (deficiency) of revenues over expenditures	<u>6,805,807</u>	<u>(20,582)</u>	<u>6,785,225</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,484,991	-	1,484,991
Transfers out	(7,590,741)	-	(7,590,741)
Total other financing sources and uses	<u>(6,105,750)</u>	<u>-</u>	<u>(6,105,750)</u>
Net change in fund balances	700,057	(20,582)	679,475
Fund balances - beginning	6,543,729	121,403	6,665,132
Fund balances - ending	<u>\$ 7,243,786</u>	<u>\$ 100,821</u>	<u>\$ 7,344,607</u>

City of Sand Springs, Oklahoma
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2019

SPECIAL REVENUE FUND	CAPITAL PROJECT FUNDS							
	Vision 2025	Short-Term Capital Improvements	Community Development Block Grant - EDIF	T.I.D.#1 Cimarron Center	Park and Recreation	Airport Construction	Capital Improvement	Stormwater Capital Improvement
ASSETS								
Cash and cash equivalents	\$ 166,282	\$ 726,539	\$ 68,961	\$ -	\$ 48,296	\$ -	\$ 2,175,901	\$ 5,295,873
Investments	-	-	-	-	-	-	89,769	1,141,857
Accrued interest receivable	-	13,169	3,862	-	-	269,139	-	1,862
Receivable from other governments	-	-	-	-	-	269,139	-	-
Total assets	\$ 166,282	\$ 739,708	\$ 72,823	\$ -	\$ 48,296	\$ 269,139	\$ 2,265,670	\$ 6,439,592
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ 329	\$ 1,714	\$ -	\$ -	\$ 11,258	\$ 2,030	\$ -
Due to other funds	-	-	-	-	-	166,638	-	-
Total liabilities	-	329	1,714	-	-	177,896	2,030	-
Deferred inflows of resources:								
Unavailable revenues	-	-	-	-	-	59,131	-	1,453
Fund balances:								
Restricted	166,282	678,475	70,909	-	-	32,112	-	-
Assigned	-	60,904	-	-	48,296	-	2,263,640	6,438,139
Total fund balances	166,282	739,379	70,909	-	48,296	32,112	2,263,640	6,438,139
Total liabilities, deferred inflows and fund balances	\$ 166,282	\$ 739,708	\$ 72,823	\$ -	\$ 48,296	\$ 269,139	\$ 2,265,670	\$ 6,439,592

(continued)

City of Sand Springs, Oklahoma
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

SPECIAL REVENUE FUND	CAPITAL PROJECT FUNDS						
	Vision 2025	Short-Term Capital Improvements	Community Development Block Grant - EDIF	T.I.D. #1 Cimarron Center	Park and Recreation	Airport Construction	Stormwater Capital Improvement
\$	-	\$ 156,593	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	-	-	18,990	-	-	342,030	-
Intergovernmental	-	25,648	-	-	6,025	-	-
Charges for services	-	-	-	-	773	716	-
Investment earnings	3,436	13,260	(1)	-	-	-	39,237
Miscellaneous	-	-	2,000	-	-	-	195,860
Total revenues	3,436	195,501	20,989	-	6,798	342,746	235,097
EXPENDITURES							
Current:							
Community development	-	-	-	690,104	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	86,447	202,949	18,990	-	-	389,637	44,665
Total expenditures	86,447	202,949	18,990	690,104	-	389,637	214,139
Excess (deficiency) of revenues over expenditures	(83,011)	(7,448)	1,999	(690,104)	6,798	(46,891)	20,958
OTHER FINANCING SOURCES (USES)							
Issuance of long-term debt	-	-	-	-	-	-	-
Premiums from issuance of long-term debt	-	-	-	-	-	-	-
Transfers in	-	177,037	10,000	690,104	-	5,000	50,000
Transfers out	-	(95,000)	-	-	-	-	(658,842)
Total other financing sources and uses	-	82,037	10,000	690,104	-	5,000	50,000
Net change in fund balances	(83,011)	74,589	11,999	(41,891)	6,798	(41,891)	605,877
Fund balances - beginning	249,293	664,790	58,910	-	41,498	74,003	5,832,262
Fund balances - ending	166,282	739,379	70,909	-	48,290	32,112	6,438,139
\$		\$	\$	\$	\$	\$	\$

(continued)

City of Sand Springs
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	CAPITAL PROJECT FUNDS				DEBT SERVICE FUND		Total Other Governmental Funds
	2018 General Obligation Bond City Project Fund	2014 GO Capital Improvement	Golf Course Capital Improvement	Economic Development Capital Improvement	Debt Service Fund		
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,013,101	\$ -	1,169,694
Intergovernmental	-	-	-	-	-	-	361,020
Charges for services	-	-	-	-	-	-	31,673
Investment earnings	5,724	59,392	600	9,844	13,494	-	258,278
Miscellaneous	-	50,000	-	8,642	-	-	256,502
Total revenues	5,724	109,392	600	18,486	1,026,595	-	2,077,167
EXPENDITURES							
Current:							
Community development	-	-	-	-	-	-	690,104
Debt Service:							
Principal	-	-	-	-	575,000	-	575,000
Interest and other charges	-	-	-	-	383,926	-	383,926
Capital Outlay	565,895	2,286,595	6,137	117,192	-	-	4,031,543
Total expenditures	565,895	2,286,595	6,137	117,192	958,926	-	5,680,573
Excess (deficiency) of revenues over expenditures	(560,171)	(2,177,203)	(5,537)	(98,706)	67,669	-	(3,603,406)
OTHER FINANCING SOURCES (USES)							
Issuance of long-term debt	-	-	-	-	-	-	130,000
Premiums from issuance of long-term debt	-	-	-	-	-	-	-
Transfers in	572,012	1,124,500	25,065	328,714	-	-	4,182,432
Transfers out	-	-	25,065	(15,037)	(9,991)	-	(778,870)
Total other financing sources and uses	572,012	1,254,500	25,065	313,677	(9,991)	-	3,533,562
Net change in fund balances	11,841	(922,703)	19,528	214,971	57,678	-	(69,844)
Fund balances - beginning	61,074	3,818,445	22,179	466,315	745,741	-	14,423,965
Fund balances - ending	72,915	2,895,742	41,707	681,286	803,419	-	14,354,121

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2019

	SPECIAL REVENUE - VISION 2025				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	-	\$ -	-	\$ -	145,000	\$ 145,000	158,593	11,593
Charges for services	-	-	-	-	20,526	20,526	25,648	5,122
Investment income	-	-	3,436	3,436	200	200	13,260	13,060
Total Revenues	-	-	3,436	3,436	165,726	165,501	195,501	29,775
Expenditures:								
Public Works:								
Capital outlay	-	-	-	-	-	7,808	-	7,808
Communications:								
Capital outlay	-	-	-	-	5,000	8,000	7,458	542
Animal Control:								
Capital outlay	-	-	-	-	40,000	40,000	35,947	4,053
Parks & Recreation:								
Capital outlay	-	256,685	86,447	170,238	112,000	116,028	115,108	920
Facilities Management:								
Capital outlay	-	-	-	-	-	44,000	-	44,000
Streets:								
Capital outlay	-	-	-	-	-	117,900	-	117,900
Economic Development:								
Capital outlay	-	-	-	-	30,000	45,037	45,036	1
Total Expenditures	-	256,685	86,447	170,238	187,000	378,773	202,949	175,824
Revenues over (under) expenditures	-	(256,685)	(83,011)	173,674	(21,274)	(213,047)	(7,448)	205,599
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	142,000	177,037	177,037	-
Transfers out	-	-	-	-	(95,000)	(95,000)	(95,000)	-
Total Other Financing Sources (Uses)	-	-	-	-	47,000	82,037	82,037	-
Revenues and other sources over (under) expenditures and other uses	-	(256,685)	(83,011)	173,674	25,726	(131,010)	74,589	205,599
Fund Balance - beginning of year	1	256,685	249,293	(7,392)	464,255	664,790	664,790	-
Fund Balance - end of year	1	\$ -	\$ 166,282	\$ 166,282	\$ 489,981	\$ 533,780	\$ 738,379	\$ 205,599

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2019

	CAPITAL PROJECT - COMMUNITY DEVELOPMENT BLOCK GRANT - EDIF				CAPITAL PROJECT - PARK AND RECREATION			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	-	\$ 94,748	\$ 18,990	\$ (75,758)	-	-	\$ -	-
Charges for services	-	-	-	-	-	7,000	6,025	(975)
Investment income	-	-	(1)	(1)	350	773	423	
Miscellaneous	-	2,000	2,000	-	-	-	-	-
Total Revenues	-	96,748	20,989	(75,759)	7,350	6,798	(552)	
Expenditures:								
Parks and Recreation:								
Capital outlay	-	96,748	18,990	77,758	-	-	-	-
Water:								
Capital outlay	-	10,000	-	10,000	-	-	-	-
Total Expenditures	-	106,748	18,990	87,758	-	-	-	-
Revenues over (under) expenditures	-	(10,000)	1,999	11,999	7,350	6,798	(552)	
Other Financing Sources (Uses):								
Transfers in	-	10,000	10,000	-	-	-	-	-
Total Other Financing Sources (Uses)	-	10,000	10,000	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	-	11,999	11,999	7,350	6,798	(552)	
Fund Balance - beginning of year	26,049	58,910	58,910	-	36,580	41,498	41,498	-
Fund Balance - end of year	\$ 26,049	\$ 58,910	\$ 70,909	\$ 11,999	\$ 43,930	\$ 48,848	\$ 48,296	\$ (552)

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2019

	CAPITAL PROJECT - T.I.D. #1 CIMARRON CENTER				CAPITAL PROJECT - 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	-	-	-	-	15,000	15,000	39,237	24,237
Miscellaneous	-	-	-	-	-	-	195,860	195,860
Total Revenues	-	-	-	-	15,000	15,000	235,097	220,097
Expenditures:								
Current:								
Emergency Management:								
Capital Outlay	-	-	-	-	-	4,660	-	4,660
Parks and Recreation:								
Capital Outlay	-	-	-	-	-	77,630	-	77,630
Neighborhood Services:								
Capital Outlay	-	-	-	-	-	32,072	-	32,072
Facilities Management:								
Capital Outlay	-	-	-	-	-	31,500	-	31,500
Public Works:								
Capital Outlay	-	-	-	-	158,239	485,462	172,794	312,668
Economic Development:								
Capital Outlay	750,000	750,000	690,104	59,896	20,000	340,406	20,365	320,041
Golf Course:								
Other Services and Charges	-	-	-	-	-	108,252	-	108,252
Airport:								
Capital Outlay	-	-	-	-	150,000	150,000	-	150,000
Street:								
Capital Outlay	-	-	-	-	75,000	97,017	20,980	76,037
Water:								
Capital Outlay	-	-	-	-	-	50,000	-	50,000
Total Expenditures	750,000	750,000	690,104	59,896	403,239	1,376,999	214,139	1,162,860
Revenues over (under) expenditures	(750,000)	(750,000)	(690,104)	59,896	(388,239)	(1,361,999)	20,958	1,382,957
Other Financing Sources (Uses):								
Transfers in	750,000	750,000	690,104	(59,896)	50,000	50,000	50,000	-
Total Other Financing Sources (Uses)	750,000	750,000	690,104	(59,896)	50,000	50,000	50,000	-
Revenues and other sources over (under) expenditures and other uses	-	-	-	-	(338,239)	(1,311,999)	70,958	1,382,957
Fund Balance - beginning of year	-	-	-	-	1,567,667	2,192,662	2,192,662	-
Fund Balance - end of year	-	-	-	-	\$ 1,229,428	\$ 880,663	\$ 2,263,640	\$ 1,382,957

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2019

	CAPITAL PROJECT - STORMWATER CAPITAL IMPROVEMENT				CAPITAL PROJECT - SSMA CAPITAL			
	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								
Investment income	\$ 30,000	\$ 30,000	\$ 109,384	\$ 79,384	\$ -	\$ 15	\$ 5,724	\$ 5,709
Total Revenues	30,000	30,000	109,384	79,384	-	15	5,724	5,709
Expenditures:								
Current:								
Water:								
Capital Outlay	-	-	-	-	77,000	75,145	74,323	822
Wastewater:								
Capital Outlay	-	-	-	-	138,000	138,000	134,095	3,905
Customer Service:								
Capital Outlay	-	-	-	-	-	50,000	-	50,000
Public Works:								
Capital Outlay	-	-	-	-	-	1,740	918	822
Golf Course:								
Capital Outlay	-	-	-	-	100,000	100,000	99,547	453
Sanitation:								
Capital Outlay	-	-	-	-	250,000	257,012	257,012	-
Stormwater:								
Capital Outlay	1,269,999	6,380,885	44,665	6,336,220	-	-	-	-
Total Expenditures	1,269,999	6,380,885	44,665	6,336,220	565,000	621,897	565,895	56,002
Revenues over (under) expenditures	(1,239,999)	(6,350,885)	64,719	6,415,604	(564,985)	(621,892)	(560,171)	61,711
Other Financing Sources (Uses):								
Transfers in	1,200,000	1,200,000	1,200,000	-	565,000	572,012	572,012	-
Transfers out	-	(658,842)	(658,842)	-	-	-	-	-
Total Other Financing Sources (Uses)	1,200,000	541,158	541,158	-	565,000	572,012	572,012	-
Revenues and other sources over (under) expenditures and other uses	(39,999)	(5,809,727)	605,877	6,415,604	15	(49,870)	11,841	61,711
Fund Balance - beginning of year	65,969	5,832,262	5,832,262	-	4,332	61,074	61,074	-
Fund Balance - end of year	25,970	22,535	6,438,139	6,415,604	4,347	11,204	72,915	61,711

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2019

	GOLF COURSE CAPITAL IMPROVEMENT				CAPITAL PROJECT - 2018 G.O. CITY PROJECT			
	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	-	-	\$ -	\$ -	-	-	\$ -	\$ -
Investment income	400	400	600	200	-	-	59,392	59,392
Miscellaneous	-	-	-	-	-	-	50,000	50,000
Total Revenues	400	400	600	200	-	-	109,392	109,392
Expenditures:								
Current:								
Information Services:								
Capital Outlay	-	-	-	-	-	216,866	40,755	176,111
Police:								
Capital Outlay	-	-	-	-	-	627,458	419,330	208,128
Fire:								
Capital Outlay	-	-	-	-	-	103,780	86,538	17,242
Streets:								
Capital Outlay	-	-	-	-	-	670,170	18,435	651,735
Museum:								
Capital Outlay	-	-	-	-	-	197,000	8,771	188,229
Parks & Recreation:								
Capital Outlay	-	-	-	-	-	2,505,830	1,259,575	1,246,255
Golf Course:								
Capital Outlay	-	29,023	6,137	22,886	-	200,000	68,090	131,910
Wastewater:								
Capital Outlay	-	-	-	-	-	412,000	385,101	26,899
Total Expenditures	-	29,023	6,137	22,886	-	4,933,104	2,286,595	2,646,509
Revenues over (under) expenditures	400	(28,623)	(5,537)	23,086	-	(4,933,104)	(2,177,203)	2,755,901
Other Financing Sources (Uses):								
Issuance of long-term debt	-	-	-	-	-	-	130,000	130,000
Transfers in	25,500	25,500	25,065	(435)	-	1,124,500	1,124,500	-
Total Other Financing Sources (Uses)	25,500	25,500	25,065	(435)	-	1,124,500	1,254,500	130,000
Revenues and other sources over (under) expenditures and other uses	25,900	(3,123)	19,528	22,651	-	(3,808,604)	(922,703)	2,865,901
Fund Balance - beginning of year	3,417	22,179	22,179	-	-	3,818,445	3,818,445	-
Fund Balance - end of year	\$ 29,317	\$ 19,056	\$ 41,707	\$ 22,651	-	\$ 9,841	\$ 2,895,742	\$ 2,895,901

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2019

	CAPITAL PROJECT - 2014 G.O. CAPITAL IMPROVEMENT				CAPITAL PROJECT - AIRPORT CONSTRUCTION			
	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	-	-	\$ -	\$ -	-	-	\$ -	\$ -
Intergovernmental	-	-	-	-	-	569,495	342,030	(227,465)
Investment income	750	750	2,419	1,669	600	600	716	116
Total Revenues	750	750	2,419	1,669	600	570,095	342,746	(227,349)
Expenditures:								
Park and Recreation:								
Capital Outlay	1,659	77,047	40,415	36,632	-	-	-	-
Facilities Management:								
Capital Outlay	-	100,000	38,250	61,750	-	-	-	-
Museum:								
Capital Outlay	-	20,232	20,232	-	-	-	-	-
Airport:								
Capital Outlay	-	-	-	-	-	641,133	389,637	251,496
Total Expenditures	1,659	197,279	98,897	98,382	-	641,133	389,637	251,496
Revenues over (under) expenditures	(909)	(196,529)	(96,478)	100,051	600	(71,038)	(46,891)	24,147
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	5,000	5,000	5,000	-
Total Other Financing Sources (Uses)	-	-	-	-	5,000	5,000	5,000	-
Revenues and other sources over (under) expenditures and other uses	(909)	(196,529)	(96,478)	100,051	5,600	(66,038)	(41,891)	24,147
Fund Balance - beginning of year	909	196,773	196,773	-	2,145	74,003	74,003	-
Fund Balance - end of year	-	244	\$ 100,295	\$ 100,051	\$ 7,745	\$ 7,965	\$ 32,112	\$ 24,147

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2019

	ECONOMIC DEVELOPMENT CAPITAL IMPROVEMENT FUND				DEBT SERVICE FUND			
	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	\$ -	\$ -	\$ -	\$ -	\$ 1,801,639	\$ 1,025,791	\$ 1,013,101	\$ (16,690)
Investment income	500	500	9,844	9,344	3,750	3,500	13,494	9,994
Miscellaneous	-	-	8,642	8,642	-	-	-	-
Total Revenues	500	500	18,486	17,986	1,805,389	1,033,291	1,026,595	(6,696)
Expenditures:								
Economic Development:								
Capital Outlay	-	456,109	117,192	338,917	-	-	-	-
Debt Service	-	-	-	-	850,520	959,027	959,926	101
Total Expenditures	-	456,109	117,192	338,917	850,520	959,027	959,926	101
Revenues over (under) expenditures	500	(455,609)	(98,706)	356,903	954,869	74,264	67,669	(6,595)
Other Financing Sources (Uses):								
Transfers in	315,087	315,087	328,714	13,627	-	-	(9,991)	(6,491)
Transfers out	-	(15,037)	(15,037)	-	(3,500)	(3,500)	(9,991)	(6,491)
Total Other Financing Sources (Uses)	315,087	300,050	313,677	13,627	(3,500)	(3,500)	(9,991)	(6,491)
Revenues and other sources over (under) expenditures and other uses	315,587	(155,559)	214,971	370,530	951,369	70,764	57,678	(13,066)
Fund Balance - beginning of year	47,262	486,315	486,315	-	707,332	745,741	745,741	-
Fund Balance - end of year	362,849	310,756	681,286	370,530	1,658,701	816,505	803,419	(13,086)

CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS (CAPITAL PROJECT FUNDS)
For the fiscal year ended June 30, 2019

	CAPITAL PROJECT - STREET IMPROVEMENT				CAPITAL PROJECT - CAPITAL IMPROVEMENT WATER/WASTEWATER			
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,750,000	-	(1,750,000)	-	-	-	-
Charges for services	-	-	-	-	90,000	90,000	91,500	1,500
Investment income	56,190	56,190	172,505	116,315	39,800	39,800	132,743	92,943
Miscellaneous	-	-	43,210	43,210	-	-	86,420	86,420
Total Revenues	56,190	1,806,190	215,715	(1,590,475)	129,800	129,800	310,663	180,863
Expenditures:								
Water:								
Capital Outlay	-	-	-	-	2,136,595	4,534,439	1,458,595	3,075,844
Wastewater:								
Capital Outlay	-	-	-	-	550,000	3,363,699	177,955	3,185,744
Public Works:								
Capital Outlay	-	-	-	-	-	170,869	-	170,869
Street:								
Capital Outlay	2,209,813	12,718,960	1,713,912	11,005,048	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Total Expenditures	2,209,813	12,718,960	1,713,912	11,005,048	2,686,595	8,069,007	1,636,550	6,432,457
Revenues over (under) expenditures	(2,153,623)	(10,912,770)	(1,498,197)	9,414,573	(2,556,795)	(7,939,207)	(1,325,887)	6,613,320
Other Financing Sources (Uses):								
Transfers in	1,800,435	2,697,920	2,766,055	68,135	3,150,871	3,150,871	3,287,140	136,269
Transfers out	-	-	-	-	(800,000)	(1,036,643)	(1,036,643)	-
Total Other Financing Sources (Uses)	1,800,435	2,697,920	2,766,055	68,135	2,350,871	2,114,228	2,250,497	136,269
Revenues and other sources over (under) expenditures and other uses	(353,188)	(8,214,850)	1,267,858	9,482,708	(205,924)	(5,824,979)	924,610	6,749,589
Fund Balance - beginning of year	394,013	8,619,158	8,619,158	-	451,430	6,294,286	6,294,286	-
Fund Balance - end of year	\$ 40,825	\$ 404,308	\$ 9,887,016	\$ 9,482,708	\$ 245,506	\$ 489,307	\$ 7,218,896	\$ 6,749,589

(Continued)

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CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS (CAPITAL PROJECT FUNDS)
For the fiscal year ended June 30, 2019

CAPITAL PROJECT - PUBLIC SAFETY CAPITAL IMPROVEMENT				
	Budgeted Amounts	Actual	Variance with	
	Original	Final	Final Budget	Positive (Negative)
	\$	\$	\$	\$
Revenues:				
Taxes	100,000	100,000	204,202	104,202
Investment income	-	-	38,889	38,889
Miscellaneous	-	-	-	-
Total Revenues	100,000	100,000	243,091	143,091
Expenditures:				
Finance:				
Capital Outlay	-	1,087	-	1,087
Public Safety:				
Capital Outlay	200,000	-	-	-
Police:				
Other Services & Charges	133,000	10,466,399	9,741,520	724,879
Fire:				
Capital Outlay	-	550,265	526,718	23,547
Parks and Recreation:				
Capital Outlay	-	2,138	-	2,138
Debt Service	519,000	519,000	976,026	(457,026)
Total Expenditures	852,000	11,538,889	11,244,264	294,625
Revenues over (under) expenditures	(752,000)	(11,438,889)	(11,001,173)	437,716
Other Financing Sources (Uses):				
Transfers in	1,417,892	1,417,892	1,479,213	61,321
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	1,417,892	1,417,892	1,479,213	61,321
Revenues and other sources over (under) expenditures and other uses	665,892	(10,020,997)	(9,521,960)	499,037
Fund Balance - beginning of year	745,364	11,434,005	11,434,005	-
Fund Balance - end of year	<u>\$ 1,411,256</u>	<u>\$ 1,413,008</u>	<u>\$ 1,912,045</u>	<u>\$ 499,037</u>

**CITY OF SAND SPRINGS, OKLAHOMA
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
For the fiscal year ended June 30, 2019**

	<u>Museum Trust Authority</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 30,506
Payments to suppliers	(26,727)
Payments to employees	(10,381)
	(6,602)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	1,154
	1,154
Net Increase (Decrease) in Cash and Cash Equivalents	(5,448)
Balances - beginning of the year	153,874
Balances - end of the year	\$ 148,426
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (6,048)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
Accounts payable	(828)
Accrued payroll liabilities	59
Due to other governmental agencies	215
	(6,048)
Net Cash Provided by (Used in) Operating Activities	\$ (6,602)

**CITY OF SAND SPRINGS, OKLAHOMA
SCHEDULE OF DEBT COVERAGE
For the fiscal year ended June 30, 2019**

	Series 2003, 2004, 2005, 2006, 2009, 2012 & 2013 OWRB Notes and <u>Series 2012 Revenue Bonds</u>
Gross Revenue Available for Debt Service:	
Charges for services:	
Water charges	\$ 7,764,524
Wastewater charges	3,411,208
Sales tax pledged and transferred	<u>3,287,140</u>
Total Gross Revenues Available	<u>14,462,872</u>
 Operating Expenses:	
Water	4,567,987
Wastewater	<u>2,464,707</u>
Total Operating Expenses	<u>7,032,694</u>
 Net Revenues Available for Debt Service	 <u>\$ 7,430,178</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>1,794,578</u>
Total Debt Service Requirements	<u>\$ 3,470,215</u>
 Computed Coverage	 <u>214%</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, 2019**

<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	\$ 394,908	\$ 278,533
		<u>394,908</u>	<u>278,533</u>
Passed Through Oklahoma Highway Safety Office:			
State and Community Highway Safety	20.608	57,610	11,956
State and Community Highway Safety	20.608	45,000	20,697
		<u>102,610</u>	<u>32,653</u>
Total U. S. Department of Transportation		<u>497,518</u>	<u>311,186</u>
<u>U. S. DEPARTMENT OF JUSTICE:</u>			
Bulletproof vests	16.607	2,755	693
Bulletproof vests	16.607	4,125	4,125
Total Department of Justice		<u>6,880</u>	<u>4,818</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	5,000
Emergency Management Preparedness Grant	97.042	20,000	15,000
Total Federal Emergency Management Agency		<u>40,000</u>	<u>20,000</u>
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>			
Passed through Oklahoma Department of Commerce:			
Community Development Block Grant - Non-entitlement	14.218	94,748	18,990
Total U. S. Department of Housing and Urban Development		<u>94,748</u>	<u>18,990</u>
TOTAL FEDERAL AWARDS		<u>\$ 639,146</u>	<u>\$ 354,994</u>

STATISTICAL SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDING JUNE 30 2019



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, 2019
TABLE 1

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 28,851,218	\$ 30,526,321	\$ 30,816,820	\$ 32,505,624	\$ 33,255,246	\$ 33,248,179	\$ 18,346,326	\$ 37,376,826	\$ 40,483,621	\$ 41,002,139
Restricted	7,722,731	8,138,469	8,213,492	8,213,492	9,112,520	10,589,915	25,072,566	11,329,895	10,452,886	10,745,541
Unrestricted (deficit)	4,256,358	4,635,252	6,649,538	7,604,073	4,246,875	(1,644,109)	(716,374)	604,043	457,605	5,349,907
Total governmental activities net position	\$ 40,830,307	\$ 43,300,042	\$ 45,679,850	\$ 48,323,189	\$ 46,614,641	\$ 42,193,985	\$ 42,702,518	\$ 49,310,764	\$ 51,394,112	\$ 57,095,587
Business-type activities										
Net investment in capital assets	\$ 49,617,735	\$ 51,590,911	\$ 51,114,327	\$ 50,561,549	\$ 50,419,150	\$ 51,548,644	\$ 53,054,629	\$ 54,851,506	\$ 56,884,600	\$ 57,984,084
Restricted	623,522	602,187	573,042	2,698,557	2,466,184	2,385,880	2,403,088	2,420,288	2,450,805	2,496,430
Unrestricted	10,182,084	11,623,672	14,033,434	18,929,949	22,510,729	22,744,600	23,551,877	24,278,798	23,513,064	24,636,613
Total business-type activities net position	\$ 60,423,341	\$ 63,816,770	\$ 65,720,803	\$ 72,190,055	\$ 75,398,063	\$ 76,679,124	\$ 79,009,594	\$ 81,550,592	\$ 82,848,469	\$ 85,119,127
Primary government										
Net investment in capital assets	\$ 78,468,953	\$ 82,117,232	\$ 81,931,147	\$ 83,067,173	\$ 83,674,396	\$ 84,796,823	\$ 71,400,955	\$ 92,228,332	\$ 97,368,221	\$ 98,986,223
Restricted	8,346,253	8,740,656	8,786,534	10,912,049	11,580,704	12,975,795	27,475,654	13,750,183	12,903,691	13,244,971
Unrestricted	14,438,442	16,258,924	20,682,972	26,534,022	26,757,604	21,100,491	22,835,503	24,882,841	23,970,669	23,986,520
Total primary government net position	\$ 101,253,648	\$ 107,116,812	\$ 111,400,653	\$ 120,513,244	\$ 122,012,704	\$ 118,873,109	\$ 121,712,112	\$ 130,861,356	\$ 134,242,581	\$ 142,217,714

CITY OF SAND SPRINGS, OKLAHOMA
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 June 30, 2019
TABLE 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Government activities:										
Government government	\$ 945,967	\$ 1,082,775	\$ 1,433,226	\$ 1,164,073	\$ 2,662,169	\$ 1,322,426	\$ 1,382,934	\$ 1,452,911	\$ 1,416,445	\$ 1,484,936
Planning and zoning	155,859	156,231	107,071	123,879	136,407	101,842	155,897	152,884	159,519	172,027
Financial administration	635,064	677,511	655,916	778,035	891,880	826,352	797,905	814,019	865,794	909,514
Public safety	7,183,822	7,184,873	7,824,047	8,239,023	8,482,160	8,211,241	8,831,758	8,731,211	9,182,181	8,396,933
Highways and streets	2,110,331	2,136,980	2,562,148	2,306,716	2,295,442	2,280,869	1,917,538	2,666,478	2,069,886	2,130,852
Health and welfare	78,942	220,668	55,807	35,958	38,152	34,322	31,387	30,003	29,826	25,629
Culture and recreation	988,997	712,249	1,103,527	1,181,165	1,334,749	1,286,258	1,368,145	1,431,045	1,528,516	1,749,415
Economic development	169,517	186,419	346,436	503,795	718,360	614,822	887,161	930,693	2,147,387	1,145,882
Facilities mgmt & fleet maint	523,629	486,409	453,988	606,146	600,341	595,485	619,711	625,920	586,098	530,176
Interest on long-term debt	352,741	316,308	222,039	186,830	202,090	220,338	491,729	647,737	684,270	836,705
Total governmental activities expenses	13,144,869	13,180,423	14,764,205	15,125,620	17,361,750	15,493,955	16,484,365	17,482,901	18,671,922	17,382,069
Business-type activities:										
Water	5,710,896	5,488,136	5,643,653	7,276,661	7,217,517	6,950,079	7,582,078	7,542,148	7,763,775	7,343,452
Wastewater	3,267,638	3,111,019	4,082,209	3,454,771	3,542,099	3,699,133	3,463,644	3,676,656	3,905,087	3,663,633
Solid Waste	1,264,220	1,286,736	1,316,341	1,343,240	1,373,312	1,383,708	1,356,840	1,379,454	1,522,908	1,469,884
Stormwater	344,514	341,465	324,183	325,681	387,534	341,828	673,179	403,009	445,087	389,921
Airport	523,944	547,780	645,081	646,802	765,017	708,851	869,466	943,452	912,916	807,343
Golf course	806,336	797,618	832,127	788,392	818,843	914,668	1,042,559	868,605	852,479	810,275
Total business-type activities expenses	11,917,548	11,552,754	12,843,594	13,835,547	14,104,322	13,996,267	14,987,766	14,813,324	15,402,252	14,484,508
Total primary government expenses	\$ 25,062,417	\$ 24,733,177	\$ 27,607,799	\$ 28,961,167	\$ 31,466,072	\$ 29,490,222	\$ 31,472,131	\$ 32,296,225	\$ 34,074,174	\$ 31,866,577
Program Revenues										
Government activities:										
Charges for services:										
General government	\$ 214,752	\$ 258,705	\$ 276,483	\$ 306,843	\$ 303,965	\$ 214,664	\$ 210,245	\$ 208,693	\$ 297,522	\$ 197,181
Planning and zoning	10,206	8,424	10,033	10,220	9,873	5,482	5,190	8,679	6,781	10,309
Public safety	1,262,554	1,127,012	1,217,555	1,134,480	1,201,771	1,101,018	1,103,750	961,100	921,272	1,007,835
Highways and streets	1,545	1,180	1,475	1,298	1,294	386	114	497	400	211
Culture and recreation	59,997	71,802	84,991	99,001	104,868	100,759	101,860	117,420	135,398	121,890
Operating grants and contributions	967,138	1,231,916	1,650,439	1,366,190	1,105,579	1,013,534	1,296,996	3,213,149	1,141,401	1,221,164
Capital grants and contributions	821,415	182,110	395,186	3,237,687	78,024	1,434,539	620,064	3,095,037	1,142,314	18,990
Total governmental activities program revenues	3,337,607	2,881,149	3,636,162	6,155,719	2,805,374	3,870,382	3,338,219	7,604,575	3,645,088	2,577,580

TABLE 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services:										
Water	\$ 6,383,640	\$ 6,743,572	\$ 7,444,684	\$ 7,692,277	\$ 7,838,862	\$ 7,394,814	\$ 7,676,330	\$ 8,032,553	\$ 8,444,082	\$ 7,978,639
Wastewater	2,615,660	2,783,369	2,928,048	3,122,031	3,305,188	3,269,735	3,233,067	3,315,927	3,413,943	3,422,291
Solid Waste	1,519,914	1,575,918	1,622,290	1,725,143	1,794,651	1,841,535	1,906,505	1,985,233	2,032,671	2,091,316
Stormwater	495,067	575,355	701,081	848,193	1,016,272	1,143,193	1,183,770	1,220,885	1,238,509	1,316,046
Airport	222,551	242,640	344,829	398,421	413,053	413,053	418,815	396,386	405,962	397,663
Golf course	414,739	470,994	512,909	506,516	535,236	524,171	571,012	566,917	554,969	521,587
Operating grants and contributions	1,399,517	167,252	25,100	-	535,236	524,171	571,012	566,917	554,969	521,587
Capital grants and contributions	-	1,428,524	304,391	3,347,274	673,634	157,268	354,139	43,926	929,426	700
Total business-type activities program revenues	\$ 13,051,088	\$ 13,987,644	\$ 13,883,332	\$ 17,581,968	\$ 15,562,264	\$ 14,745,977	\$ 15,343,638	\$ 16,020,641	\$ 17,019,897	\$ 16,190,027
Total primary government program revenues	\$ 16,388,695	\$ 17,519,494	\$ 23,737,687	\$ 23,737,687	\$ 18,367,638	\$ 18,616,359	\$ 18,681,857	\$ 23,625,216	\$ 20,564,985	\$ 18,767,607
Net (Expense)/Revenue										
Government activities:	\$ (9,807,262)	\$ (10,279,274)	\$ (11,128,043)	\$ (8,969,901)	\$ (14,556,376)	\$ (11,623,573)	\$ (13,146,146)	\$ (9,878,326)	\$ (15,026,834)	\$ (14,804,489)
Business-type activities:	1,133,540	2,434,890	1,039,738	3,746,421	1,457,942	749,710	355,872	1,207,317	1,617,645	1,705,519
Total primary government net expense	\$ (8,673,722)	\$ (7,844,384)	\$ (10,088,305)	\$ (5,223,480)	\$ (13,098,434)	\$ (10,873,863)	\$ (12,790,274)	\$ (8,671,009)	\$ (13,409,189)	\$ (13,098,970)
General Revenues and Other Changes in Net Assets										
Government activities:										
Taxes:										
Sales and use taxes	\$ 9,238,802	\$ 9,595,485	\$ 10,493,465	\$ 10,555,793	\$ 10,883,650	\$ 11,070,144	\$ 11,114,194	\$ 11,897,949	\$ 13,668,341	\$ 14,273,057
Property taxes	1,246,910	1,207,441	1,145,387	1,172,499	406,950	1,497,025	1,256,849	1,182,844	815,000	1,033,290
Franchise and public service taxes	850,678	845,865	817,700	796,444	833,193	856,339	792,394	841,487	898,716	873,276
Other taxes	1,156,779	1,213,471	1,321,145	1,396,360	1,479,104	1,448,920	1,539,932	1,568,453	1,722,928	1,676,745
Unrestricted grants and contributions	328,756	337,019	306,994	526,006	723,417	1,079,758	399,296	789,523	757,328	1,472,465
Investment earnings	181,840	187,952	221,243	192,065	189,547	201,361	274,233	320,110	642,317	911,143
Miscellaneous	28,495	277,837	38,446	75,362	36,714	48,281	134,148	75,248	105,876	319,481
Special item	296,703	-	-	-	-	-	-	1,077,719	105,876	-
Transfers	(1,094,411)	(916,062)	(636,527)	(3,018,162)	(1,704,747)	(397,664)	(1,856,367)	(1,266,761)	168,929	(60,493)
Total governmental activities	\$ 12,234,552	\$ 12,749,008	\$ 13,507,853	\$ 11,696,387	\$ 12,847,828	\$ 15,804,164	\$ 13,654,679	\$ 16,486,572	\$ 18,819,722	\$ 20,508,964
Business-type activities:										
Investment earnings	120,158	40,910	26,365	42,218	39,496	48,937	75,790	64,926	231,774	510,809
Special item	-	-	(1,523)	-	-	-	-	-	-	-
Miscellaneous	873	1,567	3,844	2,738	5,823	84,750	42,441	1,994	5,256	3,837
Transfers	1,094,411	916,062	836,213	3,018,162	1,704,747	397,664	1,856,367	1,266,761	(168,929)	50,493
Total business-type activities	\$ 1,215,442	\$ 958,539	\$ 864,899	\$ 3,063,118	\$ 1,750,066	\$ 531,351	\$ 1,974,598	\$ 1,333,681	\$ 68,101	\$ 565,139
Total primary government	\$ 13,449,994	\$ 13,707,547	\$ 14,372,752	\$ 14,759,505	\$ 14,597,894	\$ 16,335,515	\$ 15,629,277	\$ 17,820,253	\$ 18,887,823	\$ 21,074,103
Change in Net Position										
Government activities	\$ 2,427,290	\$ 2,489,734	\$ 2,379,810	\$ 2,726,486	\$ (1,708,548)	\$ 4,180,591	\$ 508,533	\$ 6,608,246	\$ 3,792,888	\$ 5,704,475
Business-type activities	2,348,982	3,393,429	1,904,637	6,809,539	3,208,008	1,281,061	2,330,470	2,540,998	1,685,746	2,270,658
Total primary government	\$ 4,776,272	\$ 5,883,163	\$ 4,284,447	\$ 9,536,025	\$ 1,499,460	\$ 5,461,652	\$ 2,839,003	\$ 9,149,244	\$ 5,478,634	\$ 7,975,133

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 484,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,645,547	-	-	-	-	-	-	-	-	-
Nonspendable	-	23,616	22,597	22,982	30,035	18,653	21,720	17,607	18,816	28,627
Restricted	-	269,763	319,094	400,085	524,551	680,401	712,637	560,464	662,747	669,090
Committed	-	-	-	-	-	240,318	-	-	-	-
Assigned	-	1,052,274	1,322,428	1,432,738	1,825,667	2,283,351	1,718,537	1,753,911	1,916,526	2,529,887
Unassigned	-	2,785,293	3,161,144	3,320,280	3,129,894	3,268,415	3,172,263	3,492,317	4,067,043	4,117,003
Total general fund	\$ 3,130,337	\$ 4,130,946	\$ 4,825,263	\$ 5,176,085	\$ 5,510,147	\$ 6,491,138	\$ 5,625,157	\$ 5,824,299	\$ 6,665,132	\$ 7,344,607
All Other Governmental Funds										
Reserved	\$ 4,198,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	599,264	-	-	-	-	-	-	-	-	-
Debt service funds	1,080,982	-	-	-	-	-	-	-	-	-
Capital project funds	7,832,523	-	-	-	-	-	-	-	-	-
Restricted	-	11,987,566	13,041,167	16,346,865	17,488,846	17,685,547	32,247,352	31,996,951	30,292,777	21,411,924
Committed	-	26,000	43,536	-	-	-	-	-	-	-
Assigned	-	2,985,162	4,787,572	4,395,998	7,643,981	7,357,725	6,842,117	10,059,269	10,478,637	11,960,154
Unassigned	-	(697,538)	(973,423)	(36,627)	-	(33)	(34,926)	-	-	-
Total all other governmental funds	\$ 13,711,517	\$ 14,301,210	\$ 16,898,852	\$ 20,706,236	\$ 25,132,827	\$ 25,043,239	\$ 39,054,543	\$ 42,056,220	\$ 40,771,414	\$ 33,372,078
GRAND TOTAL	\$ 16,841,854	\$ 18,432,156	\$ 21,724,115	\$ 25,882,321	\$ 30,642,974	\$ 31,534,377	\$ 44,679,700	\$ 47,880,519	\$ 47,436,546	\$ 40,716,685

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, 2019
TABLE 4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 12,444,830	\$ 12,909,663	\$ 13,786,404	\$ 14,096,209	\$ 14,018,930	\$ 15,373,972	\$ 14,786,346	\$ 15,984,007	\$ 17,593,384	\$ 18,480,803
Intergovernmental	1,769,104	1,675,678	2,356,440	4,430,432	1,973,647	2,753,093	2,643,976	6,484,625	1,658,566	1,965,953
Charges for services	1,023,287	1,069,579	1,145,909	1,099,110	1,142,732	1,064,286	1,123,472	1,131,286	1,131,286	1,097,494
Fines and forfeitures	302,569	371,277	413,805	415,268	432,401	393,102	317,676	202,411	154,171	132,093
Licenses and permits	115,305	147,757	131,722	194,444	179,488	141,721	138,566	129,844	195,881	128,450
Investment income	250,813	112,131	62,465	69,717	68,370	114,015	161,670	189,198	57,892	907,309
Miscellaneous	591,137	465,638	199,827	288,530	561,977	287,865	295,991	190,401	226,973	993,947
Total Revenues	\$ 16,497,045	\$ 16,751,843	\$ 18,096,572	\$ 20,593,710	\$ 18,377,555	\$ 20,127,843	\$ 19,408,511	\$ 24,303,958	\$ 21,518,153	\$ 23,706,049
Expenditures:										
General government	\$ 756,851	\$ 671,627	\$ 778,817	\$ 875,356	\$ 835,759	\$ 856,027	\$ 1,051,201	\$ 1,037,386	\$ 1,064,084	\$ 1,072,013
Planning and zoning	156,007	154,985	103,903	121,776	140,877	101,272	152,352	151,910	156,593	168,156
Financial administration	64,333	571,438	654,358	763,850	795,667	795,137	766,834	782,783	835,743	881,904
Public safety	6,798,342	6,750,855	7,071,741	7,465,352	8,012,482	8,194,641	8,886,588	8,170,498	8,490,471	8,689,216
Highways and streets	853,007	827,065	648,994	643,840	675,929	664,245	626,379	606,133	646,379	726,931
Health and welfare	71,857	51,842	51,572	32,088	34,219	31,108	28,577	27,287	27,291	24,452
Culture and recreation	845,083	700,856	919,003	934,028	1,086,835	1,055,016	1,066,160	1,124,552	1,098,999	1,202,663
Economic development	143,509	137,435	493,817	493,817	874,858	586,018	874,858	871,292	808,600	1,100,129
Facilities mgmt. & fleet maint	523,870	478,511	454,319	703,484	716,874	709,666	728,308	739,918	729,145	639,563
Water	-	42,221	14,989	-	-	-	-	-	-	-
Capital outlay	5,055,225	6,649,063	5,097,127	7,293,491	5,966,389	21,014,013	18,065,850	10,141,265	20,229,861	17,727,802
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	946,030	943,896	507,967	991,142	1,030,859	1,035,360	1,173,192	1,212,860	1,404,638	1,206,461
Interest	361,914	325,066	233,420	179,312	172,495	212,826	499,308	655,503	638,497	900,197
Total Expenditures	\$ 17,155,328	\$ 18,305,460	\$ 16,877,305	\$ 20,497,536	\$ 20,166,378	\$ 35,265,329	\$ 33,931,769	\$ 25,521,387	\$ 36,130,301	\$ 34,349,487
Excess of revenues over/(under) expenditures	\$ (658,283)	\$ (1,553,617)	\$ 1,219,267	\$ 96,174	\$ (1,788,823)	\$ (15,127,486)	\$ (14,523,258)	\$ (1,217,429)	\$ (14,612,148)	\$ (10,643,438)
Other financing sources/(uses)										
Issuance of debt	-	-	\$ 2,540,000	\$ 496,304	\$ 2,367,241	\$ 714,217	\$ 18,436,354	\$ -	\$ 9,717,203	\$ 130,000
Transfers in	7,922,227	8,608,201	8,856,527	10,686,533	11,118,523	22,278,068	18,080,343	9,309,506	12,191,177	13,199,831
Transfers out	(5,899,323)	(5,464,282)	(6,307,866)	(7,130,805)	(6,936,288)	(6,973,396)	(6,538,116)	(7,277,796)	(8,391,801)	(9,406,254)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	2,386,540	651,596	-
Payment of issue costs	-	-	(74,611)	-	-	-	(2,310,000)	-	-	-
Transfer to bond escrow	-	-	(2,941,356)	-	-	-	27,668,581	4,418,248	14,168,175	3,923,577
Total other financing sources/(uses)	\$ 2,022,904	\$ 3,143,919	\$ 2,072,694	\$ 4,062,032	\$ 6,549,476	\$ 16,018,889	\$ 27,668,581	\$ 4,418,248	\$ 14,168,175	\$ 3,923,577
Net change in fund balances	\$ 1,364,621	\$ 1,590,302	\$ 3,291,961	\$ 4,158,206	\$ 4,760,653	\$ 891,403	\$ 13,145,323	\$ 3,200,819	\$ (443,973)	\$ (6,719,861)
Debt service as a percentage of noncapital expenditures	8.6%	7.8%	4.7%	9.7%	8.5%	9.6%	5.5%	9.0%	9.5%	11.5%

CITY OF SAND SPRINGS, OKLAHOMA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
June 30, 2019
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
2010	1,246,910	8,982,429	850,678	94,065	256,373	131,685	905,686	25,343	-	12,493,169
2011	1,207,441	9,220,076	845,865	96,017	375,409	140,836	964,375	12,243	-	12,862,262
2012	1,145,387	10,096,850	817,700	98,154	396,615	139,986	1,045,046	37,959	-	13,777,697
2013	1,160,778	10,133,835	796,444	123,728	421,958	146,279	1,103,053	23,300	186,834	14,096,209
2014	419,689	10,492,846	833,193	157,200	390,804	142,163	1,149,337	30,404	403,294	14,018,930
2015	1,300,930	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
2017	1,182,844	11,445,609	841,487	179,577	452,340	150,745	1,201,702	36,429	499,304	15,990,037
2018	815,375	12,859,605	898,716	249,941	808,736	171,718	1,244,157	57,112	450,987	17,556,347
2019	1,013,101	13,312,916	873,276	140,147	960,141	175,942	1,212,599	26,153	742,335	18,456,610

REVENUE CAPACITY

CITY OF SAND SPRINGS OKLAHOMA
SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years
 June 30, 2019
TABLE 6

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund Operations	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %
TIF District (Economic Development)	-	-	-	-	-	-	-	-	-	-
Water & Wastewater Improvements	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Street Improvements	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Public Safety Improvements	-	-	-	-	-	-	-	0.450	0.450	0.450
Economic Development Improvements	-	-	-	-	-	-	-	0.100	0.100	0.100
Sand Springs Total	3.500 %	4.050 %	4.050 %	4.050 %						
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	0.850	0.850	0.850	0.920	0.920	0.367	0.367	0.367
State of Oklahoma	4.500 %									
Total (Osage County)	9.250 %	9.250 %	9.250 %	9.250 %	9.250 %	9.250 %	9.250 %	9.800 %	9.800 %	9.800 %
Total (Tulsa County)	9.017 %	9.017 %	8.850 %	8.850 %	8.850 %	8.920 %	8.920 %	8.917 %	8.917 %	8.917 %

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, 2019
TABLE 7

Category	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Manufacturing	\$ 4,579,167	\$ 4,865,836	\$ 6,474,226	\$ 6,733,569	\$ 7,564,199	\$ 7,255,899	\$ 7,135,431	\$ 8,295,991	\$ 9,918,200	\$ 9,594,475
Telecommunications & Other	10,464,868	10,386,773	11,683,916	8,223,040	6,143,900	6,439,582	6,368,003	6,674,048	5,936,649	5,839,059
Public Utilities	11,989,841	17,945,755	18,032,682	16,426,109	18,203,837	19,469,901	18,374,328	20,164,230	21,195,677	21,441,429
Wholesale trade	8,751,312	10,278,070	17,835,578	15,467,491	18,781,723	16,877,375	18,999,974	16,356,165	17,296,837	18,724,960
Retail - Building Materials	7,407,764	6,342,063	8,787,999	8,603,061	7,670,664	9,717,333	7,205,809	7,471,911	8,281,968	7,491,029
Retail - General Merchandise	112,456,892	106,016,119	109,547,834	104,402,935	105,798,763	106,713,323	104,434,347	104,257,661	106,560,567	107,839,421
Retail - Food	26,092,097	27,023,835	28,800,036	36,373,046	32,841,537	34,151,564	42,613,748	46,866,946	51,916,906	55,976,128
Retail - Automotive	9,084,846	9,753,355	9,667,077	10,541,623	10,321,511	10,662,095	9,040,782	8,303,489	8,141,945	8,089,889
Retail - Apparel	2,784,830	2,937,195	3,043,655	3,391,412	3,428,369	3,332,375	3,594,669	3,101,555	2,868,340	2,891,581
Retail - Furniture & Accessories	8,025,192	7,776,746	6,990,153	10,123,520	11,209,826	10,823,357	9,952,364	10,760,993	12,776,588	12,459,135
Retail - Restaurants	30,529,296	33,419,129	38,597,334	36,561,022	36,421,806	38,056,035	41,034,691	41,434,696	42,208,637	45,738,166
Retail - Miscellaneous	13,908,037	14,647,439	16,173,648	17,209,459	18,972,661	19,403,128	15,673,799	14,260,866	14,143,759	15,225,983
Retail - Hotel	1,853,185	1,917,219	1,923,991	2,060,773	2,487,256	576,134	1,691,857	2,244,784	3,522,902	3,639,076
Services - Business	1,509,937	1,432,019	1,335,123	2,843,803	1,847,657	2,370,215	884,919	750,809	931,537	1,055,136
Services - Other	8,785,053	8,660,226	10,557,317	9,040,125	11,781,384	11,509,395	11,975,167	12,171,906	12,171,191	12,868,507
All Other Categories	1,469,187	1,494,020	1,363,093	1,853,813	8,659,817	9,287,849	8,874,337	3,208,498	789,259	856,569
Total	\$ 259,691,504	\$ 264,895,799	\$ 290,813,662	\$ 289,854,801	\$ 302,135,010	\$ 306,645,560	\$ 307,854,225	\$ 306,344,548	\$ 318,660,962	\$ 330,230,543

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, 2019
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
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	119,939,380	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
2017	111,031,577	22,243,308	6,511,249	139,786,134	3,960,860	135,825,274	8.70	1,270,783,036
2018	113,632,937	19,172,369	7,077,847	139,883,153	3,908,371	135,974,782	5.99	1,271,665,027
2019	117,201,300	19,575,863	6,989,751	143,766,914	3,810,371	139,956,543	7.38	1,279,212,909

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, 2019
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	
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
2018	5.99		71.74	22.24	7.21	13.33	120.51
2019	7.38		72.29	22.74	7.21	13.33	122.95
2020	10.00		73.04	22.66	7.21	13.33	126.24

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, 2019
TABLE 10

	2019			2010			
	Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Net Total Assessed Value	Taxable Assessed Value	Rank
Webco Industries/Southwest Tube	Manufacturing	8,906,091	1	6.02%	4,368,752	1	3.72%
Chemlink Inc/Baker Petrolite	Manufacturing	6,052,758	2	4.09%	3,801,754	2	3.24%
Public Service Co of Okla	Utility	4,628,079	3	3.13%	3,575,325	3	3.05%
Wal-Mart	Retail	2,433,655	4	1.64%	800,811	14	0.68%
Sand Springs Home	Real Estate	1,764,191	5	1.19%	1,327,804	8	1.13%
Highland Crossing	Apartment	1,299,631	6	0.88%	1,242,826	9	1.06%
Yellowhouse Machinery	Equipment	1,119,956	7	0.76%	—	—	—
Cust-O-Fab/B P Enterprises	Manufacturing	1,033,875	8	0.70%	877,900	12	0.75%
Sand Springs Railway Co	Estate	864,042	9	0.58%	879,629	11	0.75%
Quik Trip Corp	Convenience Store	825,660	10	0.56%	—	—	—
Oklahoma Natural Gas Co	Utility	786,816	11	0.53%	917,495	10	0.78%
Parker Plastics	Manufacturing	767,803	12	0.52%	—	—	—
United Rentals North America Inc	Equipment Rental	661,773	13	0.45%	—	—	—
Green Tree	Real Estate	655,148	14	0.44%	845,188	13	0.72%
Caimbrae Realty	Real Estate	604,990	15	0.41%	—	—	—
Totals		\$ 32,404,468		21.90%	\$ 18,637,484		15.88%

Source:
1. Tulsa County Assessors Office

**CITY OF SAND SPRINGS, OKLAHOMA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
June 30, 2019
TABLE 11**

Fiscal Year	Actual Levy Year	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date		Net Assessed Value	Mill Levy
			Amount	Percentage of Levy		Amount	Percentage of Levy		
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%	\$ 127,218,583	10.50
2016	2015	\$ 1,256,849	\$ 1,201,748	96%	\$ 48,992	\$ 1,250,740	99.5%	\$ 129,590,630	9.70
2017	2016	\$ 1,182,844	\$ 1,141,493	97%	\$ 35,321	\$ 1,176,814	99.5%	\$ 135,825,274	8.70
2018	2017	\$ 815,001	\$ 798,676	98%	\$ 16,699	\$ 815,375	100.0%	\$ 135,974,782	5.99
2019	2018	\$ 1,033,291	\$ 993,652	96%	\$ 19,449	\$ 1,013,101	98.1%	\$ 139,956,543	7.38

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

Use Revenue and Expenditure Report for Property Taxes

DEBT CAPACITY

CITY OF SAND SPRINGS, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
 Last Ten Fiscal Years
 June 30, 2019
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
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	127,218,583	6,255,000	738,998	5,516,002	4.34%	282
2016	19,783	129,590,630	5,245,000	783,195	4,461,805	3.44%	226
2017	19,822	135,825,274	4,195,000	788,253	3,406,747	2.51%	172
2018	20,558	135,974,782	13,090,000	745,741	12,344,259	9.08%	600
2019	20,527	139,956,543	12,645,000	44,975 *	12,600,025	9.00%	614

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.

* In calculating ratio, beginning 2019 the restricted for debt service on the government-wide statement of net position is used.

CITY OF SAND SPRINGS, OKLAHOMA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2019
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	\$ 28,267,643	100.00%	\$ 28,267,643
Overlapping Debt: Sand Springs School District	17,995,000	75.05%	13,505,248
Berryhill School District	3,610,000	21.07%	760,627
Tulsa County	0	2.44%	0
Tulsa Community College	0	2.49%	0
Total overlapping debt	<u>21,605,000</u>		<u>14,265,875</u>
Total Direct and Overlapping Debt	<u>\$ 49,872,643</u>		<u>\$ 42,533,518</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, 2019
 TABLE 14

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 12,393,661	\$ 11,976,850	\$ 11,993,938	\$ 12,321,941	\$ 12,601,484	\$ 12,721,858	\$ 12,959,063	\$ 13,582,527	\$ 13,597,478	\$ 13,995,654
Total net debt applicable to limit	5,829,158	5,211,297	4,668,269	4,119,634	5,820,184	5,163,023	4,329,211	3,608,699	6,180,000	6,310,000
Legal debt margin	\$ 6,564,503	\$ 6,765,553	\$ 7,325,669	\$ 8,202,307	\$ 6,781,300	\$ 7,558,835	\$ 8,629,852	\$ 9,973,828	\$ 7,417,478	\$ 7,685,654
Total net debt applicable to the limit as a percentage of debt limit	47.03%	43.51%	38.92%	33.43%	46.19%	40.58%	33.41%	26.57%	45.45%	45.09%
Net assessed valuation										
Debt limit (10% of total assess value)										
Debt applicable to limit:										
General obligation bonds										
Less: Street bonds outstanding										
Total net debt applicable to limit										
Legal debt margin										
	\$ 139,956,543	\$ 139,956,543	\$ 139,956,543	\$ 139,956,543	\$ 139,956,543	\$ 139,956,543	\$ 139,956,543	\$ 139,956,543	\$ 139,956,543	\$ 139,956,543

Legal Debt Margin Calculation for Fiscal Year 2019

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

CITY OF SAND SPRINGS, OKLAHOMA
MUNICIPAL AUTHORITY
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
June 30, 2019
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		
2010	11,387,089	5,250,446	6,136,643	779,905	7.87	
2011	12,028,674	5,292,914	6,735,760	779,905	8.64	
2012	13,069,529	5,465,821	7,603,708	0	N/A	
2013	13,544,073	5,715,422	7,828,651	1,675,637	4.67	
2014	14,053,576	6,023,712	8,029,864	1,675,637	4.79	
2015	13,527,517	6,334,327	7,193,190	1,675,637	4.29	
2016	13,912,884	6,595,546	7,317,338	1,675,637	4.37	
2017	14,224,955	6,581,138	7,643,817	1,675,637	4.56	
2018	14,812,289	7,328,159	7,484,130	1,675,637	4.47	
2019	14,462,872	7,032,694	7,430,178	1,675,637	4.43	

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.

CITY OF SAND SPRINGS, OKLAHOMA
RATIO FOR OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years
 June 30, 2019
 TABLE 16

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds Payable	Unamortized Discount/Premium	Capital Leases Payable	Revenue Bonds Payable	Unamortized Discount/Premium	Notes Payable	Capital Leases Payable			
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	123,220	940,810	28,495,000	70,621	6,757,973	-	57,491,382	5%	2,900
2017	4,195,000	16,000,000	102,422	777,950	27,805,000	72,050	6,089,553	-	54,897,875	5%	2,758
2018	13,090,000	15,545,000	118,529	613,406	27,100,000	73,470	5,406,695	-	61,800,160	5%	3,006
2019	12,645,000	15,080,000	95,698	446,945	26,380,000	74,897	4,703,564	-	59,276,310	5%	2,888

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DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF SAND SPRINGS, OKLAHOMA
BUILDING PERMITS, CONSTRUCTION AND BANK DEPOSITS
 Last Ten Calendar Years
 June 30, 2019
 TABLE 17

Calendar Year	Number of Building Permits	Construction Values			Total	Estimated Actual Value of Taxable Property	Bank Deposits
		Residential	Commercial				
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
2016	158	7,861,535	19,058,803		26,920,338	1,270,783,036	321,528,000
2017	189	11,699,939	25,506,012		37,205,951	1,271,665,027	319,563,000
2018	159	9,695,049	6,347,082		16,042,131	1,279,212,909	329,866,000

Source:
 1. City Neighborhood Services Department

CITY OF SAND SPRINGS, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Calendar Years
 June 30, 2019
TABLE 18

Calendar Year	Population (1)	Current Personal Income (thousands of dollars)	Per Capita Personal Income (2) (MSA)	Median Age of Population (3)	School Enrollment (4)	Unemployment Rate (5)
2010	18,906	771,232	40,793	35.2	5,327	7.9%
2011	19,140	918,165	47,971	36.5	5,261	5.3%
2012	19,116	1,057,975	55,345	36.2	5,315	5.2%
2013	19,339	1,268,503	65,593 *	36.5	5,315	4.6%
2014	19,553	1,384,646	70,815 *	34.3	5,336	4.3%
2015	19,783	1,247,971 *	63,083 *	34.3	5,236	5.6%
2016	19,822	1,070,071 *	53,984 *	36.1	5,141	4.9%
2017	19,909	1,174,332	58,985	36.8	5,144	3.5%
2018	20,558	1,174,643	57,138	36.8	5,101	3.1%
2019	20,527	1,157,307	56,380	37.3	5,063	3.1%

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 2015 and 2016 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.
6. Claritas-Pop Facts

**CITY OF SAND SPRINGS, OKLAHOMA
PRINCIPAL EMPLOYERS
Current Year And Nine Years Ago
June 30, 2019
TABLE 19**

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sand Springs Schools	742	1	7.61%	813	1	13.44%
Webco	691	2	7.08%	371	3	6.13%
City of Sand Springs	214	3	2.19%	195	5	3.22%
Cust-O-Fab	206	4	2.11%	131	8	2.17%
Wal Mart	200	5	2.05%	550	2	9.09%
Baker Petrolite	161	6	1.65%	165	6	2.73%
Osage Million Dollar Elm	140	7	1.44%	—	—	—
Tulsa Community College	110	8	1.13%	238	4	3.94%
Keystone Chevrolet	96	9	0.98%	78	9	1.29%
Piping Enterprise	82	10	0.84%	73	10	1.21%
Totals	2,642		27.08%	2,614		43.22%

Source:

1. U S Census Bureau ZIP Code Business Patterns (NAICS) website provided the total labor force numbers
2. Environics Analytics-Pop Facts

Note:

1. 2010 numbers total 6,048 and 2019 numbers total 9,753
2. The total number of employees includes full and part time employees
3. The total number of employees includes full and part time employees

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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, 2019
TABLE 20

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	5	5	6	8	8	9	9	9	9	9
Planning and Zoning	1	1	1	1	2	2	2	2	2	2
Financial Administration	18	16	19	17	13	13	13	16	16	16
Public Safety	82	76	79	79	86	85	86	84	85	83
Highways and Streets	12	8	9	9	9	9	9	9	9	9
Culture and Recreation	11	7	6	6	8	8	8	8	8	8
Economic Development	1	1	1	1	1	1	1	1	1	2
Facilities Management & Maint	10	8	9	10	10	10	10	9	9	8
Water Operations	32	31	31	31	32	33	33	30	30	31
Stormwater	1	1	1	0	0	0	1	1	1	1
Wastewater Operations	19	19	19	19	19	19	19	19	19	18
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	0	0	0	0	0	0	0	0	0	0
Total	204	185	193	193	200	201	203	200	201	199

Source:
 1. City Finance Office

CITY OF SAND SPRINGS OKLAHOMA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 June 30, 2019
 TABLE 21

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	33	33	38	38	40	36	33	37	37	39
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Trucks	11	13	13	9	10	10	10	10	12	13
Highways and Streets										
Roadways (arterial lane miles)	170	170	172	173	173	173	173	173	173	174
Streetlights	1,209	1,209	1,211	1,211	1,214	1,214	1,214	1,253	1,284	1,284
Signalized Intersections	18	18	18	18	19	19	19	19	19	19
Culture and Recreation										
Acreage *	1,583	1,623	1,623	1,623	1,623	1,629	1,629	1,635	1,655	1,680
Tennis Courts	6	6	6	6	6	4	4	4	4	4
Ball diamonds	13	13	11	11	11	11	11	11	17	19
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)	448	452	452	454	454	455	455	456	404	404
Storage capacity (thousands of gallons)	7,023	7,023	6,523	6,523	6,523	6,523	6,523	6,523	6,178	6,178
Wastewater Operations										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (miles)	126	126	126	127	128	128	128	128	136	136
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	10	10	10	8	8	9	9	10	10	10
Stormwater Operations										
Storm sewers (miles)	50	50	50	51	51	51	51	51	55	51

Source:

1. City Departments
2. Culture and Recreation acreage restated to include Keystone Ancient Forest

CITY OF SAND SPRINGS OKLAHOMA
OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 June 30, 2019
 TABLE 22

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Number of Violations (Citations)	10,029	8,859	8,810	6,677	6,181	6,240	4,840	3,541	2,265	2,174
Fire										
Call Responses	3,033	3,475	3,959	4,023	4,114	4,226	4,386	4,324	3,628	2,930
Streets Resurfacing (miles)	7	14	2	9	-	8	-	12	-	-
Asphalt Repairs (tons)	145	258	208	208	147	280	213	164	153	109
Culture and Recreation										
Community Center Visitors (daily average)	348	338	310	293	269	254	265	262	251	254
Water and Wastewater Operations										
Number of Water Consumers	11,828	11,774	11,767	11,836	12,008	12,027	12,134	12,207	12,359	12,432
Average Daily Water Consumption (thousands of gallons)	2,844	2,839	3,073	3,065	2,986	2,840	2,754	2,804	2,892	2,613
Number of Sewer Consumers	6,827	6,792	6,780	6,835	6,907	6,925	6,976	7,031	7,070	7,135
Solid Waste Operations										
Refuse collected (tons per day)	41.3	41.1	38.7	39.3	40.4	34.5	38.8	37.9	38.6	34.7
Active Refuse Accounts	6,883	6,850	6,859	6,911	7,038	7,048	7,107	7,172	7,214	7,275
Airport Operations										
Annual Aviation/Jet Fuel Sales ¹	29,168	30,006	47,481	43,357	62,754	64,832	84,989	87,836	73,522	68,348
Golf Operations										
Number of Rounds Played	19,542	23,880	24,919	25,254	25,699	25,201	26,884	25,708	25,211	25,065

Source: City Departments

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 23, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Arledge & Associates, P.C.

December 23, 2019

Past & Present Mayors



Mayor Jim Spoon was named the National Community Pharmacists Association 2018 Willard B. Simmons Independent Pharmacist of the Year.

H. C. Tingley1912-1915
John Gladson.....1916-1917
W. E. Bartlett1918-1919
B. L. Waddle1920-1920
George S. Brown1920-1921
L. C. Hinz.....1921-1924
George Ruppert1924-1927
Holly L. Anderson1927-1933
Joe Kraus.....1933-1934
E. C. Hubbard1934-1936
H. H. Snow1936-1937
Homer Akers.....1938-1939
Morris Ruppert1941-1943
Isham P. Nelson.....1943-1947
Paul Burtner 1947-1949
Rubye DeBolt1949-1951
George Gilmore1951-1953
Lester Leed1953-1956
Harold Aitken1956-1958
Stanley Martin.....1958-1959
Ray Brown1959-1963
Tom Wiley1963-1963

John M. Hess1963-1969
Dale C. Morrow1969-1972
Ed Everett1972-1973
William D. Bigby1973-1974
Ed Everett1974-1975
Don Sullivan.....1975-1977
Charles Keightley.....1977-1978
Artie Palk.....1978-1983
Jerry A. Hanner1983-1987
George Hooper1987-1988
George W. Hilsheimer.....1988-1990
A. Lyle Crowder1990-1993
Charles P. Garner.....1993-1994
E. Bruce Ford1994-1997
Tom Ferguson1997-1999
Mike Burdge.....1999-2002
Michael Titus2002-2003
Mike Burdge.....2003-2005
Robert “Bob” Walker.....2005-2011
Mike Burdge.....2011-2019
James O. Spoon 2019-Present

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