

CITY OF
SAND SPRINGS
OKLAHOMA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDING JUNE 30, 2011

Explore Sand Springs!

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CITY OF SAND SPRINGS, OKLAHOMA

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

**Prepared by the
Finance Department of the City of Sand Springs
E. Bruce Ford – Finance Director
Kelly Lamberson – Budget Officer
Twyla Miller – 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, 2011**

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTION SECTION:</u>	
Letter of Transmittal	1-5
Principal Officials and Staff	6
City Organizational Chart	7
Certificate of Achievement for Excellence in Financial Reporting	8
<u>FINANCIAL SECTION:</u>	
INDEPENDENT AUDITOR'S REPORT	9-10
MANAGEMENT'S DISCUSSION AND ANALYSIS	11-20
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Assets	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	26
Statement of Net Assets – Proprietary Funds	27
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	28
Statement of Cash Flows – Proprietary Funds	29-30
Notes to the Basic Financial Statements	31-68
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule – General Fund	69-72
Notes to Required Supplementary Information	
Budgetary Comparison Schedule	73-74
OTHER SUPPLEMENTARY INFORMATION:	
Combining Balance Sheet – General Fund Accounts	75-76
Combining Balance Sheet – Nonmajor Governmental Funds	77-78
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	79-80
Budgetary Comparison Schedule – Nonmajor Governmental Funds	81-88
Budgetary Comparison Schedule – Major Governmental Funds (CPI Funds)	89
Statement of Cash Flows – Discretely Presented Component Units	90
Schedule of Debt Coverage	91

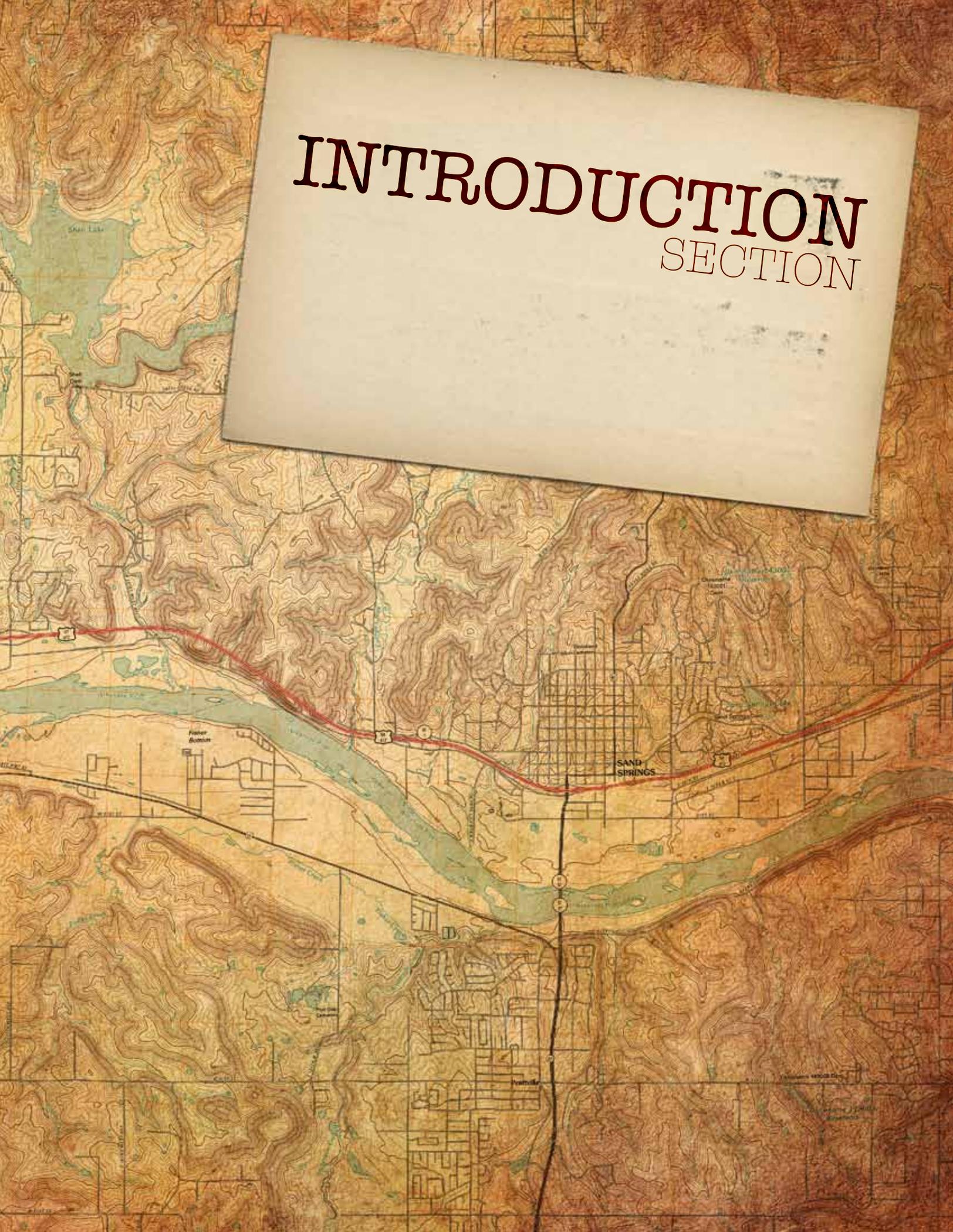
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 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

TABLE OF CONTENTS
 (Continued)

<u>STATISTICAL SECTION:</u>	<u>Table</u>	<u>Page</u>
FINANCIAL TRENDS		
Net Assets by Component	1	93
Changes in Net Assets	2	94-95
Fund Balances, Governmental Funds	3	96
Changes in Fund Balances, Governmental Funds	4	97
Governmental Activities Tax Revenues by Source	5	98
REVENUE CAPACITY		
Sales Tax Rates of Direct and Overlapping Governments	6	99
Taxable Sales by Category	7	100
Assessed Value and Estimated Actual Value of Taxable Property	8	101
Property Tax Rates – Direct and Overlapping Governments	9	102
Principal Property Taxpayers	10	103
Property Tax Levies and Collections	11	104
DEBT CAPACITY		
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita	12	105
Computation of Direct and Overlapping Debt	13	106
Legal Debt Margin Information	14	107
Municipal Authority Pledged Revenue Coverage	15	108
Ratio for Outstanding Debt by Type	16	109
DEMOGRAPHIC AND ECONOMIC INFORMATION		
Building Permits, Construction and Bank Deposits	17	111
Demographic and Economic Statistics	18	112
Principal Employers	19	113
OPERATING INFORMATION		
Full-Time Equivalent City Government Employees By Function/Program	20	115
Capital Asset Statistics by Function/Program	21	116
Operating Indicators by Function/Program	22	117

INTRODUCTION

SECTION





City of

SAND SPRINGS

PO BOX 338 – 100 EAST BROADWAY STREET – SAND SPRINGS, OKLAHOMA 74063-0338 (918) 246-2500 – FAX (918) 245-7101

December 31, 2011

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, 2011, is hereby submitted as mandated by the city charter and state statutes. The City is required to publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts.

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

The City’s financial statements have been audited by Arledge & Associates, P.C., a firm of licensed certified public accountants. The independent audit was conducted to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent auditor has issued an unqualified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2011. 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 18,906.

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

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

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

The City provides its residents with a variety of municipal services, including police and fire protection, comprehensive land use, planning and zoning services, parks and recreational activities, cultural events, and the construction and maintenance of highways, streets and other infrastructure. The City also provides water, wastewater, stormwater, and solid waste services to its residents under the legal entity of the Sand Springs Municipal Authority (SSMA). SSMA is a public trust created under applicable Oklahoma statutes on March 14, 1966, with the City named as the beneficiary thereof. These utility systems operate for the benefit of the City of Sand Springs and are an integral part of City operations. The City owns and operates an 18-hole golf course, The Canyons at Blackjack Ridge, and the Sand Springs-Pogue Airport under the SSMA. SSMA's financial

statements are blended into the City's financial statements and together they comprise the City's primary financial presentation. The City is also financially accountable for a legally separate economic development authority (SSEDA) and a legally separate cultural – historical trust (SSCHMTA). Both of these entities are reported separately within the City's financial statements. Additional information on these legally separate entities can be found in the notes to the financial statements (see Note 1.A).

The City operates on a fiscal year basis, beginning July 1st and ending June 30th. All funds of the City with revenues and expenditures are required to have annual budgets. The City Manager's proposed operating budget for the fiscal year commencing the following July 1 is submitted to the City Council prior to June 1. A public hearing is held prior to June 15 to obtain citizen comments. Subsequent to the public hearing but not later than seven days prior to July 1, the budget is adopted by resolution of the City Council. The adopted budget is filed with the Office of State Auditor and Inspector. The appropriated budget is prepared by fund, function and department. All supplemental appropriations require City Council approval. The City Manager may transfer appropriations between departments without City Council approval. Supplemental appropriations must also be filed with the Office of the State Auditor and Inspector.

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

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

Local Economy

The fiscal year 2011 marked the third straight year of budget cuts for the City of Sand Springs. Compared to its peak in FY2008, this year's General Fund expenditure budget was down by 14.1%. This was necessary in order to operate within the limited resources available while maintaining reserve balances. Sand Springs' continued to experience the effects of the local economic downturn up until the last couple months of FY2011 during which revenues began to see some improvement. The city's primary measure of local economic activity is sales tax revenues. For the first time since FY2008, sales tax revenues ended the fiscal year up slightly from the prior fiscal year, an indication of some economic stability. However, when compared to revenues earned in FY2008,

sales tax revenues were still down by 7.4%. Interest rates, another primary measure of economic conditions, remained at an all-time low during the year, and are not expected to improve during the upcoming fiscal year. While it appears the local economy has begun to stabilize, City officials continue to anticipate a slow recovery and therefore have adopted a conservative budget for the upcoming fiscal year.

Major Initiatives

The City continued work on the new Automated Meter Reading (AMR) project with final completion expected in spring of 2012. This is part of an overall \$5.27 million water meter conversion program funded by federal American Recovery and Reinvestment Act (ARRA) grant funds and a low-interest loan from the Oklahoma Water Resources Board. Work also began in January 2010 on a \$3.2 million Oklahoma Department of Transportation project to widen Wekiwa Road to three lanes and improve its intersection with Highway 97 and the Sand Springs Expressway.

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, 2010. This was the 21st 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.

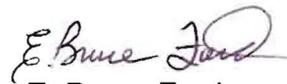
The City also received its 15th consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year 2010. This award recognizes conformance with the highest standards for preparation of state and local popular reports. The popular report is an easily understandable financial report on all activities for the general public at large.

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

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

Respectfully Submitted,


Rocky Rogers
City Manager


E. Bruce Ford
Finance Director

CITY OF SAND SPRINGS, OKLAHOMA

PRINCIPAL OFFICIALS and STAFF

JUNE 30, 2011

MAYOR AND CITY COUNCIL

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

FINANCE COMMITTEE

Mike Burdge	Chairman	Rocky Rogers	Member
Dean Nichols	Member	E. Bruce Ford	Member
Jesse Honn	Member	Kelly Lamberson	Member

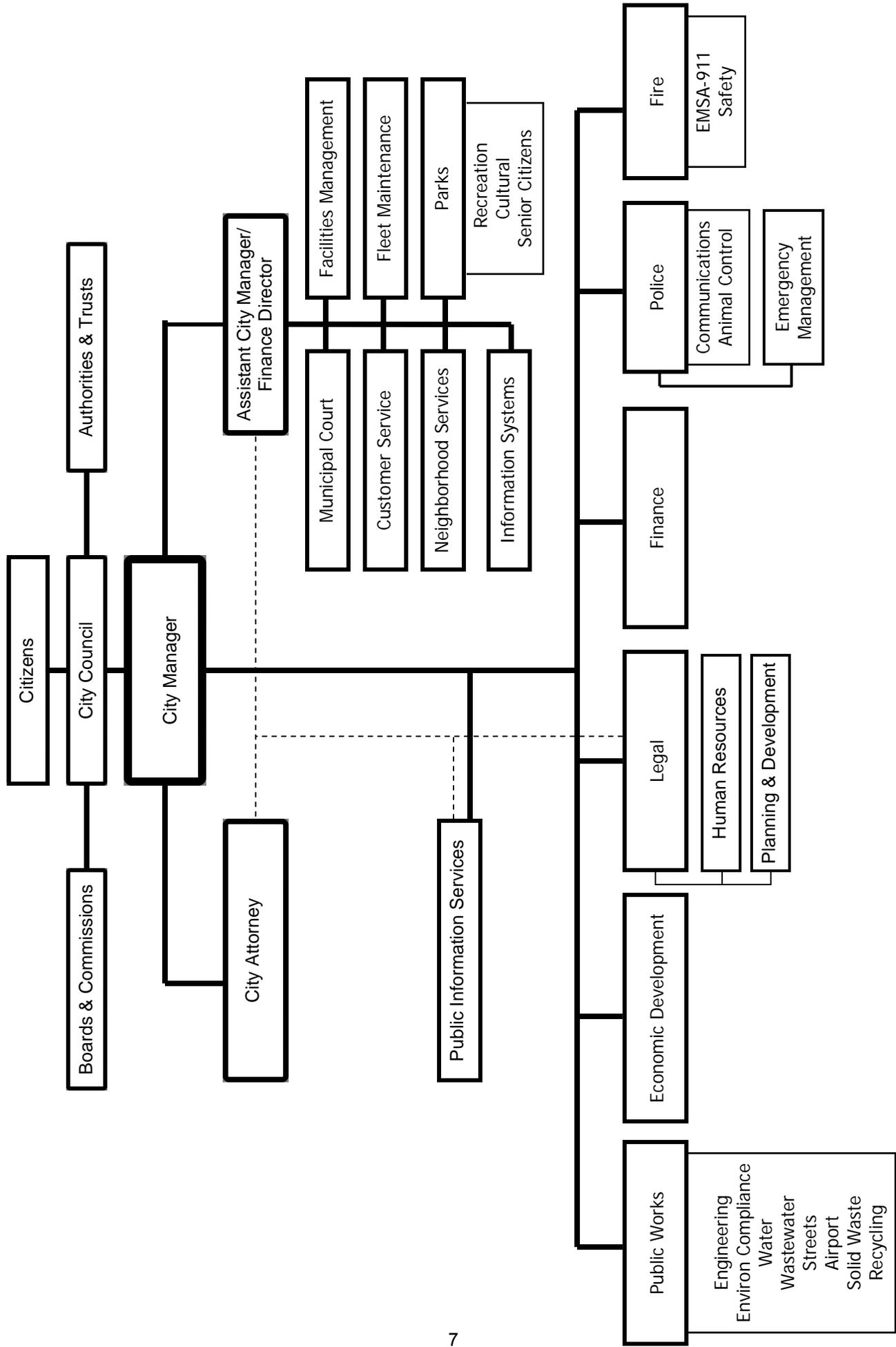
ADMINISTRATION

Rocky Rogers	City Manager	E. Bruce Ford	Assistant City Manager
E. Bruce Ford	Finance Director	Derek Campbell	Public Works Director
Jim Dunlap	Planner	Greg Fisher	Emergency Management Director
Terry Walters	Economic Development Director	Grant Gerondale	Parks Director
Daniel Bradley	Police Chief	Mike Wood	Fire Chief
David Weatherford	City Attorney	Anita Hundley	Systems Director/IS
Andrew Templeton	Customer Service Director/Public Relations Officer		

ACCOUNTING STAFF

Twyla Miller	Accountant	Kelly Lamberson	Budget Officer
Karen Jackson	Accounts Payable Specialist		

City of Sand Springs



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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



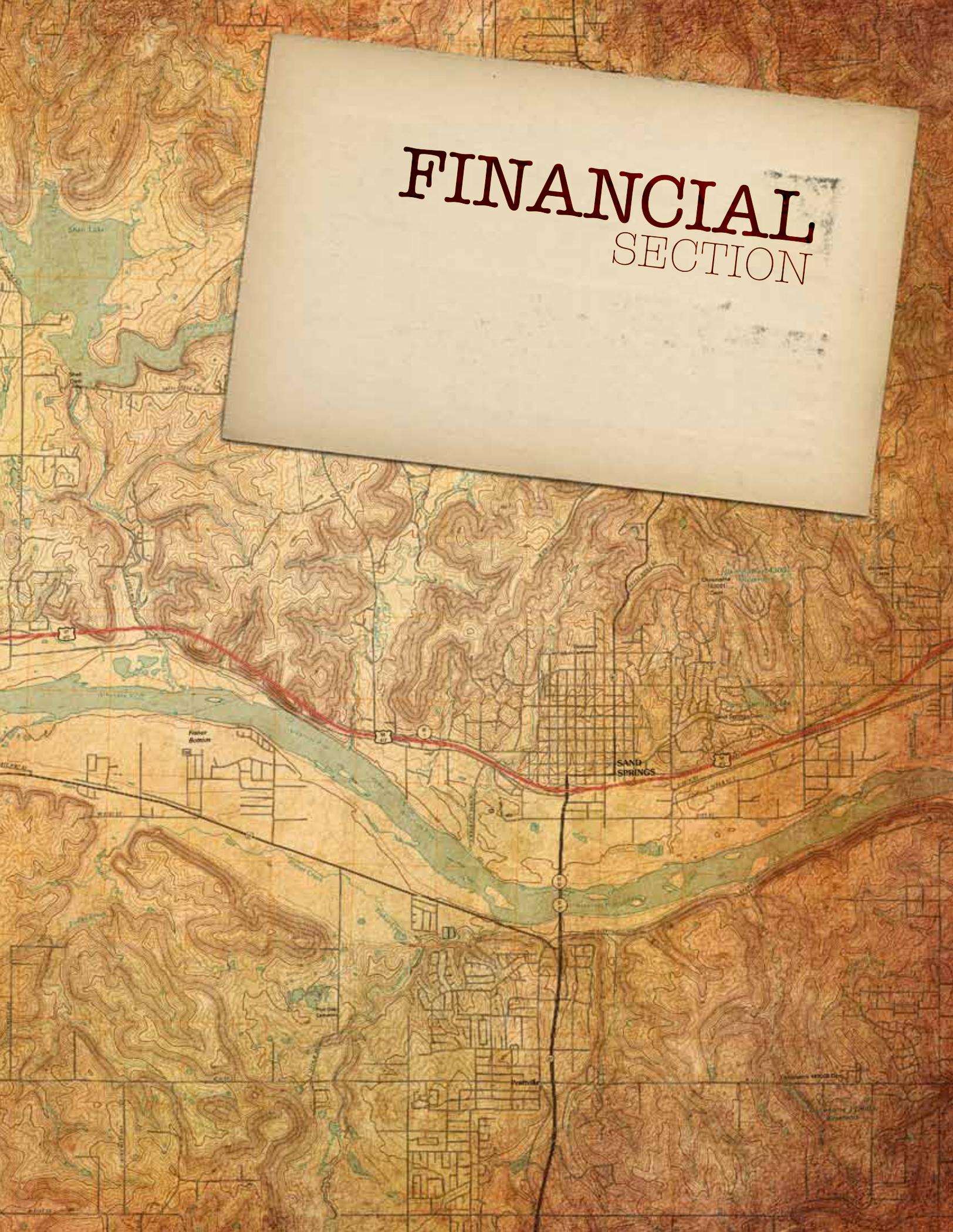
Linda C. Sandison

President

Jeffrey R. Enos

Executive Director

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sand Springs, Oklahoma (the "City") as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sand Springs, Oklahoma, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2011, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information, as listed in the Table of Contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections, as listed in the Table of Contents, 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.


Edmond, Oklahoma
December 16, 2011

**MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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, 2011. 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 assets increased by \$5.9 million and the assets of the City continued to exceed its liabilities at June 30, 2011, by \$107.1 million (net assets). Of this amount, \$16.3 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2011, the City's governmental funds reported combined ending fund balances of \$18.4 million. Approximately 11.3% of this amount, \$2.1 million, is unassigned.
- At the end of fiscal year 2011, unassigned fund balance for the General Fund was \$2.8 million or 19% of General Fund revenues.
- The City's total debt decreased by \$2.2 million or 8.7% during fiscal year 2011, primarily due to normal debt service payments. The highlights of this decrease can be found starting on page 53 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The governmental-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt).

Reporting the City as a Whole - Statements of Net Assets 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 Assets 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 and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in net assets from the prior year. You can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial condition, or position. Over time, increases or decreases in the City's net assets 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 Assets and the Statement of Activities are divided into three types of activities:

- Governmental activities -- Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- Business-type activities -- The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, sewer, stormwater and refuse utilities are reported here, along with the golf course and airport enterprises.
- Discretely-presented component units -- These account for activities of the City's reporting entity that do not meet the criteria for blending.

Reporting the City's Most Significant Funds - Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. The City of Sand Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City of Sand Springs can be divided into two categories: governmental funds and proprietary funds.

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

MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011

spendable resources available at the end of the fiscal year. These funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

Proprietary funds -- When the City charges customers for the services it provides -- whether to outside customers or to other units of the City -- these services are generally reported in proprietary funds. Enterprise funds are one type of proprietary funds and are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, solid waste collection and disposal services, stormwater drainage, the operations of the municipal golf course, and the operations of the municipal airport. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the Financial Statements

The notes provide additional information that is essential to gain understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 31-68 of this report.

Other Information

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

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

MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The largest portion of the City's net assets 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 investment in capital assets, net of related debt, amounted to \$78 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 Component Units are excluded from the following table.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and other assets	\$ 14,715	\$ 13,516	\$ 14,593	\$ 13,474	\$ 29,308	\$ 26,990
Capital assets	38,140	37,469	65,547	64,979	103,687	102,448
Total assets	52,855	49,437	80,140	78,453	132,995	129,438
Liabilities:						
Long-term liabilities	8,514	9,420	14,758	16,078	23,272	25,498
Other liabilities	1,041	735	1,565	1,951	2,606	2,686
Total liabilities	9,555	10,155	16,323	18,029	25,878	28,184
Net assets:						
Invested in capital assets	30,526	28,851	51,591	49,618	82,117	78,469
Restricted	8,138	7,723	602	624	8,740	8,347
Unrestricted	4,636	4,256	11,624	10,182	16,260	14,438
Total net assets	\$ 43,300	\$ 40,830	\$ 63,817	\$ 60,424	\$ 107,117	\$ 101,254

A portion of the City's net assets, \$8.7 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$16.3 million, may be used to meet the government's ongoing obligations to citizens and creditors.

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

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

MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2010	2009
Revenues:						
Program revenues:						
Charges for Services	\$ 1,467	\$ 1,549	\$ 12,392	\$ 11,652	\$ 13,859	\$ 13,201
Grants & Contributions	1,232	967	167	-	1,399	967
Capital Grants & Contributions	182	821	1,429	1,400	1,611	2,221
General Revenues:						
Sales & Use Tax	9,595	9,239	-	-	9,595	9,239
Other Taxes	3,267	3,255	-	-	3,267	3,255
Other General Revenues	803	836	42	121	845	957
Total Revenues	16,546	16,667	14,030	13,173	30,576	29,840
Program Expenses:						
General Government	1,083	946	-	-	1,083	946
Planning & Zoning	156	156	-	-	156	156
Financial Administration	678	635	-	-	678	635
Public Safety	7,185	7,184	-	-	7,185	7,184
Highways & Streets	2,137	2,110	-	-	2,137	2,110
Health & Welfare	221	79	-	-	221	79
Culture & Recreation	712	989	-	-	712	989
Economic Development	186	170	-	-	186	170
General Properties	486	524	-	-	486	524
Interest on Long-term Debt	316	353	-	-	316	353
Water	-	-	5,468	5,711	5,468	5,711
Wastewater	-	-	3,111	3,268	3,111	3,268
Solid Waste	-	-	1,287	1,264	1,287	1,264
Storm Water	-	-	341	345	341	345
Airport	-	-	548	524	548	524
Golf Course	-	-	798	806	798	806
Total Expenses	13,160	13,146	11,553	11,918	24,713	25,064
Excess/(Deficiency)	3,386	3,521	2,477	48	5,863	4,776
Net Transfers	(916)	(1,094)	916	1,094	-	-
Increase/(Decrease) in Net Assets	\$ 2,470	\$ 2,427	\$ 3,393	\$ 1,142	\$ 5,863	\$ 4,776

MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011

Governmental Activities

The City's governmental activities' increase in net assets of \$2.5 million represents a 6.1% positive increase in net assets. The City's operating expenditures came in under budget by approximately 11%, contributing almost half of the increase. The remaining \$1.3 million increase in net assets is due to street projects and water and wastewater projects that were funded but not completed, and will therefore be carried over into the next budget year.

Business-type Activities

The business-type activities' increase in net assets of \$3.4 million represents a 5.6% positive increase in net assets.

Overall, combined business-type activities' revenues are sufficient to cover their combined expenses. Individually, Water, Solid Waste, and Stormwater revenues cover more than their expenses, and make up for the losses from other business-type functions (including Wastewater, Airport and Golf).

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2011 fiscal year, the governmental funds reported a combined fund balance of \$18.4 million, or a 9.4% increase from the prior year. The enterprise funds reported combined net assets of \$58.6 million, or a 5.0% increase from 2010. The fund balance and net asset restrictions are listed below.

Fund Balance Reservations:	
Nonspendable	\$ 23,616
Restricted	12,243,051
Committed	26,000
Assigned	4,051,734
Unassigned	<u>2,087,755</u>
Total Fund Balance Reservations	<u>\$ 18,432,156</u>
Net Asset Restrictions:	
Invested in capital assets, net of related debt	\$ 51,590,911
Restricted for debt service	<u>602,187</u>
Total Enterprise Fund Net Asset Restrictions	<u>\$ 52,193,098</u>

Other fund highlights include:

For the year ended June 30, 2011, the General Fund's total fund balance increased by \$855,201, or 26.1%, due to an increase in tax revenue and in overall expenses. 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

MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011

less required sales tax transfers out. The total unassigned fund balance at year end was 19.4% of net revenues.

- The Street Improvement Fund's total fund balance increased by \$851,341 in order to accumulate the funds needed to complete large projects in the near future.
- The SSMA Solid Waste, Stormwater, Airport and Golf Funds reported a decrease in net assets, after transfers, for the year, but overall the total change in net assets for the enterprise funds was \$2.8 million.

General Fund Budgetary Highlights

Comparing the fiscal year 2011 original budget (or adopted) General Fund expenditures and transfers amount of \$13,950,335 to the final budgeted amount of \$15,541,112 shows a net increase of \$1,590,777 or 11.4%. Total original budgeted revenues and transfers were revised from \$13,936,751 to \$15,246,565, an increase of \$1,309,814 or 9.4%.

General Fund actual revenues and transfers totaled \$49,642 less than final estimates, while expenditures and transfers out were under final appropriations by \$1,159,213.

CAPITAL ASSETS & DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2011, the City had \$104 million invested in capital assets including land, buildings, machinery and equipment, park facilities, water, sewer and stormwater systems, roads and bridges. This represents a net increase of \$1.2 million over last year.

Following are details regarding the change in the City's capital assets for the year ending June 30, 2011.¹

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, 2011

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

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land	\$ 11,386	\$ 10,331	\$ 2,169	\$ 2,382	\$ 13,555	\$ 12,713
Buildings	8,303	8,341	21,978	21,863	30,281	30,204
Improvements & Other	3,021	2,606	26,359	26,221	29,380	28,827
Equipment	7,803	8,032	4,426	4,869	12,229	12,901
Infrastructure	35,056	35,015	54,676	54,352	89,732	89,367
Intangible	-	-	6,703	6,702	6,703	6,702
Construction-in-progress	2,529	1,669	4,741	1,876	7,270	3,545
Totals	68,098	64,080	121,052	116,674	189,150	184,259
Less Depreciation	(29,958)	(28,525)	(55,505)	(53,286)	(85,463)	(81,811)
Totals, Net	\$ 38,140	\$ 36,946	\$ 65,547	\$ 65,744	\$ 103,687	\$ 102,448

This year's more significant capital asset additions include an increase to the automated meter reading project of \$2.4 million and a \$0.9 million land purchase for development in the River City Crossing corridor. Other additions include a new street project of \$0.6 million, wastewater project totaling \$0.3 million, and Golf Course project in the amount of \$0.3 million. New water lines for the year amount to \$0.2 million.

Debt Administration

At year-end, the City had \$23 million in long-term debt outstanding, which represents a \$2.4 million decrease from the prior year due mainly to normal debt service payments. These debts are further detailed as follows: ²

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

MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011

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

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds, Net	\$ 7,425	\$ 8,310	\$ -	\$ -	\$ 7,425	\$ 8,310
Capital Lease Obligations	248	308	12	36	260	344
Notes Payable	-	-	13,329	13,947	13,329	13,947
Revenue Bonds	-	-	620	1,390	620	1,390
Accrued Compensation	604	651	255	218	859	869
Utility Deposits	-	-	435	429	435	429
Totals	\$ 8,277	\$ 10,251	\$ 14,651	\$ 16,770	\$ 22,928	\$ 25,289

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Sand Springs, like many of its surrounding cities, is beginning to see some recovery from the past 3 years of economic downturn. Its main source of revenue for the General Fund, sales tax, ended the fiscal year 2011 up 2.6% over prior year, a positive variance for the first time since FY2008. Sales tax is budgeted to increase in FY2012 by 0.89%; however, the first quarter results show that sales tax is exceeding the forecast for that period. The City is hopeful this is an indication of continued recovery; however, City staff expects it will be some time before sales tax revenues return to pre-recession levels.

Interest rates are another indicator of economic conditions. Interest rates, currently well under 1%, are at an all-time low as they have been for some time. Though not a significant revenue stream to the City of Sand Springs, interest income earned on investments has deteriorated since its peak in FY2007, and the budget for FY2012 does not anticipate any change in this revenue.

Water consumption has declined consistently since its peak in FY2006. However, consumption levels for FY2011 were consistent with consumption during the prior fiscal year, which could indicate a stabilization of water consumption levels. While the budget for FY2012 anticipated a slight increase in consumption, the first quarter of FY2012 has exceeded projections. The City has attributed this increase to both the hot, dry, summer as well as the new meters reflecting more accurate numbers due to the implementation of the new automated meter reading project. Utility rates increased in FY2011, representing the second year of a 5-year rate structure plan implemented during FY2010.

Overall, Sand Springs has begun to experience some budget relief, an indication of the beginning of an economic recovery, during the last part of FY2011. The budget for

**MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

FY2012 anticipates some stabilization of its major revenue sources and the City is hopeful financial conditions continue to improve in the upcoming fiscal year.

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.

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) fund

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 Assets
June 30, 2011

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Museum Trust Authority</u>	<u>Economic Development Authority</u>
ASSETS					
Cash and equivalents	\$ 7,504,645	\$ 9,050,586	\$ 16,555,231	\$ 99,604	\$ 7,536
Investments	4,984,833	3,414,075	8,398,908	-	38,727
Interest receivable	3,020	1,093	4,113	-	-
Accounts receivable, net	442,029	1,495,310	1,937,339	900	-
Loan proceeds receivable	-	51,622	51,622	-	-
Internal balances	8,009	(8,009)	-	-	-
Due from other governmental agencies	1,687,149	-	1,687,149	-	-
Inventories	23,616	197,945	221,561	-	-
Other assets	1,773	64	1,837	-	-
Capital assets:					
Capital assets, nondepreciable	13,915,172	13,612,723	27,527,895	-	-
Other capital assets, net of depreciation	24,224,695	51,933,907	76,158,602	-	-
Unamortized debt issuance costs	59,539	390,164	449,703	-	-
Total Assets	<u>52,854,480</u>	<u>80,139,480</u>	<u>132,993,960</u>	<u>100,504</u>	<u>46,263</u>
LIABILITIES					
Accounts payable and accrued expenses	384,812	1,272,780	1,657,592	-	-
Accrued interest payable	71,473	137,256	208,729	-	-
Accrued payroll liabilities	344,839	147,113	491,952	-	-
Due to other governmental agencies	5,179	3,152	8,331	29	-
Amounts held in escrow	229,554	-	229,554	-	-
Unearned revenue	5,000	4,339	9,339	-	-
Long-term liabilities:					
Due within one year	1,063,786	2,033,429	3,097,215	-	-
Due in more than one year	7,449,795	12,724,641	20,174,436	-	-
Total Liabilities	<u>9,554,438</u>	<u>16,322,710</u>	<u>25,877,148</u>	<u>29</u>	<u>-</u>
NET ASSETS					
Invested in capital assets, net of related debt	30,526,321	51,590,911	82,117,232	-	-
Restricted for:					
Capital projects	6,565,910	-	6,565,910	-	-
Public safety	133,079	-	133,079	-	-
Debt service	1,200,747	602,187	1,802,934	-	-
Economic development	142,567	-	142,567	-	-
Other projects	96,166	-	96,166	-	-
Unrestricted	4,635,252	11,623,672	16,258,924	100,475	46,263
Total Net Assets	<u>\$ 43,300,042</u>	<u>\$ 63,816,770</u>	<u>\$ 107,116,812</u>	<u>\$ 100,475</u>	<u>\$ 46,263</u>

See accompanying notes to the Basic Financial Statements.

City of Sand Springs, Oklahoma
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets																			
	Primary Government					Component Units														
	Charges for Services	Program Revenue and Operating Grants	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Museum Trust Authority	Development Authority	Economic											
Primary government																				
Governmental Activities	\$ 1,082,775	\$ 258,705	\$ 354,665	\$ 142,000	\$ (327,405)	\$ (327,405)	\$ -	\$ -	\$ -	\$ (327,405)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General government	156,231	8,424	-	-	(147,807)	(147,807)	-	-	-	(147,807)	-	-	-	-	-	-	-	-	-	-
Planning and zoning	677,511	-	-	-	(677,511)	(677,511)	-	-	-	(677,511)	-	-	-	-	-	-	-	-	-	-
Financial administration	7,184,085	1,127,012	-	2,182	(5,362,008)	(5,362,008)	-	-	-	(1,937,779)	-	-	-	-	-	-	-	-	-	-
Public safety	2,136,980	1,180	160,093	37,928	(1,937,779)	(1,937,779)	-	-	-	(220,668)	-	-	-	-	-	-	-	-	-	-
Highways and streets	220,668	-	-	-	(220,668)	(220,668)	-	-	-	(635,447)	-	-	-	-	-	-	-	-	-	-
Health and welfare	712,249	71,802	5,000	-	(635,447)	(635,447)	-	-	-	(167,144)	-	-	-	-	-	-	-	-	-	-
Culture and recreation	186,419	-	19,275	-	(167,144)	(167,144)	-	-	-	(486,409)	-	-	-	-	-	-	-	-	-	-
Facilities management and fleet maintenance	486,409	-	-	-	(486,409)	(486,409)	-	-	-	(317,096)	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	317,096	-	-	-	(317,096)	(317,096)	-	-	-	(10,279,274)	-	-	-	-	-	-	-	-	-	-
Total governmental activities	13,160,423	1,467,123	1,231,916	182,110	(10,279,274)	(10,279,274)	-	-	-	(10,279,274)	-	-	-	-	-	-	-	-	-	-
Business-type activities																				
Water operations	5,468,136	6,743,572	167,252	1,408,524	-	2,851,212	2,851,212	-	-	2,851,212	-	-	-	-	-	-	-	-	-	-
Wastewater operations	3,111,019	2,783,389	-	20,000	-	(307,630)	(307,630)	-	-	289,182	-	-	-	-	-	-	-	-	-	-
Solid waste operations	1,286,736	1,575,918	-	-	-	289,182	289,182	-	-	233,890	-	-	-	-	-	-	-	-	-	-
Stormwater operations	341,465	575,355	-	-	-	233,890	233,890	-	-	(305,140)	-	-	-	-	-	-	-	-	-	-
Airport operations	547,780	242,640	-	-	-	(305,140)	(305,140)	-	-	2,434,890	-	-	-	-	-	-	-	-	-	-
Golf course operations	797,618	470,994	-	-	-	(326,624)	(326,624)	-	-	2,434,890	-	-	-	-	-	-	-	-	-	-
Total business-type activities	11,552,754	12,391,868	167,252	1,428,524	-	2,434,890	2,434,890	-	-	(7,844,384)	-	-	-	-	-	-	-	-	-	-
Total primary government	24,713,177	13,858,991	1,399,168	1,610,634	(10,279,274)	2,434,890	2,434,890	-	-	9,493	9,493	-	-	-	-	-	-	-	-	(23,074)
Component Units																				
Culture and recreation	\$ 8,455	\$ 16,328	\$ 1,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	27,370	4,296	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total component units	35,825	20,624	1,620	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General revenues:																				
Taxes:																				
Sales and use taxes					9,595,485	9,595,485														
Property taxes					1,207,441	1,207,441														
Franchise taxes					845,865	845,865														
Abatement taxes					12,243	12,243														
E-911 taxes					140,836	140,836														
Hotel/Motel taxes					96,017	96,017														
Payment in lieu of tax					964,375	964,375														
Grants and contributions not restricted to specific programs					337,019	337,019														
Unrestricted investment earnings					187,952	187,952														
Miscellaneous					277,837	277,837														
Special item, loss on disposal of buildings and leasehold improvements					(916,062)	(916,062)														
Transfers					12,749,008	12,749,008														
Total general revenues and transfers					3,393,429	3,393,429														
Change in net assets					60,423,341	60,423,341														
Net assets - beginning					\$ 43,300,042	\$ 43,300,042														
Net assets - ending					\$ 107,116,812	\$ 107,116,812														

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma
Balance Sheet
Governmental Funds
June 30, 2011**

	<u>General Fund</u>	<u>Street Improvement</u>	<u>DWSRF AMR Program</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,900,263	\$ 3,276,741	\$ 160,215	\$ 6,429,929	\$ 11,767,148
Investments	1,252,519	2,341,838	-	3,438,920	7,033,277
Accrued interest receivable	731	1,783	-	1,424	3,938
Loan proceeds receivable	-	-	51,622	-	51,622
Taxes receivable, net	146,899	-	-	-	146,899
Due from other funds	8,009	-	-	-	8,009
Due from other governments	1,339,485	99,432	-	101,333	1,540,250
Court fines receivable, net	382,934	-	-	-	382,934
Other receivables	59,095	-	-	3,055	62,150
Inventories	23,616	-	-	-	23,616
Prepaid items	1,773	-	-	-	1,773
Total assets	<u>\$ 5,115,324</u>	<u>\$ 5,719,794</u>	<u>\$ 211,837</u>	<u>\$ 9,974,661</u>	<u>\$ 21,021,616</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 164,146	\$ 67,412	\$ 877,006	\$ 332,274	\$ 1,440,838
Retainage payable	-	23,105	-	31,459	54,564
Due to other funds	-	-	32,369	-	32,369
Due to other governments	5,179	-	-	-	5,179
Deferred revenue	420,360	1,783	-	69,545	491,688
Other accrued expenses	324,161	-	-	-	324,161
Amounts held in escrow	41,226	-	-	-	41,226
Other payables	29,306	-	-	170,129	199,435
Total liabilities	<u>984,378</u>	<u>92,300</u>	<u>909,375</u>	<u>603,407</u>	<u>2,589,460</u>
Fund balances:					
Non-spendable	23,616	-	-	-	23,616
Restricted	269,763	5,601,288	-	6,386,298	12,257,349
Committed	-	-	-	26,000	26,000
Assigned	1,052,274	26,206	-	2,958,956	4,037,436
Unassigned	2,785,293	-	(697,538)	-	2,087,755
Total fund balances	<u>4,130,946</u>	<u>5,627,494</u>	<u>(697,538)</u>	<u>9,371,254</u>	<u>18,432,156</u>
Total liabilities and fund balances	<u>\$ 5,115,324</u>	<u>\$ 5,719,794</u>	<u>\$ 211,837</u>	<u>\$ 9,974,661</u>	<u>\$ 21,021,616</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 Assets
June 30, 2011

Total fund balance, governmental funds	\$	18,432,156
Amounts reported for governmental activities in the Statement of Net Assets 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 \$29,958,202		38,139,867
Certain other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds:		
Accrued interest receivable		2,739
Court fines receivable		382,935
Other receivables		1,500
Receivable from other governments		98,596
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 Assets:		
Fund balance of the Water and Wastewater CIP Fund		(4,166,615)
Fund balance of the SSMA CIP Fund		(46,377)
Fund balance of the Airport CIP Fund		(149,518)
Fund balance of the Stormwater CIP Fund		(1,526,058)
Fund balance of the DWSRF AMR Program Fund		697,538
Fund balance of the Golf Course CIP Fund		(41,206)
Certain long-term liabilities and related accounts are not due and payable from current financial resources and, therefore, are not reported in the funds:		
Accrued interest payable		(71,473)
General obligation bonds payable		(7,425,000)
Capital lease payable		(248,085)
Unamortized issue costs		59,539
Accrued compensated absences		(603,589)
Other post employment benefits obligation		(236,907)
Net Assets of Governmental Activities in the Statement of Net Assets	<u>\$</u>	<u>43,300,042</u>

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, 2011

	<u>General Fund</u>	<u>Street Improvement</u>	<u>DWSRF AMR Program</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 11,580,998	\$ -	\$ -	\$ 1,328,685	\$ 12,909,683
Fees and fines	371,277	-	-	-	371,277
Licenses and permits	147,757	-	-	-	147,757
Intergovernmental	1,095,532	340,722	-	239,324	1,675,578
Charges for services	962,283	-	-	107,296	1,069,579
Investment earnings	30,314	26,206	-	55,611	112,131
Miscellaneous	190,467	127,024	-	148,347	465,838
Total revenues	<u>14,378,628</u>	<u>493,952</u>	<u>-</u>	<u>1,879,263</u>	<u>16,751,843</u>
EXPENDITURES					
Current:					
General government	671,627	-	-	-	671,627
Planning and zoning	154,985	-	-	-	154,985
Financial administration	571,438	-	-	-	571,438
Public safety	6,750,067	-	-	-	6,750,067
Highways and streets	827,665	-	-	-	827,665
Health and welfare	51,842	-	-	-	51,842
Culture and recreation	700,856	-	-	-	700,856
Community and economic development	137,435	-	-	-	137,435
Facilities management and fleet maintenance	478,511	-	-	-	478,511
Water	-	-	42,221	-	42,221
Debt Service:					
Principal	59,684	-	-	885,000	944,684
Interest and other charges	13,891	-	-	311,175	325,066
Capital Outlay	50,020	959,765	2,468,163	3,171,115	6,649,063
Total expenditures	<u>10,468,021</u>	<u>959,765</u>	<u>2,510,384</u>	<u>4,367,290</u>	<u>18,305,460</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,910,607</u>	<u>(465,813)</u>	<u>(2,510,384)</u>	<u>(2,488,027)</u>	<u>(1,553,617)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,399,205	1,317,154	1,812,846	4,078,996	8,608,201
Transfers out	(4,454,611)	-	-	(1,009,671)	(5,464,282)
Total other financing sources and uses	<u>(3,055,406)</u>	<u>1,317,154</u>	<u>1,812,846</u>	<u>3,069,325</u>	<u>3,143,919</u>
Net change in fund balances	855,201	851,341	(697,538)	581,298	1,590,302
Fund balances - beginning	3,275,745	4,776,153	-	8,789,956	16,841,854
Fund balances - ending	<u>\$ 4,130,946</u>	<u>\$ 5,627,494</u>	<u>\$ (697,538)</u>	<u>\$ 9,371,254</u>	<u>\$ 18,432,156</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, 2011

Net change in fund balances - total governmental funds: \$ 1,590,302

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	2,042,584
Capital assets transferred from business-type activities	492,712
Depreciation expense	(1,749,550)

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the book value of the asset sold.

(114,868)

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.

(58,640)

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

Capital lease obligation principal payments	59,684
General obligation bond principal payments	885,000

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:

Accrued interest	7,970
Amortization expense	(6,159)
Accrued compensated absences	47,523
Post employment benefit obligation	(86,271)

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	(848,306)
SSMA Capital Fund	44,848
Airport CIP Fund	60,965
Stormwater CIP Fund	(572,696)
DWSRF AMR Program	697,538
Golf Course CIP Fund	(22,902)

Change in net assets of governmental activities	\$ 2,469,734
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See accompanying notes to the Basic Financial Statements.

City of Sand Springs, Oklahoma
Statement of Net Assets
Proprietary Funds
June 30, 2011

	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	\$ 1,462,073	\$ 1,281,485	\$ 990,452	\$ 59,707	\$ 59,495	\$ 15,649	\$ 3,868,861
Restricted cash and cash equivalents	229,984	321,992	-	-	-	-	551,976
Investments	887,735	46,068	177,599	-	-	-	1,111,402
Interest receivable	175	-	-	-	-	-	175
Accounts receivable, net	903,282	307,107	169,895	16,979	30,197	64,795	1,492,255
Due from other funds	23,605	755	-	-	-	-	24,360
Inventories	180,867	-	-	17,078	-	-	197,945
Prepaid expenses	64	-	-	-	-	-	64
Total current assets	<u>3,687,785</u>	<u>1,957,407</u>	<u>1,337,946</u>	<u>93,764</u>	<u>89,692</u>	<u>80,444</u>	<u>7,247,038</u>
Noncurrent assets:							
Restricted cash and cash equivalents	-	309,210	-	-	-	-	309,210
Restricted investments	312,265	-	-	-	-	-	312,265
Capital assets, nondepreciable	12,545,688	418,931	-	301,815	331,991	14,298	13,612,723
Other capital assets, net	22,177,863	19,287,393	575,394	3,179,691	1,121,448	5,592,118	51,933,907
Unamortized note issuance costs	154,718	235,446	-	-	-	-	390,164
Total noncurrent assets	<u>35,190,534</u>	<u>20,250,980</u>	<u>575,394</u>	<u>3,481,506</u>	<u>1,453,439</u>	<u>5,606,416</u>	<u>66,558,269</u>
Total assets	<u><u>38,878,319</u></u>	<u><u>22,208,387</u></u>	<u><u>1,913,340</u></u>	<u><u>3,575,270</u></u>	<u><u>1,543,131</u></u>	<u><u>5,686,860</u></u>	<u><u>73,805,307</u></u>
LIABILITIES							
Current liabilities:							
Accounts payable	99,750	22,883	20,770	4,089	18,904	204	166,600
Accrued payroll liabilities	85,427	36,995	18,907	2,804	-	2,980	147,113
Accrued interest payable	73,041	63,598	509	-	108	-	137,256
Payable to other governments	-	3,135	-	-	-	-	3,135
Other accrued expenses	-	-	408	-	4,770	-	5,178
Unearned revenue	-	-	-	-	4,339	-	4,339
Current portion of:							
Compensated absences	29,124	10,933	8,693	852	-	609	50,211
Deposits subject to refund	122,360	-	-	-	-	-	122,360
Capital lease obligations	-	12,279	-	-	-	-	12,279
Notes payable	680,816	471,750	55,530	-	20,483	-	1,228,579
Revenue bonds payable	614,720	-	-	-	-	-	614,720
Total current liabilities	<u>1,705,238</u>	<u>621,573</u>	<u>104,817</u>	<u>7,745</u>	<u>48,604</u>	<u>3,793</u>	<u>2,491,770</u>
Noncurrent liabilities:							
Compensated absences	116,497	43,733	34,772	7,667	-	2,436	205,105
Deposits subject to refund	312,265	-	-	-	-	-	312,265
Other postemployment benefit obligation	65,801	26,588	14,142	1,747	2,016	2,116	112,410
Notes payable	4,821,302	7,176,385	77,365	-	25,089	-	12,100,141
Total non-current liabilities	<u>5,315,865</u>	<u>7,246,706</u>	<u>126,279</u>	<u>9,414</u>	<u>27,105</u>	<u>4,552</u>	<u>12,729,921</u>
Total liabilities	<u>7,021,103</u>	<u>7,868,279</u>	<u>231,096</u>	<u>17,159</u>	<u>75,709</u>	<u>8,345</u>	<u>15,221,691</u>
NET ASSETS							
Invested in capital assets, net of related debt	28,606,713	12,045,910	442,499	3,481,506	1,407,867	5,606,416	51,590,911
Restricted for debt service	34,583	567,604	-	-	-	-	602,187
Unrestricted	3,215,920	1,726,594	1,239,745	76,605	59,555	72,099	6,390,518
Total net assets	<u>\$ 31,857,216</u>	<u>\$ 14,340,108</u>	<u>\$ 1,682,244</u>	<u>\$ 3,558,111</u>	<u>\$ 1,467,422</u>	<u>\$ 5,678,515</u>	<u>58,583,616</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 Assets:

Water and wastewater CIP	4,166,615
SSMA Capital Fund	46,377
Airport CIP Fund	149,518
Stormwater CIP Fund	1,526,058
DWSRF AMR Program	(697,538)
Golf Course CIP Fund	41,206

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 assets per Government-Wide financial statements

918
\$ 63,816,770

See accompanying notes to the Basic Financial Statements.

City of Sand Springs, Oklahoma
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	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	\$ 6,618,774	\$ 2,775,593	\$ 1,572,050	\$ 110,532	\$ 182,833	\$ 560,934	\$ 11,820,716
Miscellaneous	-	-	-	131,772	-	-	131,772
Total operating revenues	<u>6,618,774</u>	<u>2,775,593</u>	<u>1,572,050</u>	<u>242,304</u>	<u>182,833</u>	<u>560,934</u>	<u>11,952,488</u>
OPERATING EXPENSES							
Personal services	1,690,188	856,604	486,190	70,705	16,672	77,936	3,198,295
Operations and maintenance	1,823,330	922,792	674,206	239,956	328,060	100,549	4,088,893
Amortization	33,438	18,620	-	-	-	-	52,058
Depreciation	1,177,318	962,160	114,383	236,753	162,149	142,163	2,794,926
Total operating expenses	<u>4,724,274</u>	<u>2,760,176</u>	<u>1,274,779</u>	<u>547,414</u>	<u>506,881</u>	<u>320,648</u>	<u>10,134,172</u>
Operating income (loss)	<u>1,894,500</u>	<u>15,417</u>	<u>297,271</u>	<u>(305,110)</u>	<u>(324,048)</u>	<u>240,286</u>	<u>1,818,316</u>
NON-OPERATING REVENUES (EXPENSES)							
Interest and investment revenue	7,623	3,096	3,246	111	170	89	14,335
Miscellaneous revenue	2,179	-	(44)	-	1,567	-	3,702
Loss on transfer of capital asset to governmental fund	(492,712)	(6,808)	-	-	-	-	(499,520)
Interest expense	(254,614)	(247,380)	(8,045)	-	(2,576)	-	(512,615)
Total non-operating revenue (expenses)	<u>(737,524)</u>	<u>(251,092)</u>	<u>(4,843)</u>	<u>111</u>	<u>(839)</u>	<u>89</u>	<u>(994,098)</u>
Income (loss) before contributions and transfers	1,156,976	(235,675)	292,428	(304,999)	(324,887)	240,375	824,218
Capital contributions	4,456,673	482,636	-	61,222	74,932	-	5,075,463
Transfers in	3,550,923	3,691	-	45,000	170,000	-	3,769,614
Transfers out	(5,564,653)	(200,000)	(550,000)	-	(23,880)	(575,000)	(6,913,533)
Change in net assets	3,599,919	50,652	(257,572)	(198,777)	(103,835)	(334,625)	2,755,762
Total net assets - beginning	28,257,297	14,289,456	1,939,816	3,756,888	1,571,257	6,013,140	55,827,854
Total net assets - ending	<u>\$ 31,857,216</u>	<u>\$ 14,340,108</u>	<u>\$ 1,682,244</u>	<u>\$ 3,558,111</u>	<u>\$ 1,467,422</u>	<u>\$ 5,678,515</u>	<u>\$ 58,583,616</u>

Change in net assets, per above

\$ 2,755,762

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	848,306
SSMA Capital Fund	(44,848)
Airport CIP Fund	(60,965)
Stormwater CIP Fund	572,696
DWSRF AMR Program	(697,538)
Golf Course CIP Fund	22,902

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.

(2,886)

Change in Business-Type Activities in Net Assets per Government-Wide Financial Statements

\$ 3,393,429

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, 2011

	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	\$ 6,416,570	\$ 2,744,853	\$ 1,556,484	\$ 239,692	\$ 205,321	\$ 546,585	\$ 11,709,515
Receipts (payments) from (to) other funds	(10,372)	(755)	-	-	-	-	(11,127)
Payments to suppliers	(1,814,409)	(928,201)	(675,886)	(230,627)	(373,602)	(100,390)	(4,123,115)
Payments to employees	(1,635,831)	(839,755)	(482,012)	(68,702)	(16,399)	(74,624)	(3,117,323)
Receipts of customer meter deposits	147,921	-	-	-	-	-	147,921
Refunds of customer meter deposits	(142,477)	-	-	-	-	-	(142,477)
Net Cash Provided by (Used in) Operating Activities	2,961,402	976,142	398,586	(59,637)	(184,680)	371,581	4,463,394
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	3,550,923	3,691	-	45,000	170,000	-	3,769,614
Transfers to other funds	(5,564,653)	(200,000)	(650,000)	-	(23,880)	(575,000)	(6,913,533)
Net Cash Provided by (Used in) Noncapital Financing Activities	(2,013,730)	(196,309)	(650,000)	45,000	146,120	(575,000)	(3,143,919)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from capital debt	1,812,846	-	-	-	-	-	1,812,846
Principal paid on capital debt	(1,462,675)	(468,089)	(53,130)	-	(22,255)	-	(2,006,149)
Interest paid on capital debt	(246,340)	(252,344)	(7,536)	-	(2,468)	-	(508,688)
Purchase of capital assets	-	(12,830)	-	-	(13,001)	-	(25,831)
Net Cash Provided by (Used in) Capital and Related Financing Activities	103,831	(733,263)	(60,666)	-	(37,724)	-	(727,822)
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (Purchase) of investments	-	524,985	240,127	-	-	100,000	865,122
Interest and dividends	7,683	3,552	3,372	111	170	89	14,977
Net Cash Provided by (Used in) Investing Activities	7,683	528,547	243,499	111	170	100,089	880,099
Net Increase (Decrease) in Cash and Cash Equivalents	1,059,186	575,117	31,419	(14,526)	(76,114)	(103,330)	1,471,752
Balances - beginning of the year	632,871	1,337,570	959,033	74,233	135,609	118,979	3,258,295
Balances - end of the year	\$ 1,692,057	\$ 1,912,687	\$ 990,452	\$ 59,707	\$ 59,495	\$ 15,649	\$ 4,730,047
Reconciliation to Statement of Net Assets:							
Cash and cash equivalents	\$ 1,462,073	\$ 1,281,485	\$ 990,452	\$ 59,707	\$ 59,495	\$ 15,649	\$ 3,868,861
Restricted cash and cash equivalents	229,984	321,992	-	-	-	-	551,976
Noncurrent restricted cash and cash equivalents	\$ 1,692,057	\$ 1,912,687	\$ 990,452	\$ 59,707	\$ 59,495	\$ 15,649	\$ 4,730,047

See accompanying notes to the Basic Financial Statements.

(Continued)

City of Sand Springs, Oklahoma
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	<u>SSMA Water Utility Fund</u>	<u>SSMA Wastewater Utility Fund</u>	<u>SSMA Solid Waste Utility Fund</u>	<u>SSMA Airport Fund</u>	<u>SSMA Golf Fund</u>	<u>SSMA Stormwater Fund</u>	<u>Total Proprietary Funds</u>
	\$ 1,894,500	\$ 15,417	\$ 297,271	\$ (305,110)	\$ (324,048)	\$ 240,286	\$ 1,818,316
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	1,177,318	962,160	114,383	236,753	162,149	142,163	2,794,926
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	2,179	-	(44)	-	1,567	-	3,702
Depreciation expense	-	-	-	21,214	-	-	21,214
Other non-operating revenues (expenses)	33,438	18,620	-	-	-	-	52,058
Prior year construction in progress expensed in current year	-	-	-	-	-	-	-
Amortization expense	-	-	-	-	-	-	-
Change in assets and liabilities:							
Receivables, net	(204,383)	(30,740)	(15,522)	(2,612)	18,391	(14,339)	(249,205)
Inventory	10,070	-	-	(11,789)	-	-	(1,719)
Deferred revenue	-	-	-	-	2,530	-	2,530
Prepaid expenses	21	-	-	-	-	-	21
Due from other funds	(10,372)	(755)	-	-	-	-	(11,127)
Accounts payables	(1,170)	(5,379)	(2,088)	(95)	-	159	(94,115)
Customer meter deposits payable	5,444	-	-	-	-	-	5,444
Due to other funds	-	-	-	-	-	-	-
Payable to other governments	-	(30)	-	-	-	-	-
Other accrued expenses	-	-	408	-	-	-	(30)
Advance from other funds	-	-	-	-	-	-	408
Other post-employment benefit obligation	25,946	10,119	5,578	649	259	908	43,459
Accrued payroll liabilities	(661)	672	684	(544)	14	175	340
Accrued compensated absences	29,072	6,058	(2,084)	1,897	-	2,229	37,172
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,961,402</u>	<u>\$ 976,142</u>	<u>\$ 398,586</u>	<u>\$ (59,637)</u>	<u>\$ (184,690)</u>	<u>\$ 371,581</u>	<u>\$ 4,463,394</u>
Noncash activities:							
Contributed capital assets	\$ 3,238,433	\$ 482,636	\$ -	\$ 61,222	\$ 74,932	\$ -	\$ 3,857,223
Transfer capital assets to governmental funds	(492,712)	-	-	-	-	-	(492,712)
Forgiveness of debt	1,218,240	-	-	-	-	-	1,218,240
Total Noncash Activities	<u>\$ 3,963,961</u>	<u>\$ 482,636</u>	<u>\$ -</u>	<u>\$ 61,222</u>	<u>\$ 74,932</u>	<u>\$ -</u>	<u>\$ 4,582,751</u>

(Continued)

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. FUND ACCOUNTING REQUIREMENTS
- B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS
- C. REVENUE RESTRICTIONS
- D. DEBT RESTRICTIONS AND COVENANTS
- E. FUND EQUITY / NET ASSET 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. NET ASSETS AND FUND BALANCE

NOTE 4. OTHER NOTES

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For business-type activities and enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1.A. FINANCIAL REPORTING ENTITY

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

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

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

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

BLENDED COMPONENT UNITS

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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.	Enterprise Funds: Water Fund Wastewater Fund Solid Waste Fund Airport Fund Golf Fund Stormwater Fund

DISCRETELY PRESENTED COMPONENT UNITS

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

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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.
Tulsa County Criminal Justice Authority	An Authority created on September 1, 1995, pursuant to Title 11 of Oklahoma Statutes, Sections 38-101, by the Board of Commissioners of Tulsa County, Oklahoma. This authority was created for the express purpose of administering sales tax funds relating to the construction and operation of a county jail and/or other detention facilities. The organization's governing body is comprised of three Tulsa County Commissioners, the Mayor of the City of Tulsa, and the Mayors of three additional cities within the county. 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.

1.B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

The statement of net assets and statement of activities display information about the City as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, 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:

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

- a. Total assets, liabilities, 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, liabilities, 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. Due to the implementation of GASB 54, some of the fund types were reclassified. These are noted in the descriptions 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 Fund for reporting purposes. This fund accounts for revenues restricted for specific public safety activities and recreational services provided by the City and was previously reported as a Special Revenue Fund.

Special Revenue Funds

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

CDBG Home Investment Partnership Fund

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
DWSRF AMR Program Fund
Community Development Block Grant (CDBG) Fund – EDIF (previously reported as a Special Revenue Fund)
Park and Recreation Fund (previously reported as a Special Revenue Fund)
Short-term Capital Improvements Fund (previously reported as a Special Revenue Fund)
ODOC EECBG Fund
Capital Improvement Fund
Airport Construction Fund
Stormwater Capital Improvement Fund
SSMA Capital Fund
2002 General Obligation Bond Fund
2006 General Obligation Bond Fund

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

Capital Improvement Water and Wastewater Fund
Golf Course Capital Improvement 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 labeled "Component Units." The reporting entity includes the following discretely presented component units:

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

Major and Non-Major Funds

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

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
General	See previous description.
Capital Project Funds:	
Street Improvement	Accounts for the permanent half-cent sales tax extension approved by the voters in September 11, 2007 with effective date of January 1, 2008. These funds are to be used to make capital improvements to the roads, streets and bridges.
DWSRF AMR Program	Accounts for OWRB loan proceeds used for the automated meter reading capital project.
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.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

Enterprise Funds, (Continued):

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

Non-Major:

Special Revenue Funds

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

Community Development Block Grant - EDIF	Accounts for grants received from the U.S. Department of Housing and Urban Development and transfers from the City for railroad spurs.
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.
ODOC ECBG	Accounts for revenues from grants received from the Oklahoma Department of Commerce or transfers from other City funds and expenditures for various capital projects, related to energy efficiency at City facilities.
Capital Improvement	Accounts for contributions and specific revenues and transfers from other City funds and expenditures for various capital projects as the City Council may designate.
Airport Construction	Accounts for governmental grants and transfers from the City set aside for capital improvement projects of the airport.
Stormwater Capital Improvement	Accounts for transfers from the Municipal Authority stormwater revenues set aside for stormwater capital improvement projects.
SSMA Capital	Accounts for transfers from the Municipal Authority water, wastewater, solid waste, airport and golf revenues set aside for capital improvement projects.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

2002 General Obligation Bond Fund	Accounts for the proceeds of general obligation bond issues. These funds are to be expended for streets and bridges, public safety, public parks and park lands, cultural and recreational facilities, and acquiring and rehabilitating land, rights-of-way and improvements for flood mitigation.
2006 General Obligation Bond Fund	Accounts for the proceeds of general obligation bond issues. These funds are to be expended for fire land and equipment, street improvements, and a community center.
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.
Golf Course Capital Improvement	Accounts for transfers from the Golf Course Fund set aside for golf course capital improvement projects
Debt Service Fund	See previous description.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Assets 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 assets (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide Statement of Net Assets 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 and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”.

Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter (defined by the City as 60 days after year end) to pay current liabilities. Sales tax and franchise taxes are major revenues that meet this criteria. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recorded when due.

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

1.D. ASSETS, LIABILITIES AND EQUITY

Cash and Cash Equivalents

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

Investments

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

Receivables

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

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

Inventories and 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, 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.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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 for the year ended June 30, 2011 was \$5,000.

Government-Wide Statements

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

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. 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.

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.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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, 2011. However, any employee leaving the service of the City after a period of 10 years are paid at the rate of one day's pay for each four days of accumulated leave and the City reports a liability for this leave type.

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

Equity Classifications

Government-Wide Financial Statements:

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

1. Invested in capital assets, net of related debt - 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 assets - Consists of net assets 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 assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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

Fund Financial Statements:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

- d. Assigned – includes amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted or committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. 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 three and one-half cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The Tax Commission receives the sales tax approximately one month after collection by vendors. The entire sales tax is recorded as revenue within the General Fund. Upon receipt, the General Fund distributes the dedicated portion of the sales tax as follows:

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

Property Tax

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

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

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

For the year ended June 30, 2011, the City’s net assessed valuation of taxable property was \$119,768,402. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2011 was \$10.08.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

Program Revenues

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

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

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

Pledge of Future Revenues

Sales Tax and Utility Net Revenues Pledge - The City has pledged one cent (or 28.5%) of future sales tax revenues to repay \$17,489,806 of the Series 2001 Revenue Bonds and the OWRB Notes Payable Series 2003, 2004, 2005, 2006 and 2009. 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 2012, 2023, 2024, 2026, 2027 and 2030 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 \$17,118,128. Pledged sales taxes received in the current year were \$2,634,307 and the net utility revenues were \$4,101,453. Debt service payments of \$2,848,383 for the current fiscal year were 108.1% of the pledged sales taxes and 42.3% of both pledged sales taxes and utility revenues.

Operating Revenues and Expenses

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

Expenditures/Expenses

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

In the fund financial statements, expenditures/expenses are classified as follows:

Governmental Funds - By Character:	Current (further classified by function) Capital outlay Debt service
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**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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 assets and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements:

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

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

Government-Wide Financial Statements:

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

1. Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net assets, 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.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

1.G. USE OF ESTIMATES

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

2.A. FUND ACCOUNTING REQUIREMENTS

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

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

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at no more than market value. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, surety bonds, or certain letters of credit. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., the City's uninsured deposits were sufficiently collateralized in accordance with these provisions for the year ended June 30, 2011.

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

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitations, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements.
- d. County, municipal or school district tax-supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

- 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, 2011, 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, 2011, 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, 2011, the City complied with this restriction.

Other Long-Term Debt

As required by the Oklahoma State Constitution, the City (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without first obtaining voter approval. For the year ended June 30, 2011, 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, 2011.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

<u>Requirement</u>	<u>Level of Compliance</u>
a. Flow of Funds: <ul style="list-style-type: none"> - 2001 Bond Account - 2003 Bond Account - 2003 Reserve Account - 2004 Bond Account - 2004 Project Account -2004 Reserve Account 	All required accounts have been established and are used per Bond Indenture requirements.
b. Reserve Account Requirement: 2001 Revenue Bonds: 2003 OWRB Promissory Note: Required balance is \$166,227. 2004 OWRB Promissory Note: Required balance is \$142,983	The Bonds are secured by a Surety Policy issued by Ambac Assurance Corporation in lieu of capitalizing a Bond Fund Reserve. Balance in Reserve Account at June 30, 2011 is \$166,227. Balance in Reserve Account at June 30, 2011 is \$142,983
c. Revenue Bond Coverage: 2001 Series 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 below 2003, 2004 2005, 2006, and 2009 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, 2011, net revenues plus sales tax amounted to \$6,735,760, average annual principal and interest requirements on the debt was \$779,905. Actual coverage was 864%. For the year ended June 30, 2011, net revenues plus sales tax amounted to \$6,735,760 maximum annual principal and interest requirements was \$1,794,578. Actual coverage was 375%.

2.E. FUND EQUITY / NET ASSET RESTRICTIONS

Deficit Prohibition

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund. At June 30, 2011, the City reported a fund balance deficit in the following fund:

DWSRF AMR Program	(\$697,538)
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**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

2.F. 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.

Budgetary Compliance

For the year ended June 30, 2011, the City complied, in all material respects, with the applicable budget laws with the following noted exceptions of expenditures exceeding final budget:

General Fund – Other Financing Uses	(41,189)
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NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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, 2011:

	<u>Carrying Value</u>	<u>Maturity Dates 0 - 1 Year</u>
Deposits:		
Demand deposits	\$ 15,758,368	\$ 15,758,368
Time deposits	8,398,909	8,398,909
Total deposits	<u>24,157,277</u>	<u>24,157,277</u>
	<u>Fair Value</u>	<u>Credit Rating</u>
Investments:		
J P Morgan U S Treasury Plus Money Market	738,826	Aaa
Federated Money Market Mutual Funds	58,036	Aaa
Total investments	<u>796,862</u>	<u>796,862</u>
Total deposits and investments	<u>\$ 24,954,139</u>	<u>\$ 24,954,139</u>
Reconciliation to Statement of Net Assets:		
Cash and cash equivalents	\$ 16,555,231	
Investments	8,398,908	
	<u>\$ 24,954,139</u>	

Custodial Credit Risk – Exposure to custodial credit 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, 2011, the City was not exposed to custodial credit risk as defined above.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

As noted in the schedule of deposits and investments above, at June 30, 2011, all of the City's investments in debt securities were rated Aaa by Moody's Investor Service.

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, 2011, the City had no concentration of credit risk.

Component Units:

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

3.B. ACCOUNTS RECEIVABLE

Accounts receivable of the business-type activities consist of customers' utilities, airport and golf accounts receivable. Accounts receivable of the governmental activities consists primarily of police fines. Receivables detail at June 30, 2011, is as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Service receivables	\$ 45,028	\$ 2,093,182	\$ 2,138,210
Other receivable	14,067	86,071	100,138
Municipal court fines receivable	1,154,183	-	1,154,183
Allowance for uncollectible accounts	(771,249)	(683,943)	(1,455,192)
Net accounts receivable	<u>\$ 442,029</u>	<u>\$ 1,495,310</u>	<u>\$ 1,937,339</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

3.C. RESTRICTED ASSETS

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

The restricted assets as of June 30, 2011 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:			
2001 Revenue Bonds:			
Bond Fund Account	\$ 107,624	\$ -	\$ -
2003 OWRB Notes:			
Bond Fund Account	88,678	-	-
Reserve Fund Account	-	166,227	-
2004 OWRB Notes:			
Bond Fund Account	77,703	-	-
Project Account	155,611	-	-
Reserve Fund Account	-	142,983	-
Deposits held for refund	<u>122,360</u>	<u>-</u>	<u>312,265</u>
Total	<u><u>\$ 551,976</u></u>	<u><u>\$ 309,210</u></u>	<u><u>\$ 312,265</u></u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

3.D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance at July 1, 2010	Additions	Deductions	Transfers	Balance at June 30, 2011
PRIMARY GOVERNMENT:					
<i>Governmental Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 10,331,035	\$ 942,495	\$ 101,011	\$ 213,445	\$ 11,385,964
Construction-in-progress	1,669,095	860,113	-	-	2,529,208
Total capital assets not being depreciated	<u>12,000,130</u>	<u>1,802,608</u>	<u>101,011</u>	<u>213,445</u>	<u>13,915,172</u>
Other capital assets:					
Buildings	8,340,574	-	37,351	-	8,303,223
Other improvements	2,605,514	165,189	27,346	277,466	3,020,823
Machinery and equipment	8,032,220	33,928	530,436	267,004	7,802,716
Infrastructure	35,015,273	40,862	-	-	35,056,135
Total other capital assets at historical cost	<u>53,993,581</u>	<u>239,979</u>	<u>595,133</u>	<u>544,470</u>	<u>54,182,897</u>
Less accumulated depreciation for:					
Buildings	1,451,170	172,025	18,594	-	1,604,601
Other improvements	875,146	101,897	27,346	925	950,622
Machinery and equipment	4,727,130	562,020	535,334	264,278	5,018,094
Infrastructure	21,471,277	913,608	-	-	22,384,885
Total accumulated depreciation	<u>28,524,723</u>	<u>1,749,550</u>	<u>581,274</u>	<u>265,203</u>	<u>29,958,202</u>
Other capital assets, net	<u>25,468,858</u>	<u>(1,509,571)</u>	<u>13,859</u>	<u>279,267</u>	<u>24,224,695</u>
Governmental activities capital assets, net	<u>\$ 37,468,988</u>	<u>\$ 293,037</u>	<u>\$ 114,870</u>	<u>\$ 492,712</u>	<u>\$ 38,139,867</u>
<i>Business-Type Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 2,382,649	\$ -	\$ -	\$ (213,445)	\$ 2,169,204
Intangible assets	6,702,666	-	-	-	6,702,666
Construction in progress	1,875,728	2,865,125	-	-	4,740,853
Total capital assets not being depreciated	<u>10,961,043</u>	<u>2,865,125</u>	<u>-</u>	<u>(213,445)</u>	<u>13,612,723</u>
Other capital assets:					
Buildings	21,862,798	115,016	-	-	21,977,814
Improvements other than buildings	26,221,224	415,708	-	(277,466)	26,359,466
Machinery and equipment	4,868,835	141,259	317,398	(267,004)	4,425,692
Infrastructure	54,351,693	345,944	21,213	-	54,676,424
Total other capital assets at historical cost	<u>107,304,550</u>	<u>1,017,927</u>	<u>338,611</u>	<u>(544,470)</u>	<u>107,439,396</u>
Less accumulated depreciation for:					
Buildings	7,877,507	446,686	-	-	8,324,193
Improvements other than buildings	10,679,212	825,163	-	(925)	11,503,450
Machinery and equipment	3,207,095	329,409	310,591	(264,278)	2,961,635
Infrastructure	31,522,543	1,193,668	-	-	32,716,211
Total accumulated depreciation	<u>53,286,357</u>	<u>2,794,926</u>	<u>310,591</u>	<u>(265,203)</u>	<u>55,505,489</u>
Other capital assets, net	<u>54,018,193</u>	<u>(1,776,999)</u>	<u>28,020</u>	<u>(279,267)</u>	<u>51,933,907</u>
Business-type activities capital assets, net	<u>\$ 64,979,236</u>	<u>\$ 1,088,126</u>	<u>\$ 28,020</u>	<u>\$ (492,712)</u>	<u>\$ 65,546,630</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

	Balance at <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	Balance at <u>June 30, 2011</u>
COMPONENT UNIT:				
Sand Springs Economic Development Authority:				
Buildings	\$ 30,332,000	\$ -	\$ 30,332,000	\$ -
Leasehold improvements	316,739	-	316,739	-
Machinery and equipment	17,289	-	17,289	-
Totals at historical cost	<u>30,666,028</u>	<u>-</u>	<u>30,666,028</u>	<u>-</u>
Less accumulated depreciation:				
Buildings	29,890,220	18,423	29,908,643	-
Leasehold improvements	32,650	-	32,650	-
Machinery and equipment	17,289	-	17,289	-
Total accumulated depreciation	<u>29,940,159</u>	<u>18,423</u>	<u>29,958,582</u>	<u>-</u>
Capital assets, net	<u>\$ 725,869</u>	<u>\$ (18,423)</u>	<u>\$ 707,446</u>	<u>\$ -</u>

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

Primary Government:

Governmental Activities:

General Government	\$ 189,012
Planning and Zoning	29
Financial Administration	2,144
Public Safety	393,013
Highways and Streets	1,010,018
Health and Welfare	146,126
Culture and Recreation	7,518
Economic Development	1,690
Total depreciation expense for governmental activities	<u>\$ 1,749,550</u>

Business-Type Activities:

Water	1,177,318
Wastewater	962,160
Solid Waste	114,383
Storm Water	142,163
Airport	236,753
Golf	162,149
Total depreciation expense for business-type activities	<u>\$ 2,794,926</u>

SPECIAL ITEM – Loss on Disposal of Buildings and Leasehold Improvements

During the year ended June 30, 2011, the Economic Development Authority disposed of all of its buildings and leasehold improvements. This resulted in the recognition of a special item expense of \$697,264 on the Statement of Activities.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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, 2011, the governmental activities long-term debt consisted of the following:

General Obligation Bonds:

\$3,965,000 General Obligation Bonds of 2002, used for streets, parks, public safety equipment, and flood mitigation, due in annual installments of \$280,000, final payment due June 1, 2017, with interest rates of 3.6% to 5.0%	\$1,725,000
\$2,225,000 General Obligation Bonds of 2003, used for streets, parks, public safety equipment, and flood mitigation, due in annual installments of \$155,000, final payment due June 1, 2018, with interest rates of 2.0% to 4.0%	1,140,000
\$6,360,000 General Obligation Bonds of 2006, used for streets, Community Center, and public safety equipment, due in annual installments of \$450,000, final payment due March 1, 2021, with interest rates of 3.7% to 5.0%	<u>4,560,000</u>
Total General Obligation Bonds	<u>\$7,425,000</u>
Current portion	\$885,000
Non-current portion	<u>6,540,000</u>
Total General Obligation Bonds	<u>\$7,425,000</u>

Capital Leases Payable:

\$408,047 capital lease with American Heritage Bank for fire pumper, due in annual installments of \$68,887, final payment due November 14, 2014, with interest rate of 4.35%	<u>248,085</u>
Total Capital Leases Payable	<u>\$248,085</u>
Current portion	\$ 58,068
Non-current portion	<u>190,017</u>
Total Capital Leases Payable	<u>\$248,085</u>

Accrued Compensated Absences:

Current portion	\$120,718
Non-current portion	<u>482,871</u>
Total Accrued Compensated Absences	<u>\$603,589</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

Business-Type Activities:

As of June 30, 2011, the long-term debt payable from business-type activities resources consisted of the following:

Notes Payable:

2003A OWRB SRF Note Payable dated January 1, 2003, original amount of \$1,200,000 with an annual administration fee of 0.5%, semiannual installments of principal and interest, final installment September 15, 2022, used for sewer improvements.	\$690,000
2003B OWRB Note Payable dated January 1, 2003, original amount of \$2,095,000 with annual interest rates from 1.345% to 5.145%, semiannual installments of principal and interest, final installment September 15, 2022, used for sewer improvements.	1,450,000
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.	618,023
2004B OWRB Note Payable dated April 1, 2004, original amount of \$1,860,000 with a variable interest rate ranging from 1.145% to 4.495%, semiannual installments of principal and interest, final installment September 15, 2023, used for sewer improvements.	1,360,000
Note Payable with Department of the Army dated November 1, 1992, original amount of \$1,900,190, with an annual interest rate of 4.012%, annual payments of \$90,672, final installment due November 1, 2033, used to purchase water rights.	1,345,494
2005A OWRB Note Payable dated June 29, 2006, original amount of \$2,314,000 with an annual interest rate of 2.60%, semiannual installments of principal and interest, final installment September 15, 2026, used for sewer improvements.	1,805,983
2006 OWRB Note Payable dated August 30, 2005, original amount of \$2,250,000 with an interest rate of 2.60% plus a .5% admin fee, with semi-annual payments, final payment due March 15, 2026, used for sewer improvements.	1,724,129
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 \$3,351,214.	1,678,394
Note Payable with Department of the Army dated April 15, 2006, original amount of \$4,802,475, with an annual interest rate of 4.012%, annual payments of \$462,731, final installment due April 15, 2017, used to purchase water rights.	2,424,753
Notes Payable with American Heritage Bank dated October 2, 2006, original amount of \$626,050, with an annual interest rate of 4.5%, annual payments of \$140,069, final installment due October 2, 2011, used to purchase water rights.	45,801
Notes Payable with American Heritage Bank dated October 2, 2006, original amount of \$360,000, with an annual interest rate of 4.65%, annual payments of \$60,358, final installment due October 2, 2013, used for refuse trucks.	132,895

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

Notes Payable with BancFirst dated August 14, 2008, original amount of \$99,000, with an annual interest rate of 4.3%, monthly payments of \$1,837, final installment due March 22, 2011, used for golf equipment.	45,572
Notes Payable with BancFirst dated October 1, 2008, original amount of \$87,000, with an annual interest rate of 3.5%, monthly payments of \$2,549, final installment due October 1, 2011, used for bobcat.	<u>7,676</u>
Total Notes Payable	<u>\$13,328,720</u>
Current portion	\$1,228,579
Non-current portion	<u>12,100,141</u>
Total Notes Payable	<u>\$13,328,720</u>
 Revenue Bonds Payable:	
2001 Series Refunding Revenue Bonds, original issue amount of \$6,820,000, dated November 15, 2001, issued by Sand Springs Municipal Authority, secured by utility revenues and pledged sales tax, interest rates from 2.3% to 4.15%, final maturity May 1, 2012, used for water improvements.	\$620,000
Less: Unamortized discount	<u>(5,280)</u>
Net Revenue Bonds Payable	<u>\$614,720</u>
Current portion	614,720
Total Revenue Bonds Payable, Net	<u>\$614,720</u>
 Capital Lease Obligations:	
\$56,677 capital lease with Welch Bank for backhoe, payable in monthly installments of \$1,074, final payment due June 2012 with interest at 5.15%.	<u>\$12,279</u>
Total Capital Leases	<u>\$12,279</u>
Current portion	\$12,279
Total Capital Lease Obligations	<u>\$12,279</u>
 Accrued Compensated Absences:	
Current portion	\$50,211
Non-current portion	<u>205,105</u>
Total Accrued Compensated Absences	<u>\$255,316</u>
 Deposits Subject to Refund:	
Current portion	\$122,360
Non-current portion	<u>312,265</u>
Total Deposits Subject to Refund	<u>\$434,625</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2011:

<u>Type of Debt</u>	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011	Amounts Due Within One Year
<u>Primary Government</u>					
Governmental Activities:					
General Obligation Bonds	\$ 8,310,000	\$ -	\$ 885,000	\$ 7,425,000	\$ 885,000
Capital Leases Payable	307,769	-	59,684	248,085	58,068
Accrued Compensated Absences	<u>651,112</u>	<u>486,665</u>	<u>534,188</u>	<u>603,589</u>	<u>120,718</u>
Total Governmental Activities	<u>\$ 9,268,881</u>	<u>\$ 486,665</u>	<u>\$ 1,478,872</u>	8,276,674	<u>\$ 1,063,786</u>
Plus: OPEB obligation (See Note 4A)				<u>236,907</u>	
				<u>\$ 8,513,581</u>	
Reconciliation to Statement of Net Assets:					
Due in one year				\$ 1,063,786	
Due in more than one year				<u>7,449,795</u>	
				<u>\$ 8,513,581</u>	
Business-Type Activities:					
Capital Leases Payable	\$ 35,601	\$ -	\$ 23,322	\$ 12,279	\$ 12,279
Notes Payable	13,946,941	1,812,846	2,431,067	13,328,720	1,228,579
Revenue Bonds Payable	1,390,000	-	770,000	620,000	620,000
Accrued Compensated Absences	218,144	211,260	174,088	255,316	50,211
Deposits Subject to Refund	<u>429,181</u>	<u>147,921</u>	<u>142,477</u>	<u>434,625</u>	<u>122,360</u>
Total Business-Type Activities	<u>\$ 16,019,867</u>	<u>\$ 2,172,027</u>	<u>\$ 3,540,954</u>	14,650,940	<u>\$ 2,033,429</u>
Less: Unamortized bond discount				(5,280)	
Plus: OPEB obligation (See Note 4A)				<u>112,410</u>	
				<u>\$ 14,758,070</u>	
Reconciliation to Statement of Net Assets:					
Due in one year				\$ 2,033,429	
Due in more than one year				<u>12,724,641</u>	
				<u>\$ 14,758,070</u>	

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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, 2011 are as follows:

Governmental Activities						
<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		<u>Capital Leases Payable</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2012	\$ 885,000	\$ 279,225	\$ 58,068	\$ 10,809		
2013	885,000	247,438	60,572	8,306		
2014	885,000	218,990	63,229	5,648		
2015	885,000	181,882	66,216	2,268		
2016	885,000	148,115	-	-		
2017-2021	3,000,000	296,733	-	-		
Totals	\$ 7,425,000	\$ 1,372,383	\$ 248,085	\$ 27,031		

Business-Type Activities						
<u>Year Ending June 30,</u>	<u>Notes Payable</u>		<u>Revenue Bonds Payable</u>		<u>Capital Leases Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,228,579	\$ 541,168	\$ 620,000	\$ 25,730	\$ 12,279	\$ 590
2013	1,205,320	502,341	-	-	-	-
2014	1,182,331	463,305	-	-	-	-
2015	1,182,270	425,564	-	-	-	-
2016	1,216,736	386,673	-	-	-	-
2017-2021	4,669,005	1,406,361	-	-	-	-
2022-2026	3,661,757	736,176	-	-	-	-
2027-2031	1,557,288	349,586	-	-	-	-
2032-2034	776,649	88,736	-	-	-	-
Totals	\$ 16,679,935	\$ 4,899,909	\$ 620,000	\$ 25,730	\$ 12,279	\$ 590
Remaining loan proceeds to be drawn	(3,351,215)					
	\$ 13,328,720					

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

3.F. INTERFUND TRANSACTIONS AND BALANCES

Interfund receivable and payable balances reported in the fund financial statements at June 30, 2011 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>	
SSMA Water	DWSRF AMR Program	\$ 23,605	AMR Payroll Expense	
SSMA Wastewater	DWSRF AMR Program	755	AMR Payroll Expense	
General	DWSRF AMR Program	8,009	AMR Payroll Expense	
		<u>\$ 32,369</u>		
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Reclass of DWSRF Fund as Bus-Type</u>	<u>Net Activity/ Internal Balances</u>
Reconciliation to Fund Financial Statements:				
Governmental Funds	\$ 8,009	\$ (32,369)	\$ 32,369	\$ 8,009
Enterprise Funds	24,360	-	(32,369)	(8,009)
Total Interfund Balances	<u>\$ 32,369</u>	<u>\$ (32,369)</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

Interfund transfers reported in the fund financial statements for the year ended June 30, 2011 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
Short-term Capital Improvement	* General Fund	\$ 65,500	B E911 wireless system
Short-term Capital Improvement	* General Fund	90,000	B Operating subsidy
Sinking Fund	* General Fund	7,065	B Interest earnings
* SSMA Water Fund	* General Fund	830,000	Operating subsidy
* SSMA Solid Waste Utility Fund	* General Fund	350,000	Operating subsidy
* SSMA Golf Course Fund	Golf Course Capital Improvement Fund	23,880	A Capital asset purchases
* General Fund	Capital Improvement Fund	300,000	A Capital asset purchases
* SSMA Water Fund	Capital Improvement Fund	72,500	A Capital asset purchases
* SSMA Wastewater Utility Fund	Capital Improvement Fund	200,000	A Capital asset purchases
* SSMA Solid Waste Utility Fund	Capital Improvement Fund	200,000	A Capital asset purchases
* General Fund	* Street Improvement Fund	1,317,154	Sales tax transfer
* General Fund	* Special Program Fund	56,640	Operating subsidy
* General Fund	Short-Term Capital Improvement	26,000	A Capital asset purchases
Capital Improvement Fund	ODOC EECBG Fund	12,500	A/B Grant match
* SSMA Stormwater Utility Fund	Stormwater Capital Improvement Fund	575,000	A Capital asset purchases
* SSMA Water Fund	Capital Improvement W&WW Fund	2,634,307	A Sales tax transfer
* General Fund	* SSMA Water Fund	2,634,307	Sales tax transfer
Capital Improvement W&WW Fund	* SSMA Water Fund	830,915	B Fund portion of debt service
SSMA Short-term Capital Improvement	* SSMA Wastewater Utility Fund	3,691	B Operating subsidy
* SSMA Water Fund	* DWSRF AMR Program Fund	1,812,846	Loan proceeds for capital purchases
* SSMA Water Fund	* SSMA Airport Fund	45,000	Operating subsidy
* SSMA Water Fund	* SSMA Golf Course Fund	170,000	Operating subsidy
* General Fund	* SSMA Water Fund	85,701	Operating subsidy
* General Fund	SSMA Short-term Capital Improvement	34,809	A Capital asset purchases
		<u>\$ 12,377,815</u>	

* - Denotes major fund

Sub-total of Nonmajor Governmental Fund Transfers In	4,078,996	Sum of A
Sub-total of Nonmajor Governmental Fund Transfers Out	(1,009,671)	Sum of B

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Reconciliation to Fund Financial Statements:			
Governmental Funds	\$ 8,608,201	\$ (5,464,282)	\$ 3,143,919
Enterprise Funds	3,769,614	(6,913,533)	(3,143,919)
Total Transfers	<u>\$ 12,377,815</u>	<u>\$ (12,377,815)</u>	<u>\$ -</u>
Reconciliation to Statement of Activities:			
Net Transfers Governmental Funds			\$ 3,143,919
Net transfer for Capital project funds reported as business type activities			(4,246,236)
Capital outlay for governmental capital project funds reported as transfers to business-type activities			3,894,667
Capital assets transferred to governmental activities			492,712
Contributed capital from governmental funds			(3,646,951)
Governmental activities transfer of non-capitalized business type activities expenses			(554,173)
Net Transfers/Internal Activity			<u>\$ (916,062)</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

3.G. FUND EQUITY

Fund Balance and Fund Net Assets:

The City has implemented GASB Statement 54: *Fund Balance Reporting and Governmental Fund Type Definitions*. The following tables show the fund balance classifications as shown on the Governmental Funds Balance Sheet in accordance with GASB Statement 54 and Proprietary Fund Statement of Net Assets:

	Major Capital Project Funds		Other Governmental Funds	TOTAL
	General Fund	Street Improvement		
Fund Balances:				
Nonspendable:				
Inventory	23,616	-	-	23,616
Sub-total Nonspendable	23,616	-	-	23,616
Restricted for:				
Animal Sterilization	21,148	-	-	21,148
Jail Reserves	44,853	-	-	44,853
Substance Abuse	24,105	-	-	24,105
Juvenile Programs	64,121	-	-	64,121
Economic Development	115,536	-	-	115,536
Streets	-	5,601,288	-	5,601,288
Housing Rehabilitation	-	-	51,402	51,402
E911	-	-	110,352	110,352
Capital Improvements	-	-	188,229	188,229
Parks	-	-	15,167	15,167
Energy Efficiency Projects	-	-	7,509	7,509
Airport	-	-	149,231	149,231
Utility Capital Projects	-	-	4,049,377	4,049,377
Debt Service	-	-	1,132,120	1,132,120
Public Safety	-	-	180,089	180,089
Culture and Recreation	-	-	108,927	108,927
Arbitrage Rebate	-	-	34,233	34,233
Sub-total Restricted	269,763	5,601,288	6,386,298	12,257,349
Committed to:				
E911	-	-	26,000	26,000
Sub-total Committed	-	-	26,000	26,000
Assigned to:				
Subsequent Year Budget	718,921	-	-	718,921
Community Center	147,808	-	-	147,808
Police	113,248	-	-	113,248
Fire	4,189	-	-	4,189
Parks	68,108	-	-	68,108
Streets	-	26,206	-	26,206
Capital Improvements	-	-	869,669	869,669
Parks	-	-	200,358	200,358
Energy Efficiency Projects	-	-	3	3
River City Crossing	-	-	146,738	146,738
South Side Park	-	-	10,750	10,750
Airport	-	-	287	287
Stormwater Projects	-	-	1,526,058	1,526,058
Utility Capital Projects	-	-	163,615	163,615
Golf Course	-	-	41,206	41,206
Debt Service	-	-	272	272
Airport	-	-	-	-
Sub-total Assigned	1,052,274	26,206	2,958,956	4,037,436
Unassigned:	2,785,293	-	(697,538)	2,087,755
TOTAL FUND BALANCES	4,130,946	5,627,494	(697,538)	18,432,156

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

Enterprise Funds:

Restricted For Debt Service		
Cash and investments	\$	738,826
Less: accrued interest payable		(136,639)
Total Enterprise Fund Restrictions	\$	602,187

Restricted Net Assets – Governmental Activities

The following table shows the net assets restricted for other purposes as shown on the Statement of Net Assets:

Fund	Restricted By	Amount
Short-term Capital Improvement Fund	Statutory requirements	\$ 210,660
General Fund	Statutory requirements	154,227
		364,887
2002 General Obligation Bonds Fund	External contracts	246,330
2006 General Obligation Bonds Fund	External contracts	498,340
ODOC EECGB Fund	External contracts	7,509
CDBG EDIF Fund	External contracts	27,031
CDBG Home Investment Partnership Fund	External contracts	51,402
Street Improvement Fund	External contracts	5,603,071
Debt Service Fund	External contracts	1,200,747
General Fund	External contracts	139,152
		7,773,582
TOTAL RESTRICTED NET ASSETS - GOVERNMENTAL ACTIVITIES		\$ 8,138,469
Reconciliation to Statement of Net Assets - Governmental Activities:		
Capital Projects		\$ 6,565,910
Public Safety		133,079
Debt Service		1,200,747
Economic Development		142,567
Other Projects		96,166
		96,166
TOTAL RESTRICTED NET ASSETS - GOVERNMENTAL ACTIVITIES		\$ 8,138,469

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

Oklahoma Municipal Retirement Fund (OMRF)	Defined Contribution Plan Defined Contribution Plan – CMO Defined Contribution Plan – CMO Special Incentive
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Oklahoma Police and Firefighter’s Pension and Retirement Systems

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

A. Eligibility Factors, Contributions Methods, and Benefit Provisions

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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

B. Trend Information

The state made on-behalf payments for the police pension system of \$124,829 and for the fire pension system of \$375,851. These on-behalf payments were recognized as revenue and expenditures in the current fiscal year. City contributions required by State statute:

Fiscal Year	<u>Oklahoma Police Pension and Retirement System</u>		<u>Oklahoma Firefighter's Pension and Retirement System</u>	
	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2009	161,498	100%	202,002	100%
2010	160,009	100%	196,060	100%
2011	160,873	100%	198,620	100%

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

C. Related Party Investments

As of June 30, 2011, the Systems held no related-party investments of the City or of its related entities.

Defined Contribution Plan - OMRF

The City has provided a defined contribution plan and trust known as the City of Sand Springs Plan and Trust (the "Plan") in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The plan is administered by JP Morgan Chase of Oklahoma City. The OMRF Plan issues a separate financial report that may be obtained from OMRF. The defined contribution plan is available to all full-time employees except those participating in state fire or police program and the City Manager. Employees are eligible on the

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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, 2011, the following amounts related to the defined contribution plan:

Employee contributions made	\$194,263
Employer (City) contributions made	\$345,234

Defined Contribution Plan – OMRF - CMO Plan

The City has also provided a defined contribution plan in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). The defined contribution plan is available to any person who is in the position of City Manager as of August 14, 2006. Employees are eligible on the employee's employment commencement date. The City has elected the variable funding option. The City intends to make a contribution to the Plan for the benefit of the participants on a monthly basis. The contribution may be varied from year to year by the City. The City's contributions for each employee (and interest allocated to the employee's account) are vested at 100% immediately upon the participation date. Benefits depend solely on amounts contributed to the plan plus investment earnings. The authority to establish and amend the provisions of the plan rests with the City Council. The City contributes 13% to the plan and the employee does not contribute to the plan. The total contributions by the City for fiscal year 2011 were \$1,306 which is 100% of the required contribution.

Other Post-Employment Benefits

Plan Description: The City provides post-retirement benefit options for health care, prescription drug, dental and vision benefits for retired employees and their dependents that elect to make required contributions. The benefits are provided in accordance with State law, police and firefighter's union contracts and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The relationship for these benefits is not formalized in a contract or plan document, only a few sentences in the administrative policy. These benefits are considered for accounting purposes to be provided in accordance with a single employer substantive plan. A substantive plan is one in which the plan terms are understood by the city and plan members. This understanding is based on communications between the employers and plan member and the historical pattern of practice with regard to the sharing of benefit costs. Substantially all of the government's employees may become eligible for those post-retirement benefits if they reach normal retirement age while working for the City. As of June 30, 2011, approximately 7 retired employees are receiving benefits under this plan. The Plan does not have a separate, audited financial report prepared.

Funding Policy. The contribution requirement of the City is an implicit subsidy. The implicit subsidy is not a direct payment from the employer on behalf of the member but rather stems from retiree contribution levels that are less than the claims cost at retiree ages. Since claims experience for employees and non-Medicare eligible retirees are pooled when determining premiums, these retired members pay a premium based on a pool of members that, on average, are younger and healthier. There is an implicit subsidy from the employee group since the premiums paid by the retirees are lower than they would have been if the retirees were insured separately. The subsidies are valued using the difference between the age-based claims costs and the premium paid by the retiree. The amount required to fund the implicit rate is based on projected pay-as-you-go financing requirements. For fiscal year 2011, the City contributed \$29,952 to the plan. Plan members receiving benefits contributed \$29,952, or approximately 100 percent of the total premiums, through their required contribution of \$487.87 per month for retiree-only coverage and \$987.58 for retiree and spouse medical/dental coverage.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year ended June 30, 2011:

Annual required contribution	\$166,656
Interest on net OPEB obligation	10,600
Adjustment to annual required contribution	(21,137)
Annual OPEB cost (expense)	156,119
Contributions made	(29,952)
Increase in net OPEB obligation	126,167
Net OPEB obligation—beginning of year	223,150
Net OPEB obligation—end of year	\$349,317
Governmental Activities	\$236,907
Business-Type Activities	112,410
	\$349,317

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 was as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09		17.7%	
6/30/10		17.7%	
6/30/11	\$166,656	18.0%	\$349,317

Funded Status and Funding Progress. As of September 9, 2011, the most recent actuarial valuation date, the plan was 100% percent unfunded. The actuarial accrued liability for benefits was \$1,452,442, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,452,442. The covered payroll (annual payroll of active employees covered by the plan) was \$7 million.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

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

In the September 9, 2011, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.75 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7 percent initially, reduced by decrements to an ultimate rate of 5.5 percent in 2014, based upon dependent rates. There were no assets to determine the actuarial value of assets. The UAAL is being amortized over a closed 30 year period as level payments. The remaining amortization period at June 30, 2011, was twenty-eight years.

4.B. RISK MANAGEMENT

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

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
a. General Liability: - Torts - Errors and omissions - Police liability - Vehicle	Purchased commercial insurance.	None
b. Physical Property: - Theft - Damage to assets - Natural disasters	All physical property except vehicles is insured through commercial insurance with deductible of \$1,000.	All physical property except vehicles - None
	Vehicle damage is not covered by insurance.	Vehicles - entire risk of loss retained through fund incurring the loss.
c. Workers Compensation: - Employee injuries	Participates in OMAG risk entity pool. Participation fee includes an actuarially determined amount held by OMAG as the loss reserve fund, to pay claims incurred. Claims are administered by the State Insurance Fund.	Specific aggregate stop loss coverage is provided by the State Insurance Fund and covers all claims above the loss reserve fund.
d. Health and Life: - Medical - Dental	All group health and life coverage is insured through a commercial carrier.	None

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

OMAG Worker's Compensation

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

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

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

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

4.C. COMMITMENTS AND CONTINGENCIES

Contingencies:

Grant Program Involvement

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

Litigation

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

While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
JUNE 30, 2011**

Commitments:

At June 30, 2011, the City had several construction projects ongoing. The material projects are noted below:

Project	Total Contract	Remaining Contract	Funding Source
Main Street Improvements	\$ 664,478	\$ 289,407	Street Improvement Fund
41st Street Sidewalk	592,428	25,578	Street Improvement Fund
AMR Construction Contract	4,372,547	1,271,462	DWSRF-OWRB Note

4.D. NEW ACCOUNTING PRONOUNCEMENTS

The City has implemented *GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions* in the current fiscal year. This statement establishes accounting and financial reporting requirements for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

**CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2011**

	<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:	\$2,335,972	\$3,117,763	\$3,130,337	12,574
Resources (Inflows):				
TAXES:				
Sales tax	8,460,447	9,114,515	9,220,076	105,561
Use tax	260,000	260,000	375,409	115,409
Hotel/Motel tax	105,000	105,000	96,017	(8,983)
Franchise tax	843,180	843,179	845,865	2,686
Video Provider Fee	200	200	2,433	2,233
Emergency telephone tax	65,000	65,000	59,464	(5,536)
Abatement fees	4,500	4,500	19,792	15,292
Payment in lieu of taxes	889,547	889,547	964,375	74,828
Total Taxes	<u>10,627,874</u>	<u>11,281,941</u>	<u>11,583,431</u>	<u>301,490</u>
INTERGOVERNMENTAL:				
Taxes	195,000	195,000	189,944	(5,056)
Cigarette tax	136,000	136,000	132,816	(3,184)
Grants	-	629,838	166,331	(463,507)
Total Intergovernmental	<u>331,000</u>	<u>960,838</u>	<u>489,091</u>	<u>(471,747)</u>
CHARGES FOR SERVICES:				
Court costs	146,938	146,938	203,332	56,394
Zoning and inspection fees	113,300	113,300	95,003	(18,297)
Park and recreation fees	63,825	63,825	56,777	(7,048)
Fire run fees	10,500	10,500	4,980	(5,520)
Fire protection fee	146,000	146,000	143,362	(2,638)
First responder fees	203,000	203,000	199,578	(3,422)
EMSA fees	263,500	263,500	262,246	(1,254)
Other fees	30,650	30,650	28,497	(2,153)
Total Charges for Services	<u>977,713</u>	<u>977,713</u>	<u>993,775</u>	<u>16,062</u>
FINES AND FORFEITURES	<u>322,599</u>	<u>322,599</u>	<u>339,783</u>	<u>17,184</u>
LICENSES AND PERMITS:				
Licenses	88,260	88,260	84,036	(4,224)
Permits	54,105	54,105	63,720	9,615
Total Licenses and Permits	<u>142,365</u>	<u>142,365</u>	<u>147,756</u>	<u>5,391</u>
OTHER:				
Transfers from other funds	1,351,500	1,342,600	1,342,565	(35)
Interest on taxes	10,000	10,000	10,776	776
Interest	20,000	20,000	19,050	(950)
Other	153,700	188,509	270,696	82,187
Total Other	<u>1,535,200</u>	<u>1,561,109</u>	<u>1,643,087</u>	<u>81,978</u>
Total Resources (Inflows)	<u>13,936,751</u>	<u>15,246,565</u>	<u>15,196,923</u>	<u>(49,642)</u>
Amounts available for appropriation	<u>16,272,723</u>	<u>18,364,328</u>	<u>18,327,260</u>	<u>(37,068)</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2011
(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:				
Materials and supplies	\$ 1,936	\$ 3,516	\$ 3,424	\$ 92
Other services and charges	111,459	111,549	109,084	2,465
Total General Administration	<u>113,395</u>	<u>115,065</u>	<u>112,508</u>	<u>2,557</u>
Municipal Court:				
Personal services	131,907	124,006	116,271	7,735
Materials and supplies	2,223	3,518	3,372	146
Other services and charges	25,648	25,356	16,461	8,895
Total Municipal Court	<u>159,778</u>	<u>152,880</u>	<u>136,104</u>	<u>16,776</u>
City Manager:				
Personal services	227,850	229,106	188,178	40,928
Materials and supplies	6,292	11,842	10,382	1,460
Other services and charges	129,008	125,758	120,331	5,427
Total City Manager	<u>363,150</u>	<u>366,706</u>	<u>318,891</u>	<u>47,815</u>
Public Information Services:				
Personal services	82,301	-	-	-
Materials and supplies	1,400	-	-	-
Other services and charges	2,000	-	-	-
Total Public Information Services	<u>85,701</u>	<u>-</u>	<u>-</u>	<u>-</u>
Information Services:				
Personal services	70,215	84,384	73,476	10,908
Materials and supplies	843	1,999	1,699	300
Other services and charges	21,772	21,283	19,901	1,382
Total Information Services	<u>92,830</u>	<u>107,666</u>	<u>95,076</u>	<u>12,590</u>
TOTAL GENERAL GOVERNMENT	<u>814,854</u>	<u>742,317</u>	<u>662,579</u>	<u>79,738</u>
PLANNING AND ZONING:				
Planning and Development:				
Personal services	52,997	54,772	53,185	1,587
Materials and supplies	1,967	2,087	1,951	136
Other services and charges	115,962	115,993	99,849	16,144
TOTAL PLANNING AND ZONING	<u>170,926</u>	<u>172,852</u>	<u>154,985</u>	<u>17,867</u>
FINANCIAL ADMINISTRATION:				
Human Resources:				
Personal services	80,617	87,735	87,623	112
Materials and supplies	4,038	2,783	2,738	45
Other services and charges	20,325	21,315	20,965	350
Total Human Resources	<u>104,980</u>	<u>111,833</u>	<u>111,326</u>	<u>507</u>
Finance:				
Personal services	363,115	341,787	296,118	45,669
Materials and supplies	6,512	9,937	8,848	1,089
Other services and charges	128,293	155,878	96,892	58,986
Total Finance	<u>497,920</u>	<u>507,602</u>	<u>401,858</u>	<u>105,744</u>
City Attorney:				
Personal services	9,119	19,184	17,918	1,266
Materials and supplies	360	500	333	167
Other services and charges	22,113	42,190	40,003	2,187
Total City Attorney	<u>31,592</u>	<u>61,874</u>	<u>58,254</u>	<u>3,620</u>
TOTAL FINANCIAL ADMINISTRATION	<u>634,492</u>	<u>681,309</u>	<u>571,438</u>	<u>109,871</u>

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2011
(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	\$ 2,343,980	\$ 2,712,898	\$ 2,452,154	\$ 260,744
Materials and supplies	172,396	193,564	169,179	24,385
Other services and charges	131,813	112,543	83,812	28,731
Capital outlay	-	100,683	17,042	83,641
Total Police	<u>2,648,189</u>	<u>3,119,688</u>	<u>2,722,187</u>	<u>397,501</u>
Emergency Management:				
Personal services	34,985	36,301	33,911	2,390
Materials and supplies	5,059	13,231	11,878	1,353
Other services and charges	33,403	32,643	27,822	4,821
Total Emergency Management	<u>73,447</u>	<u>82,175</u>	<u>73,611</u>	<u>8,564</u>
Communications:				
Personal services	314,462	352,576	336,997	15,579
Materials and supplies	1,615	26,830	23,226	3,604
Other services and charges	201,139	206,101	113,609	92,492
Capital outlay	-	-	-	-
Total Communications	<u>517,216</u>	<u>585,507</u>	<u>473,832</u>	<u>111,675</u>
Fire:				
Personal services	2,192,131	2,388,560	2,380,896	7,664
Materials and supplies	82,099	93,239	80,929	12,310
Other services and charges	316,246	290,247	279,550	10,697
Capital outlay	-	75,210	10,018	65,192
Total Fire	<u>2,590,476</u>	<u>2,847,256</u>	<u>2,751,393</u>	<u>95,863</u>
Neighborhood Services:				
Personal services	195,982	184,635	168,089	16,546
Materials and supplies	8,307	13,407	11,147	2,260
Other services and charges	40,136	38,587	36,096	2,491
Total Neighborhood Services	<u>244,425</u>	<u>236,629</u>	<u>215,332</u>	<u>21,297</u>
TOTAL PUBLIC SAFETY	<u>6,073,753</u>	<u>6,871,255</u>	<u>6,236,355</u>	<u>634,900</u>
HIGHWAYS AND STREETS:				
Street and Alley:				
Personal services	404,262	436,497	407,544	28,953
Materials and supplies	188,737	180,387	108,046	72,341
Other services and charges	256,210	327,963	312,076	15,887
Capital outlay	-	-	-	-
TOTAL HIGHWAYS AND STREETS	<u>849,209</u>	<u>944,847</u>	<u>827,666</u>	<u>117,181</u>
HEALTH AND WELFARE:				
Senior Citizens:				
Personal services	15,407	20,228	19,869	359
Materials and supplies	14,366	12,174	9,826	2,348
Other services and charges	24,256	24,396	22,148	2,248
Capital outlay	-	23,000	22,960	-
TOTAL HEALTH AND WELFARE	<u>54,029</u>	<u>79,798</u>	<u>74,803</u>	<u>4,955</u>

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the fiscal year ended June 30, 2011
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CULTURE AND RECREATION:				
Parks and Recreation:				
Personal services	\$ 409,851	\$ 380,813	\$ 358,323	\$ 22,490
Materials and supplies	105,244	113,214	82,506	30,708
Other services and charges	329,927	267,048	212,673	54,375
Capital outlay	-	-	-	-
Total Parks and Recreation	<u>845,022</u>	<u>761,075</u>	<u>653,502</u>	<u>107,573</u>
Museum:				
Personal services	9,956	15,355	13,131	2,224
Materials and supplies	7,930	9,700	8,876	824
Other services and charges	29,702	27,248	25,347	1,901
Total Museum	<u>47,588</u>	<u>52,303</u>	<u>47,354</u>	<u>4,949</u>
TOTAL CULTURE AND RECREATION	<u>892,610</u>	<u>813,378</u>	<u>700,856</u>	<u>112,522</u>
ECONOMIC DEVELOPMENT:				
Economic Development:				
Personal services	89,844	88,500	86,993	1,507
Materials and supplies	1,481	6,311	5,861	450
Other services and charges	91,921	108,029	44,581	63,448
TOTAL ECONOMIC DEVELOPMENT	<u>183,246</u>	<u>202,840</u>	<u>137,435</u>	<u>65,405</u>
FACILITIES MANAGEMENT AND FLEET MAINTENANCE:				
Facilities Management:				
Personal services	184,910	208,590	203,701	4,889
Materials and supplies	49,067	35,149	22,992	12,157
Other services and charges	40,972	35,262	13,356	21,906
		-	(19)	19
Total Facilities Management	<u>274,949</u>	<u>279,001</u>	<u>240,030</u>	<u>38,971</u>
Fleet Maintenance:				
Personal services	199,566	204,784	200,019	4,765
Materials and supplies	13,995	14,265	4,259	10,006
Other services and charges	59,962	48,257	43,857	4,400
		-	(609)	609
Total Fleet Maintenance	<u>273,523</u>	<u>267,306</u>	<u>247,526</u>	<u>19,780</u>
TOTAL FACILITIES MANAGEMENT AND FLEET MAINTENANCE	<u>548,472</u>	<u>546,307</u>	<u>487,556</u>	<u>58,751</u>
OTHER FINANCING USES:				
Transfers to other funds	3,651,906	4,409,371	4,454,611	(45,240)
Debt service:				
Capital lease principal	63,491	62,571	59,684	2,887
Capital lease interest	13,347	14,267	13,891	376
Total Other Financing Uses	<u>3,728,744</u>	<u>4,486,209</u>	<u>4,528,186</u>	<u>(41,977)</u>
Total Charges to Appropriations	13,950,335	15,541,112	14,381,859	1,159,213
Ending Budgetary Fund Balance	<u>\$ 2,322,388</u>	<u>\$ 2,823,216</u>	3,945,401	<u>\$ 1,122,145</u>
Less:				
Encumbrances			(43,417)	
Ending Unobligated Budgetary Fund Balance			<u>\$ 3,901,984</u>	
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance:				
Total Resources per Budgetary Comparison Schedule			\$ 15,196,923	
Add State Fire and Pension on-behalf payments			500,681	
Add Special Programs Fund revenues			23,589	
Less transfer in			(1,342,565)	
Total Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$ 14,378,628</u>	
Total Charges to Appropriations per Budgetary Comparison Schedule				
Add State Fire and Pension on-behalf payments			\$ 500,681	
Add Special Programs Fund expenditures			40,092	
Less transfer out			(4,454,611)	
Total Expenditures per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$ 10,468,021</u>	

CITY OF SAND SPRINGS
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF OPEB STATUS AND FUNDING PROGRESS
JUNE 30, 2011

Required Supplementary Information

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

	July 1, 2009
Actuarial accrued liability - AAL (a)	\$1,051,239
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability – UAAL (funding excess) (a) – (b)	\$1,051,239
Funded ratio (b)/(a)	0%
Covered payroll (c)	\$6,952,427
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	15.1%

	July 1, 2010
Actuarial accrued liability - AAL (a)	\$1,452,442
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability – UAAL (funding excess) (a) – (b)	\$1,452,442
Funded ratio (b)/(a)	0%
Covered payroll (c)	\$6,878,569
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	21.1%

Three year trend information is not available since the City has only had two actuarials subsequent to GASB 45 implementation.

CITY OF SAND SPRINGS, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the fiscal year ended June 30, 2011

Budgetary Accounting

The City prepares its budget for the General Fund on the modified accrual basis of accounting. The City utilizes encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation. Encumbrances outstanding at year-end are not considered expenditures for budgetary purposes, but are reported as a reservation 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.

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

City of Sand Springs, Oklahoma
Combining Balance Sheet
General Fund Accounts
June 30, 2011

	<u>General Fund</u>	<u>Special Programs</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,705,815	\$ 194,448	\$ 1,900,263
Investments	1,252,519	-	1,252,519
Accrued interest receivable	731	-	731
Taxes receivable, net	146,899	-	146,899
Due from other funds	8,009	-	8,009
Receivable from other governments	1,339,485	-	1,339,485
Court fines receivable, net	382,934	-	382,934
Other receivables	59,095	-	59,095
Inventories	23,616	-	23,616
Prepaid expenses	1,773	-	1,773
Total assets	<u>\$ 4,920,876</u>	<u>\$ 194,448</u>	<u>\$ 5,115,324</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 163,871	\$ 275	\$ 164,146
Payable to other governments	5,179	-	5,179
Deferred revenue	420,360	-	420,360
Other accrued expenses	324,161	-	324,161
Amounts held in escrow	41,226	-	41,226
Other payables	20,678	8,628	29,306
Total liabilities	<u>975,475</u>	<u>8,903</u>	<u>984,378</u>
 Fund balances:			
Non-spendable	23,616	-	23,616
Restricted	269,763	-	269,763
Committed	-	-	-
Assigned	866,729	185,545	1,052,274
Unassigned	2,785,293	-	2,785,293
Total fund balances	<u>3,945,401</u>	<u>185,545</u>	<u>4,130,946</u>
Total liabilities and fund balances	<u>\$ 4,920,876</u>	<u>\$ 194,448</u>	<u>\$ 5,115,324</u>

City of Sand Springs, Oklahoma
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund Accounts
For the Year Ended June 30, 2011

	<u>General Fund</u>	<u>Special Programs</u>	<u>Total</u>
REVENUES			
Taxes	\$ 11,580,998	\$ -	\$ 11,580,998
Fees and fines	371,277	-	371,277
Licenses and permits	147,757	-	147,757
Intergovernmental	1,093,350	2,182	1,095,532
Charges for services	962,283	-	962,283
Investment earnings	29,826	488	30,314
Miscellaneous	169,548	20,919	190,467
Total revenues	<u>14,355,039</u>	<u>23,589</u>	<u>14,378,628</u>
EXPENDITURES			
Current:			
General government	671,627	-	671,627
Planning and zoning	154,985	-	154,985
Financial administration	571,438	-	571,438
Public Safety	6,709,975	40,092	6,750,067
Highways and streets	827,665	-	827,665
Health and welfare	51,842	-	51,842
Culture and recreation	700,856	-	700,856
Community and economic development	137,435	-	137,435
Facilities management and fleet maintenance	478,511	-	478,511
Debt Service:			
Principal	59,684	-	59,684
Interest and other charges	13,891	-	13,891
Capital Outlay	50,020	-	50,020
Total expenditures	<u>10,427,929</u>	<u>40,092</u>	<u>10,468,021</u>
Excess (deficiency) of revenues over expenditures	<u>3,927,110</u>	<u>(16,503)</u>	<u>3,910,607</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,342,565	56,640	1,399,205
Transfers out	(4,454,611)	-	(4,454,611)
Total other financing sources and uses	<u>(3,112,046)</u>	<u>56,640</u>	<u>(3,055,406)</u>
Net change in fund balances	815,064	40,137	855,201
Fund balances - beginning	3,130,337	145,408	3,275,745
Fund balances - ending	<u>\$ 3,945,401</u>	<u>\$ 185,545</u>	<u>\$ 4,130,946</u>

City of Sand Springs, Oklahoma
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

Special Revenue Fund	CAPITAL PROJECT FUNDS						
	Short-Term Capital Improvements	Community Development Block Grant-EDIF	Park and Recreation	ODOC EECBG	Capital Improvement	Airport Construction	
ASSETS							
Cash and cash equivalents	\$ 51,402	\$ 27,031	\$ 215,525	\$ 11,224	\$ 428,079	\$ 149,518	
Investments	-	-	-	-	775,000	-	
Accrued interest receivable	-	-	-	-	-	-	
Receivable from other governments	-	-	-	-	10,348	-	
Other receivables	-	-	-	-	-	-	
Total assets	\$ 51,402	\$ 27,031	\$ 215,525	\$ 11,224	\$ 1,213,427	\$ 149,518	
	\$ -	\$ -	\$ -	\$ 3,712	\$ 28,866	\$ -	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	170,129	-	
Total liabilities	-	-	-	3,712	198,995	-	
Fund balances:							
Restricted	51,402	26,162	15,167	7,509	-	149,231	
Committed	-	-	-	-	-	-	
Assigned	-	869	200,358	3	1,014,432	287	
Unassigned	-	-	-	-	-	-	
Total fund balances	51,402	27,031	215,525	7,512	1,014,432	149,518	
Total liabilities and fund balances	\$ 51,402	\$ 27,031	\$ 215,525	\$ 11,224	\$ 1,213,427	\$ 149,518	

(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, 2011

	Special Revenue Fund	CAPITAL PROJECT FUNDS						
		Short-Term Capital Improvements	Community Development Block Grant-EDIF	Park and Recreation	ODOC EECBG	Capital Improvement	Airport Construction	
REVENUES								
Taxes	-	\$ 81,372	-	\$ -	-	-	\$ -	-
Intergovernmental	-	-	37,928	-	19,275	-	14,869	-
Charges for services	-	-	-	15,025	-	-	-	-
Investment earnings	76	420	-	142	3	-	6,736	287
Miscellaneous	-	-	-	-	-	-	148,347	-
Total revenues	76	81,792	37,928	15,167	19,278	-	169,952	287
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-
Capital Outlay	-	28,033	37,059	-	24,266	-	1,385,998	61,252
Total expenditures	-	28,033	37,059	-	24,266	-	1,385,998	61,252
Excess (deficiency) of revenues over expenditures	76	53,759	869	15,167	(4,988)	-	(1,216,046)	(60,965)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	26,000	-	-	12,500	-	772,500	-
Transfers out	-	(155,500)	-	-	-	-	(12,500)	-
Total other financing sources and uses	-	(129,500)	-	-	12,500	-	760,000	-
Net change in fund balances	76	(75,741)	869	15,167	7,512	-	(456,046)	(60,965)
Fund balances - beginning	51,326	312,821	26,162	200,358	-	-	1,470,478	210,483
Fund balances - ending	51,402	237,080	27,031	215,525	7,512	-	1,014,432	149,518

(Continued)

City of Sand Springs
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	CAPITAL PROJECT FUNDS					DEBT SERVICE FUND	Total Other Governmental Funds
	Stormwater Capital Improvement	SSMA Capital	2002 General Obligation Bond Fund	2006 General Obligation Bond Fund	Capital Improvement Water/Wastewater		
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,247,313	\$ 1,328,685
Intergovernmental	-	-	-	-	-	-	239,324
Charges for services	-	-	-	-	167,252	-	107,296
Investment earnings	4,092	93	3,582	7,854	24,967	7,337	55,611
Miscellaneous	-	-	-	-	-	-	148,347
Total revenues	4,092	93	3,582	7,854	284,480	1,254,650	1,879,263
EXPENDITURES							
Current:							
Public Safety	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	885,000
Interest and other charges	-	-	-	-	-	-	311,175
Capital Outlay	6,396	76,059	55,537	255,939	1,239,576	-	3,171,115
Total expenditures	6,396	76,059	55,537	255,939	1,239,576	1,196,175	4,367,290
Excess (deficiency) of revenues over expenditures	(2,304)	(75,966)	(51,955)	(248,085)	(955,096)	58,475	(2,488,027)
OTHER FINANCING SOURCES (USES)							
Transfers in	575,000	34,809	-	-	2,634,307	-	4,078,996
Transfers out	-	(3,691)	-	-	(830,915)	(7,065)	(1,009,671)
Total other financing sources and uses	575,000	31,118	-	-	1,803,392	(7,065)	3,069,325
Net change in fund balances	572,696	(44,848)	(51,955)	(248,085)	848,306	51,410	581,298
Fund balances - beginning	953,362	91,225	301,867	754,279	3,318,309	1,080,962	8,789,966
Fund balances - ending	\$ 1,526,058	\$ 46,377	\$ 249,912	\$ 506,194	\$ 4,166,615	\$ 1,132,392	\$ 9,371,264

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2011

	SPECIAL REVENUE - COMMUNITY DEVELOPMENT BLOCK GRANT HOME INVESTMENT PARTNERSHIP				CAPITAL PROJECT - SHORT-TERM CAPITAL IMPROVEMENTS			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 79,200	\$ 81,372	\$ 2,172	
Intergovernmental	-	-	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	-	
Investment income	50	50	76	26	800	420	(380)	
Miscellaneous	-	-	-	-	-	-	-	
Total Revenues	50	50	76	26	80,000	81,792	1,792	
Expenditures:								
Economic Development:								
Capital outlay	-	51,302	-	51,302	-	-	-	
Information Services:								
Capital outlay	-	-	-	-	39,500	27,361	12,139	
Communications:								
Other Services and Charges	-	-	-	-	5,920	672	5,248	
Parks and Recreation:								
Materials and Supplies	-	-	-	-	-	-	-	
Other Services and Charges	-	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	-	-	
Neighborhood Services:								
Capital outlay	-	-	-	-	-	-	-	
Police:								
Materials and Supplies	-	-	-	-	-	-	-	
Other Services and Charges	-	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	-	-	
Total Police	-	-	-	-	-	-	-	
Facilities Management:								
Capital outlay	-	-	-	-	-	-	-	
Fire:								
Materials and Supplies	-	-	-	-	-	-	-	
Capital outlay	-	-	-	-	452	-	452	
Total Fire	-	-	-	-	452	-	452	
Emergency Management:								
Capital outlay	-	-	-	-	-	69,600	69,600	
Streets:								
Capital outlay	-	-	-	-	-	-	-	
Total Expenditures	-	-	76	51,302	39,500	28,033	87,439	
Revenues over (under) expenditures	50	50	-	51,328	40,500	53,759	89,231	
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	26,000	26,000	-	
Transfers out	-	-	-	-	(155,500)	(155,500)	-	
Total Other Financing Sources (Uses)	-	-	-	-	(129,500)	(129,500)	-	
Revenues and other sources over (under) expenditures and other uses	50	50	76	51,328	(89,000)	(75,741)	89,231	
Fund Balance - beginning of year	19	51,325	51,326	1	246,759	312,820	1	
Fund Balance - end of year	69	51,375	51,402	-	157,759	237,080	89,232	

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2011

	COMMUNITY DEVELOPMENT BLOCK GRANT - EDIF				CAPITAL PROJECT - PARK AND RECREATION			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	86,081	37,928	(48,153)	-	-	-	-
Charges for services	-	-	-	-	7,200	15,025	7,825	7,825
Investment income	-	-	-	-	1,200	142	(1,058)	(1,058)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	-	86,081	37,928	(48,153)	8,400	15,167	6,767	6,767
Expenditures:								
Parks and Recreation:								
Capital outlay	-	-	-	-	12,401	-	12,401	12,401
Administration:								
Other services & charges	-	-	-	-	-	-	-	-
Public Improvements:								
Capital outlay	-	85,213	37,059	48,154	-	-	-	-
Total Expenditures	-	85,213	37,059	48,154	-	12,401	12,401	12,401
Revenues over (under) expenditures	-	868	869	1	8,400	15,167	19,168	19,168
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	868	869	1	8,400	15,167	19,168	19,168
Fund Balance - beginning of year	23,534	26,162	26,162	-	193,561	200,358	(1)	(1)
Fund Balance - end of year	\$ 23,534	\$ 27,030	\$ 27,031	\$ 1	\$ 207,961	\$ 215,525	\$ 19,167	\$ 19,167

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2011

	CAPITAL PROJECT - ODOC EECBG				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	-	237,500	19,275	(218,225)	-	398,976	14,869	(384,107)
Charges for services	-	-	-	-	-	15,000	6,736	(8,264)
Investment income	-	-	3	3	-	148,348	148,347	(1)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	-	237,500	19,278	(218,222)	15,000	562,324	189,952	(382,372)
Expenditures:								
Current:								
Emergency Management:								
Capital Outlay	-	-	-	-	-	4,660	-	4,660
Public Improvements:								
Capital Outlay	-	250,000	24,266	225,734	-	-	-	-
Parks and Recreation:								
Capital Outlay	-	-	-	-	90,000	830,302	325,903	504,399
Public Works:								
Capital Outlay	-	-	-	-	6,712	28,706	7,086	21,620
Economic Development:								
Capital Outlay	-	-	-	-	-	1,072,827	1,051,467	21,360
Facilities Management:								
Capital Outlay	-	-	-	-	-	1,998	1,542	456
Fleet Maintenance:								
Capital Outlay	-	-	-	-	13,865	707,642	-	707,642
Street:								
Capital Outlay	-	-	-	-	-	13,887	-	13,887
Total Expenditures	-	250,000	24,266	225,734	110,577	2,660,022	1,385,998	1,274,024
Revenues over (under) expenditures	-	(12,500)	(4,988)	7,512	(95,577)	(2,097,698)	(1,216,046)	881,652
Other Financing Sources:								
Transfers in	-	12,500	12,500	-	50,000	772,500	772,500	-
Transfers out	-	-	-	-	-	(12,500)	(12,500)	-
Total Other Financing Sources (Uses)	-	12,500	12,500	-	50,000	760,000	760,000	-
Revenues and other sources over (under) expenditures and other uses	-	-	7,512	7,512	(45,577)	(1,337,698)	(456,046)	881,652
Fund Balance - beginning of year	-	-	-	-	203,288	1,470,477	1,470,478	1
Fund Balance - end of year	-	-	\$ 7,512	\$ 7,512	\$ 157,721	\$ 132,779	\$ 1,014,432	\$ 881,653

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2011**

	CAPITAL PROJECT - AIRPORT CONSTRUCTION				CAPITAL PROJECT - STORMWATER CAPITAL IMPROVEMENT			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	191,045	191,045	-	(191,045)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	150	150	287	137	8,000	4,092	4,092	(3,908)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	191,195	191,195	287	(190,908)	8,000	4,092	4,092	(3,908)
Expenditures:								
Current:								
Storm Water:								
Capital Outlay	-	-	-	-	595,964	6,396	6,396	1,528,138
Park and Recreation:								
Capital Outlay	-	-	-	-	-	-	-	-
Public Works:								
Capital Outlay	-	-	-	-	-	-	-	-
Economic Development:								
Capital Outlay	-	-	-	-	-	-	-	-
Airport:								
Capital Outlay	201,100	243,100	61,252	181,848	-	-	-	-
Facilities Management:								
Capital Outlay	-	-	-	-	-	-	-	-
Fleet Maintenance:								
Capital Outlay	-	-	-	-	-	-	-	-
Street:								
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	201,100	243,100	61,252	181,848	595,964	6,396	6,396	1,528,138
Revenues over (under) expenditures	(9,905)	(51,905)	(60,965)	(9,060)	(687,964)	(2,304)	(2,304)	1,524,230
Other Financing Sources:								
Transfers in	-	-	-	-	575,000	575,000	575,000	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	575,000	575,000	575,000	-
Revenues and other sources over (under) expenditures and other uses	(9,905)	(51,905)	(60,965)	(9,060)	(12,964)	572,696	572,696	1,524,230
Fund Balance - beginning of year	159,681	210,482	210,483	1	14,842	953,363	953,362	(1)
Fund Balance - end of year	149,776	158,577	149,518	(9,059)	1,878	1,526,059	1,524,229	1,524,229

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2011

	CAPITAL PROJECT - SSMA CAPITAL				CAPITAL PROJECT - 2002 G.O. BOND			
	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	200	200	93	(107)	3,000	3,000	3,952	952
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	200	200	93	(107)	3,000	3,000	3,952	952
Expenditures:								
Park and Recreation:								
Capital Outlay	-	-	-	-	-	51,000	50,988	12
Fire:								
Capital Outlay	-	-	-	-	-	688	599	89
Street:								
Capital Outlay	-	-	-	-	-	232,855	3,950	228,905
Golf Course:								
Capital Outlay	-	45,000	44,941	59	-	-	-	-
Wastewater:								
Capital Outlay	-	31,118	31,118	-	-	-	-	-
Total Expenditures	-	76,118	76,059	59	-	284,543	55,537	229,006
Revenues over (under) expenditures	200	(75,918)	(75,966)	(48)	3,000	(281,543)	(51,955)	229,588
Other Financing Sources:								
Transfers in	-	34,809	34,809	-	-	-	-	-
Transfers out	-	(3,691)	(3,691)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	31,118	31,118	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	200	(44,800)	(44,848)	(48)	3,000	(281,543)	(51,955)	229,588
Fund Balance - beginning of year	20,014	91,225	91,225	-	29,909	301,867	301,867	-
Fund Balance - end of year	\$ 20,214	\$ 46,425	\$ 46,377	\$ (48)	\$ 32,909	\$ 20,324	\$ 249,912	\$ 229,588

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2011

	CAPITAL PROJECT - 2006 GENERAL OBLIGATION BOND FUNE				CAPITAL PROJECT - CAPITAL IMPROVEMENT WATER/WASTEWATER			
	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	12,000	12,000	7,854	(4,146)	95,000	92,271	(2,729)	(20,033)
Miscellaneous	-	-	-	-	45,000	24,967	(20,033)	(20,033)
	-	-	-	-	200,000	167,252	(32,748)	(32,748)
Total Revenues	12,000	12,000	7,854	(4,146)	340,000	284,490	(55,510)	(55,510)
Expenditures:								
Public Safety:								
Capital Outlay	-	180,000	-	180,000	-	-	-	-
Streets:								
Capital Outlay	25,480	175,408	151,872	23,536	-	-	-	-
Parks and Recreation:								
Capital Outlay	-	108,915	-	108,915	-	-	-	-
Finance:								
Capital Outlay	-	104,068	104,067	1	-	-	-	-
Wastewater:								
Capital Outlay	-	-	-	-	546,384	520,378	(26,006)	(26,006)
Water:								
Capital Outlay	-	-	-	-	1,050,237	719,198	(331,039)	(331,039)
Total Expenditures	25,480	568,391	255,939	312,452	1,596,631	1,239,576	(357,055)	(357,055)
Revenues over (under) expenditures	(13,480)	(556,391)	(248,085)	308,306	(1,256,631)	(955,086)	(346,780)	(346,780)
Other Financing Sources:								
Transfers in	-	-	-	-	2,417,271	2,634,307	217,036	217,036
Transfers out	-	-	-	-	(830,915)	(830,915)	-	-
Total Other Financing Sources (Uses)	-	-	-	-	1,586,356	1,803,392	217,036	217,036
Revenues and other sources over (under) expenditures and other uses	(13,480)	(556,391)	(248,085)	308,306	329,725	848,306	518,521	518,521
Fund Balance - beginning of year	159,799	754,280	754,279	(1)	(152,784)	3,318,309	3,318,309	3,318,309
Fund Balance - end of year	\$ 146,319	\$ 197,889	\$ 506,194	\$ 308,305	\$ 176,941	\$ 4,166,615	\$ 4,166,615	\$ 4,166,615

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2011

	CAPITAL PROJECT - GOLF COURSE CAPITAL IMPROVEMENT				DEBT SERVICE FUND			
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	-	-	-	-	1,246,887	1,246,887	1,247,313	426
Investment income	-	-	22	22	16,100	7,200	7,337	137
Long-term debt proceeds	-	-	-	-	-	-	-	-
Total Revenues	-	-	22	22	1,262,987	1,254,087	1,254,650	563
Expenditures:								
Golf Course								
Capital Outlay	19,695	42,154	1,000	41,154	-	-	-	-
Debt service	-	-	-	-	1,197,025	1,197,025	1,196,175	850
Total Expenditures	19,695	42,154	1,000	41,154	1,197,025	1,197,025	1,196,175	850
Revenues over (under) expenditures	(19,695)	(42,154)	(978)	(41,132)	65,962	57,062	58,475	(287)
Other Financing Sources:								
Transfers in	19,695	23,850	23,880	30	-	-	-	-
Transfers out	-	-	-	-	(16,000)	(7,100)	(7,065)	35
Total Other Financing Sources (Uses)	19,695	23,850	23,880	30	(16,000)	(7,100)	(7,065)	35
Revenues and other sources over (under) expenditures and other uses	-	(18,304)	22,902	(41,102)	49,962	49,962	51,410	(252)
Fund Balance - beginning of year	-	18,304	18,304	-	1,105,438	1,080,983	1,080,982	(1)
Fund Balance - end of year	-	-	41,206	(41,102)	1,155,400	1,130,945	1,132,392	(253)

CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2011

	CAPITAL PROJECT - GOLF COURSE CAPITAL IMPROVEMENT				DEBT SERVICE FUND			
	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	-	-	-	-	1,246,887	1,246,887	1,247,313	426
Investment income	-	-	22	22	16,100	7,200	7,337	137
Long-term debt proceeds	-	-	-	-	-	-	-	-
Total Revenues	-	-	22	22	1,262,987	1,254,087	1,254,650	563
Expenditures:								
Golf Course	19,695	42,154	1,000	41,154	-	-	-	-
Capital Outlay	-	-	-	-	1,197,025	1,197,025	1,196,175	850
Debt service	-	-	-	-	1,197,025	1,197,025	1,196,175	850
Total Expenditures	19,695	42,154	1,000	41,154	1,197,025	1,197,025	1,196,175	850
Revenues over (under) expenditures	(19,695)	(42,154)	(978)	(41,132)	65,962	57,062	58,475	(287)
Other Financing Sources:								
Transfers in	19,695	23,850	23,880	30	-	-	-	-
Transfers out	-	-	-	-	(16,000)	(7,100)	(7,065)	35
Total Other Financing Sources (Uses)	19,695	23,850	23,880	30	(16,000)	(7,100)	(7,065)	35
Revenues and other sources over (under) expenditures and other uses	-	(18,304)	22,902	(41,102)	49,962	49,962	51,410	(252)
Fund Balance - beginning of year	-	18,304	18,304	-	1,105,438	1,080,983	1,080,982	(1)
Fund Balance - end of year	-	-	41,206	(41,102)	1,155,400	1,130,945	1,132,392	(253)

CITY OF SAND SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS (CAPITAL PROJECT FUNDS)
For the fiscal year ended June 30, 2011

	CAPITAL PROJECT - STREET IMPROVEMENT				CAPITAL PROJECT - DWSRF AMR PROGRAM			
	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	680,000	4,141,623	340,722	(3,800,901)				
Charges for services	-	-	-	-				
Investment income	45,000	45,000	26,206	(18,794)				
Miscellaneous	-	150,000	127,023	(22,977)				
Total Revenues	725,000	4,336,623	493,951	(3,842,672)				
Expenditures:								
Water:								
Personal Services	-	-	-	-		457,499	181,138	276,361
Materials and Supplies	-	-	-	-		200,000	42,221	157,779
Other Services and Charges	-	-	-	-		75,976	51	75,925
Capital Outlay	-	-	-	-		3,225,294	2,286,975	938,319
Total Water	-	-	-	-		3,958,769	2,510,385	1,448,384
Street:								
Capital Outlay	1,785,580	10,139,044	959,765	9,179,279				
Total Expenditures	1,785,580	10,139,044	959,765	9,179,279		3,958,769	2,510,385	1,448,384
Revenues over (under) expenditures	(1,060,580)	(5,802,421)	(465,814)	5,336,607		(3,958,769)	(2,510,385)	1,448,384
Other Financing Sources:								
Transfers in	1,208,635	1,302,074	1,317,154	15,080			1,812,846	(2,145,923)
Transfers out	-	-	-	-			-	-
Loan proceeds	-	-	-	-			-	-
Total Other Financing Sources (Uses)	1,208,635	1,302,074	1,317,154	15,080		3,958,769	1,812,846	(2,145,923)
Revenues and other sources over (under) expenditures and other uses	148,055	(4,500,347)	851,340	5,351,687			(697,539)	(697,539)
Fund Balance - beginning of year	(132,567)	4,776,154	4,776,152	(2)			-	-
Fund Balance - end of year	15,488	275,807	5,627,492	5,351,685		\$ -	\$ (697,539)	\$ (697,539)

**CITY OF SAND SPRINGS, OKLAHOMA
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
For the fiscal year ended June 30, 2011**

	Museum Trust Authority	Economic Development Authority
	<hr/>	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 17,048	\$ 4,296
Payments to suppliers	(8,648)	(8,947)
	<hr/>	<hr/>
Net Cash Provided by (Used in) Operating Activities	8,400	(4,651)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	-	10,183
	<hr/>	<hr/>
Net Cash Provided by Capital and Related Financing Activities	-	10,183
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(528)
Interest and dividends	189	528
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	189	-
Net Increase (Decrease) in Cash and Cash Equivalents	8,589	5,532
Balances - beginning of the year	<hr/>	<hr/>
	91,015	2,004
Balances - end of the year	<hr/>	<hr/>
	\$ 99,604	\$ 7,536
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 9,493	\$ (23,074)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	-	18,423
Change in assets and liabilities:		
Accounts receivable	(900)	-
Due to other governmental agencies	(193)	-
	<hr/>	<hr/>
Net Cash Provided by (Used in) Operating Activities	\$ 8,400	\$ (4,651)

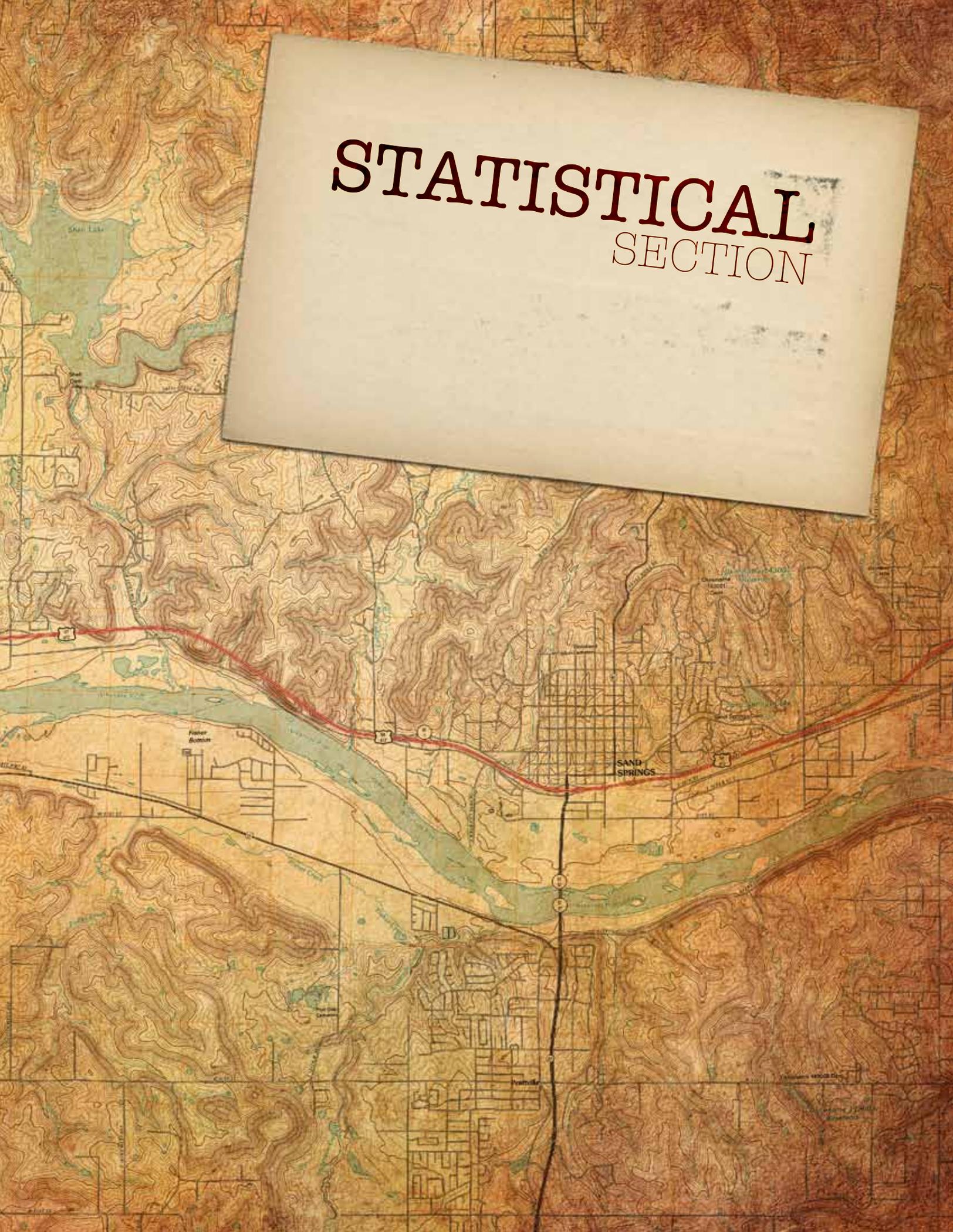
**CITY OF SAND SPRINGS, OKLAHOMA
SCHEDULE OF DEBT COVERAGE
For the fiscal year ended June 30, 2011**

	<u>Series 2001 Revenue Bonds</u>	<u>Series 2003, 2004, 2005, 2006, & 2009 OWRB Notes</u>
Gross Revenue Available for Debt Service:		
Charges for services:		
Water charges	\$ 6,618,774	\$ 6,618,774
Wastewater charges	2,775,593	2,775,593
Sales tax pledged and transferred	<u>2,634,307</u>	<u>2,634,307</u>
Total Gross Revenues Available	<u>12,028,674</u>	<u>12,028,674</u>
Operating Expenses:		
Water	3,513,518	3,513,518
Wastewater	<u>1,779,396</u>	<u>1,779,396</u>
Total Operating Expenses	<u>5,292,914</u>	<u>5,292,914</u>
Net Revenues Available for Debt Service	<u>\$ 6,735,760</u>	<u>\$ 6,735,760</u>
Debt Service Requirements:		
Average annual debt service - 2001 Revenue Bonds, 2003, 2004, 2005, 2006 and 2009 OWRB Notes	779,905	-
Maximum annual debt service - 2001 Revenue Bonds, 2003, 2004, 2005, 2006 and 2009 OWRB Notes	<u>-</u>	<u>1,794,578</u>
Total Debt Service Requirements	<u>\$ 779,905</u>	<u>\$ 1,794,578</u>
Computed Coverage	<u>864%</u>	<u>375%</u>
Coverage Requirement	<u>125%</u>	<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.



STATISTICAL SECTION



STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

FINANCIAL TRENDS

CITY OF SAND SPRINGS, OKLAHOMA
NET ASSETS BY COMPONENT
Last Ten Fiscal Years
June 30, 2011
TABLE 1

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related dept	\$ 18,960,122	\$ 18,761,897	\$ 22,148,499	\$ 24,024,469	\$ 23,252,660	\$ 25,487,774	\$ 26,609,943	\$ 27,120,216	\$ 28,851,218	\$ 30,526,321
Restricted	5,994,694	6,858,458	6,022,792	3,943,385	3,818,431	4,678,135	6,438,915	7,083,138	7,722,731	8,138,469
Unrestricted	1,842,224	1,059,742	1,837,371	1,666,040	2,698,874	3,460,471	3,735,791	3,938,052	4,256,358	4,635,252
Total governmental activities net assets	\$ 26,797,040	\$ 26,680,097	\$ 30,008,662	\$ 29,633,894	\$ 29,769,955	\$ 33,626,380	\$ 36,784,649	\$ 38,141,406	\$ 40,830,307	\$ 43,300,042
Business-type activities										
Invested in capital assets, net of related dept	\$ 31,681,344	\$ 32,158,108	\$ 34,906,256	\$ 36,881,714	\$ 41,409,074	\$ 42,403,325	\$ 48,620,995	\$ 49,632,325	\$ 49,617,735	\$ 51,590,911
Restricted	4,121,075	4,660,608	2,754,577	480,590	590,477	593,305	605,905	612,159	623,522	602,187
Unrestricted	5,456,159	5,758,198	6,014,320	7,589,172	8,486,370	9,710,518	8,616,261	8,881,754	10,182,084	11,623,672
Total business-type activities net assets	\$ 41,258,578	\$ 42,576,914	\$ 43,675,153	\$ 44,951,476	\$ 50,495,921	\$ 52,707,148	\$ 57,843,161	\$ 59,126,238	\$ 60,423,341	\$ 63,816,770
Primary government										
Invested in capital assets, net of related dept	\$ 50,641,466	\$ 50,920,005	\$ 57,054,755	\$ 60,906,183	\$ 64,661,724	\$ 67,891,099	\$ 75,230,938	\$ 76,752,541	\$ 78,468,953	\$ 82,117,232
Restricted	10,115,769	11,519,066	8,777,369	4,423,975	4,408,908	5,271,440	7,044,820	7,695,297	8,346,253	8,740,656
Unrestricted	7,298,383	6,817,940	7,851,691	9,255,212	11,195,244	13,170,989	12,352,052	12,819,806	14,438,442	16,258,924
Total primary government net assets	\$ 68,055,618	\$ 69,257,011	\$ 73,683,815	\$ 74,585,370	\$ 80,265,876	\$ 86,333,528	\$ 94,627,810	\$ 97,267,644	\$ 101,253,648	\$ 107,116,812

CITY OF SAND SPRINGS, OKLAHOMA
CHANGES IN NET ASSETS
Last Ten Fiscal Years
June 30, 2011
TABLE 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Government activities:										
Government government	\$ 662,464	\$ 667,171	\$ 520,895	\$ 642,118	\$ 667,541	\$ 660,936	\$ 947,343	\$ 965,662	\$ 945,967	\$ 1,082,775
Planning and zoning	127,537	127,831	147,260	127,914	141,553	166,669	224,498	167,527	155,859	156,231
Financial administration	768,787	838,254	759,124	772,277	838,949	826,693	797,290	768,416	635,064	677,511
Public Safety	4,656,812	4,732,676	4,644,967	5,171,418	5,538,637	6,611,563	8,446,033	7,357,456	7,183,822	7,184,873
Highways and streets	1,829,333	1,921,694	2,434,859	2,692,442	2,258,629	2,738,366	3,244,249	2,662,136	2,110,331	2,136,980
Health and Welfare	49,534	59,257	62,558	59,631	65,113	65,755	69,808	67,528	78,942	220,668
Culture and recreation	861,779	811,610	751,407	791,694	1,020,867	1,085,249	1,190,069	1,232,443	988,997	712,249
Economic development	83,147	82,834	83,492	1,342,743	990,335	245,110	201,337	177,654	169,517	186,419
Facilities Mgmt & Fleet Maint	649,030	696,118	681,147	804,804	929,562	666,365	582,302	531,806	523,629	486,409
Interest on long-term debt	245,347	368,838	365,608	326,850	383,292	413,384	453,445	404,049	352,741	316,308
Total governmental activities expenses	9,934,770	10,306,283	10,451,317	12,731,891	12,834,468	13,480,090	16,156,374	14,334,677	13,144,869	13,160,423
Business-type activities:										
Water	4,403,529	4,181,185	4,374,287	4,745,200	5,330,339	5,958,896	5,977,518	5,551,089	5,710,896	5,468,136
Wastewater	2,357,034	2,553,816	2,871,977	2,678,715	2,984,607	2,938,901	3,135,457	3,680,021	3,267,638	3,111,019
Solid Waste	970,294	1,004,683	926,054	1,040,217	1,129,805	1,206,394	1,252,313	1,248,133	1,264,220	1,286,736
Stormwater	-	-	-	9,604	328,427	265,620	336,197	312,960	344,514	341,465
Airport	560,215	533,446	564,096	583,366	607,593	672,050	645,473	580,753	523,944	547,780
Golf course	733,473	748,436	707,255	813,667	899,084	843,319	872,651	768,141	806,336	797,618
Total business-type activities expenses	9,024,545	9,021,566	9,443,669	9,870,769	11,279,855	11,885,180	12,219,609	12,141,097	11,917,548	11,552,754
Total primary government expenses	\$ 18,959,315	\$ 19,327,849	\$ 19,894,986	\$ 22,602,660	\$ 24,114,323	\$ 25,365,270	\$ 28,375,983	\$ 26,475,774	\$ 25,062,417	\$ 24,713,177
Program Revenues										
Government activities:										
Charges for services:										
General government	\$ 206,933	\$ 237,568	\$ 195,260	\$ 264,023	\$ 347,297	\$ 231,003	\$ 257,035	\$ 319,310	\$ 214,752	\$ 258,705
Planning and zoning	2,137	3,399	3,622	8,532	17,511	11,248	11,131	9,758	10,206	8,424
Public safety	295,326	242,458	327,040	329,770	295,596	308,505	920,555	1,033,857	1,262,554	1,127,012
Highways and streets	345	160	780	1,490	1,875	1,625	1,155	1,275	1,545	1,180
Culture and recreation	41,067	24,139	24,357	23,037	105,868	39,197	29,641	59,683	59,997	71,802
Operating grants and contributions	373,125	395,471	427,172	222,089	507,885	1,058,660	1,937,238	927,006	967,138	1,231,916
Capital grants and contributions	162,871	1,016,575	2,413,400	1,451,202	3,298,710	1,918,152	3,033,260	238,688	821,415	182,110
Total governmental activities program revenues	1,081,804	1,919,770	3,391,631	2,300,143	4,574,742	3,568,390	6,190,015	2,589,577	3,337,607	2,881,149

TABLE 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:										
Charges for services:										
Water	4,731,593	4,617,733	4,796,729	4,994,849	6,437,709	6,472,253	6,447,181	6,548,363	6,383,640	6,743,572
Wastewater	1,892,560	1,862,089	1,912,489	1,941,250	2,314,500	2,570,584	2,611,393	2,663,316	2,615,660	2,783,389
Solid Waste	1,079,243	1,081,232	1,128,957	1,139,353	1,210,312	1,289,409	1,332,182	1,409,823	1,519,914	1,575,918
Stormwater	-	-	-	287,752	415,852	423,312	430,029	436,950	496,067	575,355
Airport	261,360	245,610	261,178	256,390	271,488	222,268	234,067	229,342	242,640	242,640
Golf course	618,063	545,267	453,603	476,422	530,862	452,656	410,977	444,065	414,739	470,994
Operating grants and contributions	-	198,989	294,456	343,398	484,814	1,448,481	3,857,066	-	1,399,517	1,428,524
Capital grants and contributions	8,582,819	8,550,920	8,847,412	9,439,414	11,665,537	12,878,963	15,322,895	11,915,194	13,051,088	13,987,644
Total business-type activities program revenues	\$ 9,664,623	\$ 10,470,690	\$ 12,239,043	\$ 11,739,557	\$ 16,240,279	\$ 16,447,353	\$ 21,512,910	\$ 14,504,771	\$ 16,388,695	\$ 16,868,793
Net (Expense)/Revenue										
Government activities:										
Business-type activities:										
Total primary government net expense	\$ (8,852,966)	\$ (8,386,513)	\$ (7,059,686)	\$ (10,431,748)	\$ (8,259,726)	\$ (9,911,700)	\$ (9,966,359)	\$ (11,745,100)	\$ (9,807,262)	\$ (10,279,274)
	(441,726)	(470,846)	(596,257)	(431,355)	385,682	993,783	3,103,286	(225,903)	1,133,540	2,434,890
	\$ (9,294,692)	\$ (8,857,159)	\$ (7,655,943)	\$ (10,863,103)	\$ (7,874,044)	\$ (8,917,917)	\$ (6,863,073)	\$ (11,971,003)	\$ (8,673,722)	\$ (7,844,384)
General Revenues and Other Changes in Net Assets										
Government activities:										
Taxes:										
Sales and use taxes	\$ 7,414,291	\$ 7,227,014	\$ 8,627,953	\$ 8,399,591	\$ 9,372,801	\$ 9,923,881	\$ 10,236,749	\$ 10,109,396	\$ 9,238,802	\$ 9,595,485
Property taxes	13,151	524,544	823,993	1,001,052	790,268	1,366,579	1,227,930	1,243,884	1,246,910	1,207,441
Franchise and public service taxes	712,670	891,951	964,905	967,991	1,188,717	1,092,544	1,118,390	1,188,713	850,678	845,865
Other taxes	743,250	772,528	774,604	862,475	1,062,708	1,178,664	1,168,310	1,196,425	1,156,779	1,213,471
Unrestricted grants and contributions	31,445	33,796	27,918	87,865	176,343	164,064	282,188	282,315	328,756	337,019
Investment earnings	168,116	265,325	191,963	225,670	293,501	655,958	535,617	303,822	181,840	187,952
Miscellaneous	92,736	18,967	174,602	55,273	362,490	103,704	301,570	13,425	28,495	277,837
Special Item									296,703	-
Transfers	(832,134)	(1,464,555)	(1,230,583)	(1,542,937)	(4,808,212)	(717,269)	(1,746,122)	(1,235,120)	(1,094,411)	(916,062)
Total governmental activities	8,343,525	8,269,570	10,355,355	10,056,980	8,438,616	13,768,125	13,124,632	13,101,860	12,234,552	12,749,008
Business-type activities:										
Investment earnings	326,939	172,088	186,840	154,394	239,179	493,795	282,182	256,198	120,158	40,910
Miscellaneous	-	6,140	11,640	10,347	7,553	6,380	4,426	17,662	873	1,567
Transfers	832,134	1,464,555	1,230,583	1,542,937	4,808,212	717,269	1,746,122	1,235,120	1,094,411	916,062
Total business-type activities	1,159,073	1,642,783	1,429,063	1,707,678	5,054,944	1,217,444	2,032,730	1,508,980	1,215,442	958,539
Total primary government	\$ 9,502,598	\$ 9,912,353	\$ 11,784,418	\$ 11,764,658	\$ 13,493,560	\$ 14,985,569	\$ 15,157,362	\$ 14,610,840	\$ 13,449,994	\$ 13,707,547
Change in Net Assets										
Government activities	\$ (509,441)	\$ (116,943)	\$ 3,295,669	\$ (374,768)	\$ 178,890	\$ 3,856,425	\$ 3,158,273	\$ 1,356,760	\$ 2,427,290	\$ 2,469,734
Business-type activities	717,347	1,172,137	832,806	1,276,323	5,440,626	2,211,227	5,136,016	1,283,077	2,348,982	3,393,429
Total primary government	\$ 207,906	\$ 1,055,194	\$ 4,128,475	\$ 901,555	\$ 5,619,516	\$ 6,067,652	\$ 8,294,289	\$ 2,639,837	\$ 4,776,272	\$ 5,863,163

CITY OF SAND SPRINGS, OKLAHOMA
 FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 June 30, 2011
 TABLE 3

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 284,381	\$ 279,368	\$ 168,001	\$ 611,433	\$ 560,968	\$ 1,045,543	\$ 882,736	\$ 430,283	\$ 484,790	\$ -
Unreserved	452,547	162,691	828,283	284,551	1,467,262	1,570,957	2,224,572	3,032,268	2,645,547	-
Nonspendable	-	-	-	-	-	-	-	-	-	23,616
Restricted	-	-	-	-	-	-	-	-	-	269,763
Assigned	-	-	-	-	-	-	-	-	-	1,052,274
Unassigned	-	-	-	-	-	-	-	-	-	2,785,293
Total general fund	\$ 736,928	\$ 442,059	\$ 996,284	\$ 895,984	\$ 2,028,230	\$ 2,616,500	\$ 3,107,308	\$ 3,462,551	\$ 3,130,337	\$ 4,130,946
All Other Governmental Funds										
Reserved	\$ 1,032,482	\$ 1,364,767	\$ 2,873,351	\$ 1,106,333	\$ 2,180,538	\$ 5,131,179	\$ 1,260,303	\$ 1,426,121	\$ 4,198,748	\$ -
Unreserved, reported in:										
Special revenue funds	203,517	262,101	702,552	273,822	310,769	545,923	390,572	562,483	598,264	-
Debt service funds	696,008	1,035,359	1,218,159	1,240,925	944,628	1,263,778	1,139,456	1,102,825	1,080,982	-
Capital project funds	9,887,287	9,985,386	4,711,583	4,443,999	11,822,362	9,247,365	8,735,442	8,923,255	7,832,523	-
Restricted	-	-	-	-	-	-	-	-	-	11,987,586
Committed	-	-	-	-	-	-	-	-	-	26,000
Assigned	-	-	-	-	-	-	-	-	-	2,985,162
Unassigned	-	-	-	-	-	-	-	-	-	(697,538)
Total all other governmental funds	\$ 11,819,294	\$ 12,647,613	\$ 9,505,645	\$ 7,065,079	\$ 15,258,297	\$ 16,188,245	\$ 11,525,773	\$ 12,014,684	\$ 13,711,517	\$ 14,301,210
GRAND TOTAL	\$ 12,556,222	\$ 13,089,672	\$ 10,501,929	\$ 7,961,063	\$ 17,286,527	\$ 18,804,745	\$ 14,633,081	\$ 15,477,235	\$ 16,841,854	\$ 18,432,156

CITY OF SAND SPRINGS, OKLAHOMA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
June 30, 2011
TABLE 4

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 8,882,915	\$ 9,416,484	\$ 11,133,184	\$ 11,258,765	\$ 12,425,501	\$ 13,521,336	\$ 13,771,835	\$ 13,728,301	\$ 12,444,830	\$ 12,909,683
Intergovernmental	397,574	619,101	1,418,316	1,896,387	1,062,720	1,424,660	2,484,795	1,572,496	302,569	371,277
Charges for services	361,446	373,915	356,203	423,774	618,219	458,241	1,061,311	1,046,901	115,303	147,757
Fines and forfeitures	215,437	154,000	209,014	161,258	179,071	154,594	205,494	252,006	1,769,104	1,675,578
Licenses and permits	102,346	120,640	96,462	137,579	158,422	128,184	132,115	1,023,287	1,069,579	1,069,579
Investment income	343,339	345,014	289,132	269,842	348,877	817,798	788,500	450,644	250,813	112,131
Miscellaneous	145,542	65,448	266,680	119,286	401,760	216,008	402,072	166,948	591,137	465,838
Total Revenues	\$ 10,448,599	\$ 11,094,602	\$ 13,768,991	\$ 14,264,891	\$ 15,194,670	\$ 16,720,821	\$ 18,808,298	\$ 17,349,411	\$ 16,497,043	\$ 16,751,843
Expenditures:										
General government	\$ 477,752	\$ 484,960	\$ 494,209	\$ 529,199	\$ 568,731	\$ 566,298	\$ 758,973	\$ 752,642	\$ 756,851	\$ 671,627
Planning and zoning	124,187	125,902	146,963	127,326	139,898	164,969	223,746	167,431	156,007	154,985
Financial administration	683,695	683,695	643,995	714,275	763,923	774,229	787,438	763,458	643,633	571,438
Public safety	4,397,285	4,471,381	4,378,294	4,789,446	5,044,309	6,283,029	7,982,580	6,908,601	6,798,342	6,750,855
Highways and streets	611,751	653,807	645,162	740,427	841,610	916,413	886,688	904,388	853,007	827,665
Health and welfare	43,490	49,179	53,649	54,292	60,486	60,978	65,526	62,815	71,857	51,942
Culture and recreation	675,862	654,149	628,784	738,411	877,632	985,803	1,069,966	1,021,500	845,083	700,956
Economic development	83,283	83,835	82,546	1,342,620	990,498	244,891	215,964	160,612	143,509	137,435
Facilities Mgmt & Fleet Maint	563,578	640,667	669,927	739,463	797,062	560,109	578,014	527,770	523,870	478,511
Water	3,000,780	4,520,441	7,524,329	5,976,400	3,004,735	5,325,002	9,717,407	5,220,108	5,055,225	6,649,063
Debt service	639,832	590,911	1,327,166	1,390,192	1,394,400	1,408,531	1,374,779	946,003	946,030	943,896
Principal	239,967	377,953	409,062	350,281	298,499	488,287	440,853	402,579	381,914	325,066
Interest	11,583,388	13,336,880	17,003,996	17,492,332	14,781,993	17,780,539	24,111,533	17,837,907	17,155,328	18,305,460
Total Expenditures	\$ (1,134,789)	\$ (2,242,278)	\$ (3,234,995)	\$ (3,227,441)	\$ 412,677	\$ (1,059,718)	\$ (5,303,235)	\$ (488,496)	\$ (658,285)	\$ (1,553,617)
Excess of revenues over/(under) expenditures	\$ 5,910,876	\$ 5,398,697	\$ 6,786,651	\$ 6,805,861	\$ 9,157,723	\$ 12,142	\$ 408,047	\$ -	\$ -	\$ -
Other financing sources(uses)										
Issuance of debt	(5,357,434)	(4,847,969)	(6,166,027)	(6,119,286)	(6,503,411)	(6,418,316)	(8,000,529)	(5,390,750)	(5,899,323)	(5,464,282)
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	-
Bond proceeds	3,965,000	2,225,000	3,705,000	-	6,392,361	-	-	-	-	-
Premium on bonds sold	-	-	135,107	-	-	-	-	-	-	-
Payment of issue costs	-	-	(106,291)	-	(92,388)	-	-	-	-	-
Transfer to bond escrow	-	-	(3,740,094)	-	-	-	-	-	-	-
Total other financing sources(uses)	\$ 4,518,442	\$ 2,775,728	\$ 614,356	\$ 686,575	\$ 8,954,285	\$ 2,601,479	\$ 1,131,576	\$ 1,332,695	\$ 2,022,904	\$ 3,143,919
Net change in fund balances	\$ 3,983,653	\$ 533,450	\$ (2,620,639)	\$ (2,540,866)	\$ 9,366,962	\$ 1,541,761	\$ (4,171,659)	\$ 844,159	\$ 1,364,619	\$ 1,590,302
Debt service as a percentage of noncapital expenditures	10.3%	11.0%	18.3%	15.1%	14.4%	15.2%	12.6%	8.2%	8.6%	9.1%

CITY OF SAND SPRINGS, OKLAHOMA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 Last Ten Fiscal Years
 June 30, 2011
 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 (1)	Totals
2002	13,151	7,269,868	712,670	84,938	144,423	89,654	568,658	-	-	8,883,362
2003	524,544	7,016,585	891,951	84,637	210,429	87,511	600,380	12,605	-	9,428,642
2004	817,554	8,387,039	964,905	85,355	240,914	85,497	603,752	5,973	6,439	11,197,428
2005	688,013	8,188,750	967,991	98,914	210,841	84,583	678,978	13,610	313,039	11,244,719
2006	484,824	9,145,675	1,188,717	114,303	227,126	100,827	847,578	16,882	305,444	12,431,376
2007	1,355,511	9,631,280	1,092,544	124,960	292,601	149,711	903,993	11,068	-	13,561,669
2008	1,227,930	9,953,972	1,118,390	129,021	282,777	139,899	884,807	14,583	-	13,751,379
2009	1,243,884	9,801,602	1,188,713	112,617	307,794	146,920	912,146	23,742	-	13,737,418
2010	1,246,910	8,982,429	850,678	94,065	256,373	131,685	905,686	25,343	-	12,493,169
2011	1,207,441	9,220,076	845,865	96,017	375,409	140,836	964,375	12,243	-	12,862,262

Note:

1. The tax incremental financing was closed in fiscal year 2007.
2. Prior to fiscal year 2003 abatement tax was recorded as other fees.

REVENUE CAPACITY

CITY OF SAND SPRINGS OKLAHOMA
SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years
 June 30, 2011
TABLE 6

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund Operations	2.000 %	2.000 %	1.918 %	1.926 %	1.877 %	1.980 %	2.000 %	2.000 %	2.000 %	2.000 %
TIF District (Economic Development)	-	-	0.160	0.232	0.221	0.036	-	-	-	-
Water & Wastewater Improvements	1.000	1.000	0.948	0.895	0.935	0.989	1.000	1.000	1.000	1.000
Street Improvements	0.500	0.500	0.474	0.447	0.467	0.495	0.500	0.500	0.500	0.500
Sand Springs Total	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %
Osage County	1.000	1.000	1.000	1.000	1.000	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %
Tulsa County	0.417	0.417	1.017	1.017	1.017	1.017	1.017	1.017	1.017	1.017
State of Oklahoma	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %
Total (Osage County)	9.000	9.000	9.000	9.000	9.000	9.250	9.250	9.250	9.250	9.250
Total (Tulsa County)	8.417 %	8.417 %	9.017 %	9.017 %	9.017 %	9.017 %	9.017 %	9.017 %	9.017 %	9.017 %

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 Nine Fiscal Years
 June 30, 2011
TABLE 7

Category	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Manufacturing	\$ 4,089,482	\$ 5,625,042	\$ 2,766,428	\$ 4,659,527	\$ 6,190,383	\$ 5,953,722	\$ 5,821,246	\$ 4,579,167	\$ 4,865,836
Telecommunications & Other	8,015,419	8,266,155	8,659,129	8,616,794	9,528,113	9,885,585	10,297,993	10,464,868	10,386,773
Public Utilities	13,754,129	14,938,404	15,551,311	18,025,443	20,948,925	19,909,178	19,411,239	11,989,841	17,946,755
Wholesale trade	9,036,903	10,159,340	10,240,026	13,359,064	12,742,978	12,861,982	11,221,153	8,751,312	10,278,070
Retail - Building Materials	7,987,435	8,431,173	7,064,604	9,086,537	9,741,230	8,970,644	8,588,221	7,407,764	6,342,063
Retail - General Merchandise	56,557,302	93,772,475	105,897,003	114,890,248	114,331,070	118,663,516	120,144,526	112,456,892	106,016,119
Retail - Food	41,106,082	32,122,767	27,263,715	24,164,289	25,096,753	26,301,397	26,984,740	26,092,097	27,023,835
Retail - Automotive	7,120,567	7,684,617	7,330,604	7,652,488	8,242,938	8,708,689	9,161,857	9,084,846	9,753,355
Retail - Apparel	3,012,748	2,985,683	2,976,349	3,233,677	3,583,126	3,424,991	2,966,055	2,784,830	2,937,195
Retail - Furniture & Accessories	5,579,681	6,093,327	6,588,417	8,041,895	7,363,451	8,673,964	8,855,436	8,025,192	7,776,746
Retail - Restaurants	22,165,992	24,133,080	26,785,161	28,579,894	29,871,371	32,536,241	31,440,715	30,529,296	33,419,129
Retail - Miscellaneous	11,872,621	12,105,090	12,491,546	9,351,907	15,070,351	15,218,655	14,385,069	13,908,037	14,647,439
Retail - Hotel	1,771,320	1,802,625	1,916,921	1,848,719	2,480,909	2,578,607	2,242,911	1,853,185	1,917,219
Services - Business	3,842,783	4,342,479	3,834,961	4,905,357	6,426,879	3,983,746	4,518,959	1,509,937	1,432,019
Services - Other	6,055,006	5,731,898	6,379,944	5,772,404	5,814,532	6,729,053	6,484,679	8,785,053	8,660,226
All Other Categories	307,444	346,162	269,469	1,201,410	728,657	1,956,101	1,194,079	1,469,187	1,494,020
Total	\$ 202,274,914	\$ 238,540,317	\$ 246,015,588	\$ 263,389,651	\$ 278,161,666	\$ 286,356,071	\$ 283,718,878	\$ 259,691,506	\$ 264,896,799

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
- Sales for FY 2001 and 2002 are unavailable

CITY OF SAND SPRINGS OKLAHOMA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
June 30, 2011
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
2002	60,901,761	19,524,284	5,285,825	85,711,870	4,181,276	81,530,594	0.15	779,198,818
2003	64,521,953	20,449,159	6,020,730	90,991,842	4,342,168	86,649,674	6.36	827,198,564
2004	68,396,346	18,827,956	6,555,673	93,779,975	4,417,750	89,362,225	8.70	852,545,227
2005	71,179,763	16,549,935	7,011,950	94,741,648	4,445,326	90,296,322	7.92	861,287,709
2006	74,318,446	16,177,751	7,460,217	97,956,414	4,442,804	93,513,610	5.03	890,512,855
2007	78,205,350	18,076,819	7,488,210	103,770,379	4,227,931	99,542,448	13.41	943,367,082
2008	86,263,297	20,591,649	7,110,571	113,965,517	4,295,289	109,670,228	11.25	1,036,050,155
2009	90,627,821	22,683,328	3,490,138	116,801,287	4,291,332	112,509,955	10.74	1,061,829,882
2010	94,163,935	25,551,946	8,459,397	128,175,278	4,238,669	123,936,609	10.06	1,165,229,800
2011	96,715,793	18,912,594	8,387,535	124,015,922	4,247,420	119,768,502	10.08	1,127,417,473

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, 2011
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	
2002	0.15		64.06	24.31	8.39	13.33	110.24
2003	6.36		71.16	23.83	8.31	13.33	122.99
2004	8.70		69.07	18.89	8.28	13.33	118.27
2005	7.92		72.39	22.61	7.21	13.33	123.46
2006	5.03		73.24	22.59	7.21	13.33	121.40
2007	13.41		73.45	22.21	7.21	13.33	129.61
2008	11.25		71.81	22.21	7.21	13.33	125.81
2009	10.74		68.35	22.21	7.21	13.33	121.84
2010	10.06		69.71	22.21	7.21	13.33	122.52
2011	10.08		73.92	22.21	7.21	13.33	126.75
2012	9.55		73.42	22.24	7.21	13.33	125.75

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.

CITY OF SAND SPRINGS, OKLAHOMA
PRINCIPAL PROPERTY TAXPAYERS
 Current Year And Ten Years Ago
 June 30, 2011
TABLE 10

	2011			2002			
	Type of Business	Taxable Assessed Value	Rank	Percentage of Net Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Net Total Assessed Value
Chemlink Inc/Baker Petrolite	Manufacturing	3,990,001	1	3.40%	\$ 2,199,636	4	2.58%
AEP	Utility	3,663,130	2	3.12%	2,307,935	3	2.71%
Webco Industries	Manufacturing	3,150,001	3	2.68%	2,762,711	2	3.24%
Gerdau Ameristell	Manufacturing	2,027,650	4	1.73%	7,260,146	1	8.52%
AT&T	Utility	1,685,895	5	1.44%	1,833,836	5	2.15%
Sand Springs Home	Real Estate	1,526,292	6	1.30%	—	—	—
Daniel Kamin Sand Springs	Real Estate	1,492,843	7	1.27%	—	—	—
Highland Crossing	Apartment	1,240,195	8	1.06%	—	—	—
Yellowhouse Machinery Co*	Construction Equipment	1,220,686	9	1.04%	1,168,037	6	1.37%
Oklahoma Natural Gas	Utility	952,035	10	0.81%	—	—	—
Wal-Mart	Retail	921,948	11	0.79%	763,318	8	0.90%
Green Tree	Real Estate	846,271	12	0.72%	—	—	—
Cust-O-Fab	Manufacturing	845,188	13	0.72%	—	—	—
Cox Communications	Communications	696,931	14	0.59%	—	—	—
Fibercast	Manufacturing	667,270	15	0.57%	727,495	9	0.85%
TransAmerica Equipment	Leasing	—	—	—	916,761	7	1.08%
Sand Springs Apartments	Real Estate	—	—	—	709,844	10	0.83%
Totals		\$ 24,926,336		21.24%	\$ 20,649,719		24.23%

Source:

1. Tulsa County Assessors Office

* Formerly Keystone Equipment

CITY OF SAND SPRINGS, OKLAHOMA
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years
 June 30, 2011
 TABLE 11

Fiscal Year	Actual Levy Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Collected to Total Levy	Net Assessed Value	Mill Levy
2002	2001	12,508	12,062	96%	642	12,704	102%	81,530,594	0.15
2003	2002	549,996	523,750	95%	1,241	524,991	95%	86,649,674	6.36
2004	2003	777,503	732,478	94%	26,805	759,283	98%	89,362,225	8.70
2005	2004	715,182	680,985	95%	32,684	713,669	100%	90,296,322	7.92
2006	2005	469,940	465,188	99%	13,761	478,949	102%	93,513,610	5.03
2007	2006	1,335,081	1,311,419	98%	9,510	1,320,929	99%	99,542,448	13.41
2008	2007	1,234,615	1,208,401	98%	41,784	1,250,185	101%	109,670,228	11.25
2009	2008	1,243,871	1,205,963	97%	20,900	1,226,863	99%	112,509,955	10.74
2010	2009	1,246,887	1,202,135	96%	23,103	1,225,238	98%	123,936,609	10.06
2011	2010	1,207,455	1,184,282	98%	63,032	1,247,314	103%	119,768,502	10.08

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, 2011
 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
2002	17,451	81,530,594	8,840,000	696,008	8,143,992	9.99%	467
2003	17,695	86,649,674	10,480,000	1,035,359	9,444,641	10.90%	534
2004	17,700	89,362,225	9,260,000	1,218,159	8,041,841	9.00%	454
2005	17,640	90,296,322	7,875,000	1,240,925	6,634,075	7.35%	376
2006	17,765	93,513,610	12,851,029	944,629	11,911,893	12.74%	671
2007	17,877	99,542,448	11,445,000	1,263,778	10,199,140	10.25%	571
2008	18,450	109,670,228	10,080,000	1,139,456	8,829,815	8.05%	479
2009	18,489	112,509,955	9,195,000	1,102,825	8,092,175	7.19%	438
2010	18,868	123,936,609	8,310,000	1,080,982	7,229,018	5.83%	383
2011	18,906	119,768,502	7,425,000	1,132,394	6,292,606	5.25%	333

Note:

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

CITY OF SAND SPRINGS, OKLAHOMA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2011
TABLE 13

<u>Jurisdiction</u>	<u>Net (1) Debt Outstanding</u>	<u>Percentage (2) Applicable to City of Sand Springs</u>	<u>Amount Applicable to City of Sand Springs</u>
City of Sand Springs	6,292,606	100.00%	\$6,292,606
Sand Springs School District	13,877,889	75.52%	10,480,960
Berryhill School District	1,906,363	27.16%	517,729
Tulsa County	0	2.61%	0
Tulsa Community College	0	2.56%	0
Total	<u>\$22,076,858</u>		<u>\$17,291,295</u>

Source:

1. Tulsa & Osage County Assessors Office

Note:

1. Gross general bonded debt outstanding less debt service reserves.
2. Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the City of Sand Springs.

CITY OF SAND SPRINGS, OKLAHOMA
 LEGAL DEBT MARGIN INFORMATION
 Last Nine Fiscal Years
 June 30, 2011
 TABLE 14

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 8,664,967	\$ 8,936,223	\$ 9,029,632	\$ 9,351,361	\$ 9,954,245	\$ 10,967,023	\$ 11,579,257	\$ 12,393,661	\$ 11,976,850
Total net debt applicable to limit	<u>3,626,000</u>	<u>3,988,000</u>	<u>3,690,692</u>	<u>7,945,207</u>	<u>7,682,782</u>	<u>7,064,879</u>	<u>6,447,018</u>	<u>5,829,158</u>	<u>5,211,297</u>
Legal debt margin	\$ 5,038,967	\$ 4,948,223	\$ 5,338,940	\$ 1,406,154	\$ 2,271,463	\$ 3,902,144	\$ 5,132,239	\$ 6,564,503	\$ 6,765,553
Total net debt applicable to the limit as a percentage of debt limit	41.85%	44.63%	40.87%	84.96%	77.18%	64.42%	55.68%	47.03%	43.51%
Legal Debt Margin Calculation for Fiscal Year 2011									
Net assessed valuation	\$ 119,768,502								
Debt limit (10% of total assess value)	\$ 11,976,850								
Debt applicable to limit:									
General obligation bonds	\$ 7,425,000								
Less: Street bonds outstanding	<u>2,213,703</u>								
Total net debt applicable to limit	<u>5,211,297</u>								
Legal debt margin	<u>\$ 6,765,553</u>								

Note:

1. Article 10, Section 26 of the Constitution of the State of Oklahoma limits municipal debt to 10% of net assessed valuation.
2. Article 10, Section 27 of the Constitution of the State of Oklahoma limits municipal debt to non-utility or non-street purposes.
3. Comparative information prior to Fiscal year 2003 is not available

**CITY OF SAND SPRINGS, OKLAHOMA
MUNICIPAL AUTHORITY
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
June 30, 2011
TABLE 15**

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Average Annual Debt Service (1)	Debt Service Coverage
2002	8,555,058	4,429,837	4,125,221	755,479	5.46
2003	8,348,538	4,390,935	3,957,603	1,001,369 (2)	3.95
2004	8,786,415	4,811,606	3,974,809	1,184,771	3.35
2005	8,810,534	4,833,031	3,977,503	785,719	5.06
2006	10,918,580	(3) 5,362,886	5,555,694	898,125	6.19
2007	11,510,750	5,571,560	5,939,190	898,125	6.61
2008	11,668,999	6,006,857	5,662,142	898,125	6.30
2009	11,883,093	5,773,039	6,110,054	898,125	6.80
2010	11,387,089	5,250,446	6,136,643	779,905	7.87
2011	12,028,674	5,292,914	6,735,760	779,905	8.64

Note:

1. Average annual debt service includes principal, interest and fee payments to fiscal agents for revenue bonds payable secured by or for which debt service is paid from trust revenue.
2. Beginning in fiscal year 2003, the SSMA issued OWRB Notes Payable that contained a coverage requirement based on maximum annual debt service on the OWRB notes and all parity debt. The maximum annual debt service totaled \$1,241,172 with coverage computed at 3.20
3. In fiscal year 2006 a 5-year utility rate plan was implemented.

CITY OF SAND SPRINGS, OKLAHOMA
RATIO FOR OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
June 30, 2011
TABLE 16

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases Payable	Revenue Bonds Payable	Notes Payable	Capital Leases Payable	Revenue Bonds Payable			
2002	8,840,000	16,936	6,435,000	2,309,210	157,411	17,758,557	3%	1,018	
2003	10,480,000	11,025	5,885,000	6,034,229	116,710	22,526,964	4%	1,273	
2004	9,260,000	5,192	5,315,000	8,168,023	74,374	22,822,589	4%	1,289	
2005	7,875,000	-	4,725,000	12,070,030	30,337	24,700,367	4%	1,400	
2006	12,845,000	27,961	4,120,000	14,860,010	50,222	31,903,193	5%	1,796	
2007	11,445,000	31,572	3,475,000	15,937,925	131,078	31,020,575	4%	1,735	
2008	10,080,000	429,840	2,815,000	14,839,240	139,430	28,303,510	4%	1,534	
2009	9,195,000	368,838	2,120,000	13,916,658	91,328	25,691,824	3%	1,390	
2010	8,310,000	307,769	1,390,000	13,946,941	35,601	23,990,311	3%	1,271	
2011	7,425,000	248,085	620,000	13,328,720	12,279	21,634,084	3%	1,144	



DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF SAND SPRINGS, OKLAHOMA
BUILDING PERMITS, CONSTRUCTION AND BANK DEPOSITS
 Last Ten Calendar Years
 June 30, 2011
 TABLE 17

Calendar Year	Number of Building Permits	Construction Values			Total	Estimated Actual Value of Taxable Property	Bank Deposits
		Residential	Commercial				
2001	255	11,421,679	21,429,210		32,850,889	779,198,818	201,415,985
2002	198	11,047,824	10,134,931		21,182,755	827,198,564	203,616,498
2003	215	12,250,018	12,880,803		25,130,821	852,545,227	251,450,628
2004	201	12,801,411	6,653,632		19,455,043	861,287,709	219,899,302
2005	262	17,937,748	19,754,327		37,692,075	890,512,855	231,672,353
2006	273	14,862,545	11,365,538		26,228,083	943,367,082	248,778,000
2007	214	18,188,885	27,922,578		46,111,463	1,036,050,155	275,757,000
2008	190	15,838,709	14,167,699		30,006,408	1,061,829,882	279,222,000
2009	195	12,901,230	7,665,365		20,566,595	1,165,229,800	272,193,000
2010	190	10,910,659	27,059,845		37,970,504	1,127,417,473	275,391,000

Source:

1. City Neighborhood Services Department
2. FDIC - Summary of Deposits website

CITY OF SAND SPRINGS, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Calendar Years
 June 30, 2011
 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)
2001	17,451	547,473	31,372	N/A	4,962	4.8%
2002	17,695	541,237	30,587	N/A	4,984	5.7%
2003	17,700	547,072	30,908	N/A	4,940	4.7%
2004	17,640	575,240	32,610	34.5	4,972	4.5%
2005	17,765	602,589	33,920	35.1	5,017	3.9%
2006	17,877	671,532	37,564	34.5	5,315	4.5%
2007	18,450	705,141	38,219	35.1	5,425	4.1%
2008	18,489	778,387	42,100	35.1	5,328	4.9%
2009	18,868	761,645	40,367	35.1	5,327	7.7%
2010	18,906	771,232	40,793	35.2	5,261	7.9%

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)
3. US Census Bureau - American Fact Finder
4. Sand Springs School District
5. Bureau of Labor Statistics, for the Tulsa metropolitan area.

**CITY OF SAND SPRINGS, OKLAHOMA
PRINCIPAL EMPLOYERS
Current Year And Ten Years Ago
June 30, 2011
TABLE 19**

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sand Springs Schools	611	1	9.68%	695	1	10.42%
Wal Mart	452	2	7.16%	183	6	2.74%
Webco	437	3	6.92%	300	3	4.50%
City of Sand Springs	185	4	2.93%	202	5	3.03%
Baker Petrolite	161	5	2.55%	145	8	2.17%
Cust-O-Fab	150	6	2.38%	150	7	2.25%
Tulsa Community College	127	7	2.01%			
Keystone Chevrolet	86	8	1.36%	99	11	1.48%
Fiber Glass Systems*	73	9	1.16%	101	10	1.51%
Big K	70	10	1.11%	85	12	1.27%
Lloyd Radar Center	—	—		290	4	4.35%
Gerdau Ameristeel	—	—		346	2	5.19%
P2S	—	—		125	9	1.87%
Totals	2,352		37.27%	2,721		40.81%

Source:

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

Note:

1. 2011 percentage is based on the U S Census Bureau 2010 totals
2. 2002 numbers total 6,311 and 2009 numbers total 6,668
3. *Fiber Glass Systems previously known as Fibercast



OPERATING INFORMATION

CITY OF SAND SPRINGS OKLAHOMA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 6/30/2011
 TABLE 20

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	6	6	6	6	5	5	7	7	5	5
Planning and Zoning	1	1	1	1	1	1	1	1	1	1
Financial Administration	21	21	20	21	22	22	22	20	18	16
Public Safety	83	85	83	83	83	85	87	84	82	76
Highways and Streets	16	16	14	14	14	14	14	12	12	8
Culture and Recreation	13	13	12	13	13	13	14	14	11	7
Economic Development	1	1	1	1	1	1	1	1	1	1
Facilities Management & Maint	10	10	10	10	10	10	10	10	10	8
Water Operations	33	33	31	33	33	33	33	32	32	31
Stormwater						1	1	1	1	1
Wastewater Operations	20	20	20	20	20	20	20	19	19	19
Solid Waste Operations	12	12	10	11	11	11	11	11	11	11
Airport Operations	1	1	1	1	1	1	1	1	1	1
Golf Course Operations	10	10	8	8	8	8	8	8	0	0
Total	227	229	217	222	222	225	230	221	204	185

Source:
 1. City Finance Office

CITY OF SAND SPRINGS OKLAHOMA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 June 30, 2011
TABLE 21

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	29	29	29	29	29	31	31	33	33	38
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Trucks	10	10	10	10	10	10	11	11	11	13
Highways and Streets										
Roadways (arterial lane miles)	170	170	170	170	170	170	170	170	170	170
Streetslights	947	968	1,009	1,033	1,034	1,074	1,096	1,208	1,209	1,209
Signalized Intersections	17	18	18	18	18	18	18	18	18	18
Culture and Recreation										
Acreage	262	262	262	262	262	263	263	263	263	263
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Ball diamonds	13	13	13	13	13	13	13	13	13	13
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)	406	412	417	420	422	426	430	431	448	452
Storage capacity (thousands of gallons)	6,550	6,550	6,550	6,550	6,550	6,550	7,023	7,023	7,023	7,023
Wastewater Operations										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (miles)	104	106	110	111	119	120	122	122	126	126
Treatment capacity (thousands of gallons)	2,760	2,760	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120
Solid Waste Operations										
Collection Trucks	8	8	8	8	8	9	8	8	10	10
Stormwater Operations										
Storm sewers (miles)	49	49	49	49	49	50	50	50	50	50

Source:

1. City Departments

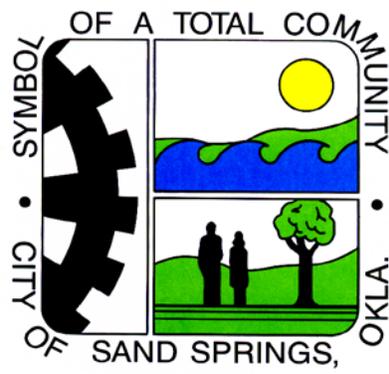
CITY OF SAND SPRINGS OKLAHOMA
OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 June 30, 2011
 TABLE 22

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police										
Number of Violations (Citations)	6,004	4,637	4,676	3,642	5,529	5,448	6,433	5,031	10,029	8,859
Fire										
Call Responses	1,865	1,859	2,033	2,363	2,648	2,866	3,452	3,054	3,033	3,475
Highways and Streets										
Streets Resurfacing (lane miles)	-	25	-	22	-	-	31	7	7	14
Asphalt Repairs (tons)	2,218	700	507	952	872	255	98	82	145	258
Culture and Recreation										
Community Center Visitors (daily average)	163	175	169	150	138	119	125	264	348	338
Water and Wastewater Operations										
Number of Water Consumers	10,740	10,861	10,880	10,890	10,927	11,007	11,059	11,151	11,828	11,774
Average Daily Water Consumption (thousands of gallons)	3,650	3,515	3,454	3,200	3,480	3,446	3,175	3,072	2,844	2,839
Number of Sewer Consumers	6,605	6,610	6,610	6,620	6,658	6,701	6,680	6,731	6,827	6,792
Solid Waste Operations										
Refuse collected (tons per day)	N/A	N/A	51	49.9	51.1	53.3	50.4	48.3	41.3	41.1
Active Refuse Accounts	6,520	6,682	6,700	6,720	6,725	6,703	6,740	6,789	6,883	6,850
Airport Operations										
Annual Aviation/Jet Fuel Sales ¹	89,203	78,334	82,970	67,912	59,739	38,470	34,868	30,944	29,168	30,006
Golf Operations										
Number of Rounds Played	28,194	24,456	22,237	21,693	23,720	20,533	18,269	19,942	19,542	23,880

Source: City Departments

Note:

1. FY 2007 city no longer selling jet aviation fuel





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