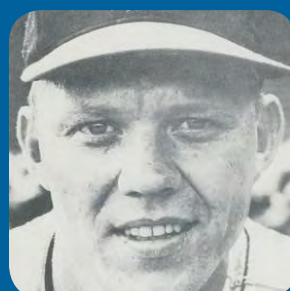
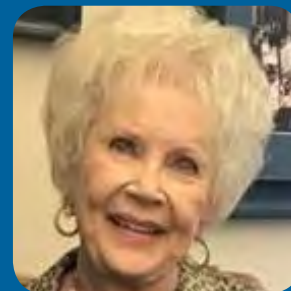


WHAT'S IN A NAME?

THE CITY OF  
SAND SPRINGS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For Fiscal Year Ended June 30, 2018



**CITY OF SAND SPRINGS**  
**PHOTO INDEX OF COVER PAGE**

1. Charles Page – Founder of Sand Springs, Oklahoma.
2. Marques Haynes – Harlem Globetrotter; National Association of Intercollegiate Athletics Hall of Fame 1985; Sand Springs Sandite Hall of Fame 1990; Jim Thorpe Hall of Fame 1993; Oklahoma Sports Hall of Fame 1993; Langston University Hall of Fame 1995; Naismith Basketball Hall of Fame 1998; Oklahoma Hall of Fame 2011.
3. William Pogue – Was one of the 19 astronauts selected by NASA in April of 1966. He was pilot of Skylab 4 on the longest manned flight for 84 days, 1 hour and 15 minutes. 5 Civilized Tribes Hall of Fame 1975; Oklahoma Aviation and Space Hall of Fame 1980; Sand Springs Sandite Hall of Fame 1990; US Astronaut Hall of Fame 1997.
4. Jan Hagara – Artist, Jan Hagara collectibles.
5. Mary Johnson – Served 56 years as the Director of the Charles Page Widows Colony, now called the Charles Page Family Village.
6. Richard Courter – University of Tulsa Athletic Hall of Fame 1993; Sand Springs Sandite Hall of Fame 1994.
7. Deborah Browers Barnes – Judge, Oklahoma Court of Civil Appeals; Sand Springs Sandite Hall of Fame 2009.
8. Mary Sue Overbey – One of the first three females to be inducted into the Rotary Club of Sand Springs; first female club President of Rotary Club of Sand Springs 1994-1995.
9. Laura Mae Barnes – Served as Librarian of Page Memorial Library from 1962-1981; State President of the Oklahoma Association of Mothers' Clubs.
10. Billie A. Hall – Army Staff Sergeant Billie A. Hall served as a medic during the Vietnam War. He ran through enemy fire to assist in dragging the wounded to safety and treating them. He sustained a direct hit from enemy fire blowing off both of his legs. He refused treatment until he could finish treating others until his body could no longer withstand his injuries and he died.
11. Bennie Osborn – First ever back-to-back National Hot Rod association Top Fuel World Champion, winning in 1967 and 1968; Sand Springs Sandite Hall of Fame 2002; International Drag Racing Hall of Fame 2004.
12. John M. Hess – Served as the Mayor and Finance Commissioner of Sand Springs from 1963 through 1970. The John M. Hess Municipal Award for Outstanding Citizenship is given annually to an individual who has taken a leadership role in community affairs, exemplified honesty and integrity in character, and has been selfless in commitment of time and talents to the community's well-being and prosperity.
13. Jerry Adair – Played for the Baltimore Orioles, setting numerous records during his 13-year pro career. He won the Gold Glove award in 1964 then was traded to the Boston Red Sox in 1966. Sand Springs Sandite Hall of Fame 1992; Oklahoma State University Baseball Hall of Fame 2001.
14. Opal Clark – Author, *A Fool's Enterprise: The Life of Charles Page*; Sand Springs Sandite Hall of Fame 2003.
15. John Fitzgerald Blake – Athlete and Coach; Outstanding Young Men in America 1988; Named the 29<sup>th</sup> Head Coach at the University of Oklahoma 1995; Sand Springs Sandite Hall of Fame 1996.



**CITY OF SAND SPRINGS, OKLAHOMA**

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

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2018**

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

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

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

**CITY OF SAND SPRINGS, OKLAHOMA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 AND ACCOMPANYING INDEPENDENT AUDITOR’S REPORTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**TABLE OF CONTENTS**

	<u>Page</u>
<b><u>INTRODUCTION SECTION:</u></b>	
Letter of Transmittal	1-6
Principal Officials and Staff	7
City Organizational Chart	8
Certificate of Achievement for Excellence in Financial Reporting	9
<b><u>FINANCIAL SECTION:</u></b>	
INDEPENDENT AUDITOR’S REPORT	11-12
MANAGEMENT’S DISCUSSION AND ANALYSIS	13-21
<b>BASIC FINANCIAL STATEMENTS:</b>	
Government-wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	24
Fund Financial Statements:	
Balance Sheet – Governmental Funds	25
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	26
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	28
Statement of Net Position – Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	30
Statement of Cash Flows – Proprietary Funds	31-32
Notes to the Basic Financial Statements	33-76
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of Share of Net Pension Liability – Police Pension	77
Schedule of City Contributions – Police Pension	78
Schedule of Share of Net Pension Liability – Firefighter’s Pension	79
Schedule of City Contributions – Firefighter’s Pension	80
Budgetary Comparison Schedule – General Fund	81-84
Notes to Required Supplementary Information	85
Schedule of Changes in Total OPEB Liability and Related Ratios	86
<b>OTHER SUPPLEMENTARY INFORMATION:</b>	
Combining Balance Sheet – General Fund Accounts	87
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – General Fund Accounts	88
Combining Balance Sheet – Nonmajor Governmental Funds	89-90

**CITY OF SAND SPRINGS, OKLAHOMA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**TABLE OF CONTENTS**

(Continued)

	<u>Page</u>
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	91-92
Budgetary Comparison Schedule – Nonmajor Governmental Funds	93-100
Budgetary Comparison Schedule – Major Governmental Funds	101-102
Statement of Cash Flows – Discretely Presented Component Units	103
Schedule of Debt Coverage	104
Schedule of Expenditures of Federal Awards	105

**STATISTICAL SECTION:**

Table

**FINANCIAL TRENDS**

Net Position by Component	1	107
Changes in Net Position	2	108-109
Fund Balances, Governmental Funds	3	110
Changes in Fund Balances, Governmental Funds	4	111
Governmental Activities Tax Revenues by Source	5	112

**REVENUE CAPACITY**

Sales Tax Rates of Direct and Overlapping Governments	6	113
Taxable Sales by Category	7	114
Assessed Value and Estimated Actual Value of Taxable Property	8	115
Property Tax Rates – Direct and Overlapping Governments	9	116
Principal Property Taxpayers	10	117
Property Tax Levies and Collections	11	118

**DEBT CAPACITY**

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita	12	119
Computation of Direct and Overlapping Debt	13	120
Legal Debt Margin Information	14	121
Municipal Authority Pledged Revenue Coverage	15	122
Ratio for Outstanding Debt by Type	16	123

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Building Permits, Construction and Bank Deposits	17	125
Demographic and Economic Statistics	18	126
Principal Employers	19	127

**OPERATING INFORMATION**

Full-Time Equivalent City Government Employees by Function/Program	20	129
Capital Asset Statistics by Function/Program	21	130
Operating Indicators by Function/Program	22	131

**CITY OF SAND SPRINGS, OKLAHOMA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**TABLE OF CONTENTS**  
(Continued)

	<b><u>Page</u></b>
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL AND COMPLIANCE	133-134

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# INTRODUCTION SECTION







# CITY OF SAND SPRINGS

100 E. Broadway St. • P.O. Box 338 • Sand Springs, Oklahoma 74063  
Phone: 918.246.2500 • [sandspringsok.org](http://sandspringsok.org)

December 31, 2018

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, 2018, is hereby submitted as mandated by the city charter and state statutes. The City is required to publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts.

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

The City’s financial statements have been audited by Arledge & Associates, P.C., a firm of licensed certified public accountants. The independent audit was conducted to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent auditor has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2018. The independent auditor’s report is presented as the first component of the financial section of this report.

Management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A).

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

## **Profile of the Government**

Sand Springs is located in Northeast Oklahoma, six miles west of Tulsa. The City was incorporated as a city in 1912, just five years after statehood. The city is continually flourishing with an area of 22 square miles, an extended growth area of 150 square miles, and a city population estimated by INCOG at 19,909.

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

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

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

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

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

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

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

### **Local Economy**

The local economy for Sand Springs continues to improve as the city experiences business growth and new jobs, resulting in higher taxable sales and reduced unemployment. Taxable sales in fiscal year 2018 went up by 4% over prior year, which is the highest increase in 4 years. The sectors that experienced the largest increase in taxable sales include manufacturing, retail- general merchandise, retail- food, and public utilities. The increase in manufacturing taxable sales is the result of new construction of commercial buildings and residential homes over the past couple years. Building permits were up in calendar year 2017 with construction values totaling over \$37 million, which is the highest value of new construction the City has seen since 2011. Retail sales are up partially due to new development in the River West corridor as well as the expansion of existing businesses and the addition of new retail businesses throughout the city last year. The unemployment rate in the Tulsa metropolitan area continues to fall and was at 3.5% by the end of calendar year 2017. This is the lowest the city has seen in several years. Per capita income also rose by 9% over last year, which has helped to contribute to the improving local economy.

### **Major Initiatives**

The City of Sand Springs remains committed to bringing improvements for the community with multiple capital improvement projects and equipment purchases. Following is a brief listing of current projects:

- **Billie A. Hall Public Safety Center-** This \$10.7M public safety complex will feature the new home for Sand Springs Police and Sand Springs Fire Departments. Additionally, municipal court staff will be housed in this state of the art complex.
- **Wastewater Treatment Plant Launch-** This new \$15M state of the art facility is now in service, providing more than 3M gallons of wastewater treatment.
- **Fire Station No. 2-** A replacement fire station was officially opened in August 2018. The \$1.5M facility is located in South Sand Springs.
- **Sheffield Crossing Land Acquisition-** The City acquired a strategic 18-acre parcel of land during the last year from previous owner OmniTRAX, Inc. The land is planned to be used for commercial and retail business activities, providing additional growth to the diverse local economy for Sand Springs. The \$6M purchase is the largest economic development project by the City in more than 10 years.
- **Case Community Park-** This 110-acre community park was dedicated in September of 2017 and saw more than \$6.2M of investment into the quality of life infrastructure for the City's vast park and trails system. The new park features playgrounds, trails, and amenities which have made this park into one of Tulsa metro's favorite places to enjoy. Additional parking, rental shelters, and upgrades are currently under construction.
- **The LINK-** The City of Sand Springs has identified a former city office space for use as an economic development tool in the downtown district of Sand Springs. The new lease declares a venture to create economic development through the development of jobs and small businesses in the downtown district. The building has been made available to the Sand Springs Chamber for the creation of a business incubator model and co-working space, thereby allowing small business start-ups to occur.
- **Community Beautification-** In the past year, the City has cleared over 2 miles of 1950's highway fencing, trees, and vegetation along our most visible highway corridors. We have also contracted with a local artist to add murals to a couple structures around the city. We have also placed underpass lighting at the Main Street highway bridge. We have added beautiful new 3-rail white vinyl fencing to denote those areas along the roadway as definitely "Sand Springs." We have more plans such as this in 2019!

- **Morrow Road Project-** The project will rebuild Morrow Road from Broad Street to Highway 97. The primary elements include removal of the existing 2-lane asphalt roadway, relocating an existing sanitary sewer force main, extending a new gravity sanitary sewer main, extending a new water main, and widening the roadway to 3-lanes of concrete paving
- **New Fire Department Ladder Truck-** This \$1.2M piece of apparatus is specifically designed to provide 20 years of hard work in our community. The ladder reaches over 100' out, pumps 2000 gallons/minute, can spray foam, and has extraction tools. Equipment such as this is purchased about once every 20 years and is a major equipment milestone.
- **Keystone Ancient Forest Visitors Center-** This exciting new project is in the planning stages. An architectural design contract has been secured with preliminary concepts being developed. Watch for this project to take shape next spring.
- **City of Sand Springs Municipal Building (Partial) Remodel-** Using bond funds, City staff have secured an architectural design contract and are working through assessing the 1920's era portion of the building, which was mated with a newer section approximately 40 years ago. The remodel project will likely focus on the first floor space, efficiencies in workspace, function, and customer satisfaction. Funding for the construction phase for this project is in the waiting.

### **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, 2017. This was the 28th 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 22nd consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year 2017. This award recognizes conformance with the highest standards for preparation of state and local popular reports.

The popular report is an easily understandable financial report on all activities for the general public at large.

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

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

Respectfully Submitted,



Elizabeth A Gray  
City Manager



Kelly A Lamberson  
Finance Director

**CITY OF SAND SPRINGS, OKLAHOMA**

**PRINCIPAL OFFICIALS AND STAFF**

**JUNE 30, 2018**

MAYOR AND CITY COUNCIL

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

FINANCE COMMITTEE

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

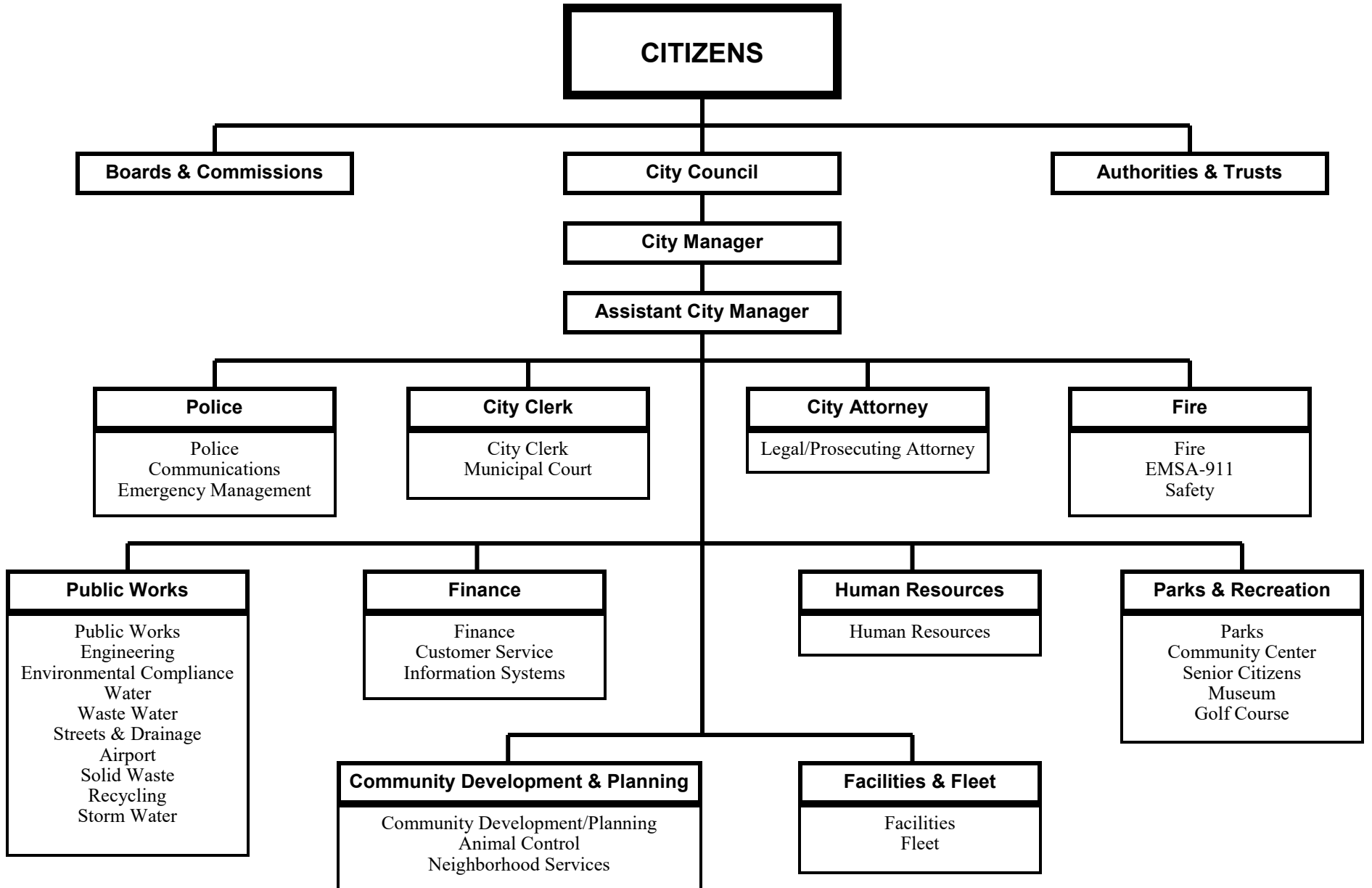
ADMINISTRATION

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

ACCOUNTING STAFF

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

# CITY OF SAND SPRINGS







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Sand Springs  
Oklahoma**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

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# FINANCIAL SECTION



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR YEAR ENDING JUNE 30 2018



## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sand Springs, Oklahoma (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



December 21, 2018

**MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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As Management of the City of Sand Springs, we offer readers this narrative overview and analysis of the financial activities of the City of Sand Springs for the fiscal year ended June 30, 2018. We encourage readers to use this information in conjunction with the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- The City's total net position increased by \$5.5 million and the assets and deferred outflows of the City continued to exceed its liabilities and deferred inflows at June 30, 2018, by \$134.2 million (net position). Of this amount, \$24 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2018, the City's governmental funds reported combined ending fund balances of \$47.4 million.
- At the end of fiscal year 2018, unassigned fund balance for the General Fund was \$4.1 million or 20.6% of General Fund revenues.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements presented herein include all of the activities of the City of Sand Springs (the "City"), the Sand Springs Municipal Authority (the "Authority") and a discretely presented component unit. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type, along with one discretely presented component unit. In the prior years, the City included a second discretely presented component unit; however, it is immaterial and not included in this report. See also Note 1.A.

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

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

This discussion and analysis is intended to serve as an introduction to the City of Sand Springs' basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 23 & 24, respectively) report information about the City as a whole and about its activities in a way that helps answer questions. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting. All of the current year's revenues, expenses and deferrals are taken into account regardless of when cash is received or paid.

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

The Statement of Net Position and the Statement of Activities are divided into three types of activities:

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

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

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

MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018

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

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

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

The notes provide additional information that is essential to gain understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 33-76 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which includes General Fund Budgetary Comparison Schedule, Notes to Required Supplemental Information Budgetary Comparison Schedule, Schedules of Share of Net Pension Liability for both Police and Firefighter's Pension, Schedule of City Contributions for Police, Firefighter's and OkMRF Retirement Systems, Schedule of Changes in Net Pension Liability and Employee Contributions for OkMRF, and a Schedule of Changes in Total OPEB Liability and Related Ratios. Other supplementary information includes Combining and Individual Fund Financial Statements and Schedules, Budgetary Comparison Combining Schedules for Nonmajor Governmental Funds, Cash Flow Statements for component units, a Schedule of Debt Service and Schedule of Federal Awards. This information can be found on pages 77-105 of this report.



**MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

Also included in this report is the Statistical Section which can be found on pages 107-131. This section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of the City of Sand Springs.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The largest portion of the City's net position reflects investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. This year the net investment in capital assets amounted to \$97.4 million. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. The Discretely Presented Component Unit is excluded from the following table.

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$ 36,850	\$ 37,689	\$ 28,609	\$ 28,918	\$ 65,459	\$ 66,607
Capital assets	55,125	43,498	89,308	88,674	144,433	132,172
<b>Total assets</b>	<b>91,975</b>	<b>81,187</b>	<b>117,917</b>	<b>117,592</b>	<b>209,892</b>	<b>198,779</b>
Deferred outflows of resources:						
Deferred amounts related to pension	2,431	2,630	-	-	2,431	2,630
Deferred amounts related to OPEB	14	-	7	-	21	-
<b>Total deferred outflows</b>	<b>2,445</b>	<b>2,630</b>	<b>7</b>	<b>-</b>	<b>2,452</b>	<b>2,630</b>
Liabilities:						
Long-term liabilities	40,681	32,739	34,002	34,985	74,683	67,724
Other liabilities	1,406	1,651	1,013	1,057	2,419	2,708
<b>Total liabilities</b>	<b>42,087</b>	<b>34,390</b>	<b>35,015</b>	<b>36,042</b>	<b>77,102</b>	<b>70,432</b>
Deferred inflows of resources:						
Deferred amounts related to pension	824	116	-	-	824	116
Deferred amounts related to OPEB	115	-	60	-	175	-
<b>Total deferred inflows</b>	<b>939</b>	<b>116</b>	<b>60</b>	<b>-</b>	<b>999</b>	<b>116</b>
Net position:						
Net investment in capital assets	40,484	37,377	56,884	54,851	97,368	92,228
Restricted	10,453	11,330	3,681	2,420	14,134	13,750
Unrestricted	457	604	22,283	24,279	22,740	24,883
<b>Total net position</b>	<b>\$ 51,394</b>	<b>\$ 49,311</b>	<b>\$ 82,848</b>	<b>\$ 81,550</b>	<b>\$ 134,242</b>	<b>\$ 130,861</b>

\* prior year amounts not restated for MD&A purposes

**MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
Program revenues:						
Charges for Services	\$ 1,361	\$ 1,296	\$ 16,090	\$ 15,518	\$ 17,451	\$ 16,814
Grants & Contributions	1,142	3,213	-	44	1,142	3,257
Capital Grants & Contributions	1,142	3,095	929	459	2,071	3,554
General Revenues:						
Sales & Use Tax	13,668	11,898	-	-	13,668	11,898
Other Taxes	3,437	3,593	-	-	3,437	3,593
Other General Revenues	1,440	1,185	237	66	1,677	1,251
<b>Total Revenues</b>	<b>22,190</b>	<b>24,280</b>	<b>17,256</b>	<b>16,087</b>	<b>39,446</b>	<b>40,367</b>
<b>Program Expenses:</b>						
General Government	1,418	1,453	-	-	1,418	1,453
Planning & Zoning	160	153	-	-	160	153
Financial Administration	866	814	-	-	866	814
Public Safety	9,182	8,731	-	-	9,182	8,731
Highways & Streets	2,070	2,666	-	-	2,070	2,666
Health & Welfare	30	30	-	-	30	30
Culture & Recreation	1,529	1,431	-	-	1,529	1,431
Economic Development	2,147	931	-	-	2,147	931
General Properties	586	626	-	-	586	626
Interest on Long-term Debt	684	648	-	-	684	648
Water	-	-	7,764	7,542	7,764	7,542
Wastewater	-	-	3,905	3,677	3,905	3,677
Solid Waste	-	-	1,523	1,379	1,523	1,379
Storm Water	-	-	445	403	445	403
Airport	-	-	913	943	913	943
Golf Course	-	-	852	869	852	869
<b>Total Expenses</b>	<b>18,672</b>	<b>17,483</b>	<b>15,402</b>	<b>14,813</b>	<b>34,074</b>	<b>32,296</b>
Excess/(Deficiency)	3,518	6,797	1,854	1,274	5,372	8,071
Special Item - gain on sale of capital assets	106	1,078	-	-	106	1,078
Net Transfers	169	(1,267)	(169)	1,267	-	-
<b>Increase in Net Position</b>	<b>3,793</b>	<b>6,608</b>	<b>1,685</b>	<b>2,541</b>	<b>5,478</b>	<b>9,149</b>
<b>Beginning net position, restated for 2018</b>	<b>47,601</b>	<b>42,703</b>	<b>81,163</b>	<b>79,009</b>	<b>128,764</b>	<b>121,712</b>
<b>Ending net position</b>	<b>\$ 51,394</b>	<b>\$ 49,311</b>	<b>\$ 82,848</b>	<b>\$ 81,550</b>	<b>\$ 134,242</b>	<b>\$ 130,861</b>

\* prior year amounts not restated for MD&A purposes

**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**CITY OF SAND SPRINGS, OKLAHOMA**  
**JUNE 30, 2018**

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In governmental activities, capital grants and contributions decreased from prior year by \$2.0 million. This decrease was due to the grant monies received for the river park project in the prior year. Operating grants and contributions decreased from prior year due to the receipt of \$2.0 million operating contribution for economic development in the prior year. Highways and Streets expenses also decreased approximately \$0.6 million from prior year. In the current year, governmental activities recorded a gain on sale of capital assets of \$0.1 million which is reported as a special item.

**Governmental Activities**

The City's governmental activities' increase in net position of \$3.8 million represents an 8.0% increase.

**Business-type Activities**

The business-type activities' increase in net position of \$1.7 million represents a 2.1% increase.

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

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

As the City completed its 2018 fiscal year, the governmental funds reported a combined fund balance of \$47.4 million, or a 0.9% decrease from the prior year. The enterprise funds reported combined net position of \$70.5 million, or a 2.3% increase from 2017. The fund balance and net position restrictions are listed below.

Fund Balance Classifications:

Nonspendable	\$ 18,816	
Restricted	30,955,524	
Assigned	12,395,163	
Unassigned	4,067,043	
Total Fund Balance	<u>47,436,546</u>	\$ <u>47,436,546</u>

Enterprise Funds Net Position Restrictions:

Restricted for debt service	\$ 2,450,805	
Total Net Position Restrictions	<u>2,450,805</u>	\$ <u>2,450,805</u>

**Other fund highlights include:**

For the year ended June 30, 2018, the General Fund's total fund balance increased by \$840,833, or 14.4%. The Council has established a policy for maintaining the unassigned fund balance in the General Fund at not less than 10% of net revenues. Net revenues equals total revenues less required sales tax transfers out. The total unassigned fund balance at year end was 20.6% of net revenues.

- The Public Safety Capital Improvement Fund's total fund balance decreased by \$3,184,095 due to capital projects in progress.

**General Fund Budgetary Highlights**

Comparing the fiscal year 2018 original budget (or adopted) General Fund expenditures and transfers amount of \$20,862,344 to the final budgeted amount of \$21,295,422 shows a net increase of \$433,078 or 2.1%. Total original budgeted revenues and transfers were revised from \$19,592,889 to \$19,714,754, a decrease of \$121,865 or 0.6%.

General Fund actual revenues and transfers totaled \$898,253 less than final estimates, while expenditures and transfers out were under final appropriations by \$1,499,679. Public safety and other financing uses functions were the primary reason, coming in approximately \$0.6 million under budget appropriations.

**CAPITAL ASSETS & DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2018, the City had \$144.4 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 \$12.3 million over last year.

Following are details regarding the change in the City's capital assets for the year ending June 30, 2018.<sup>1</sup>

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<sup>1</sup> For more detailed information on capital asset activity please refer to page 53, Note 3.D. Capital Assets

**MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 15,599	\$ 10,057	\$ 2,169	\$ 2,169	\$ 17,768	\$ 12,226
Buildings	9,795	9,645	47,788	30,678	57,583	40,323
Improvements & Other	4,636	4,293	41,302	40,245	45,938	44,538
Equipment	10,798	10,413	6,095	5,805	16,893	16,218
Infrastructure	44,864	43,745	57,808	56,846	102,672	100,591
Intangible	-	-	6,703	6,703	6,703	6,703
Construction-in-progress	12,046	5,706	2,996	18,449	15,042	24,155
<b>Totals</b>	<b>97,738</b>	<b>83,859</b>	<b>164,861</b>	<b>160,895</b>	<b>262,599</b>	<b>244,754</b>
Less Depreciation	(42,613)	(40,361)	(75,543)	(72,221)	(118,156)	(112,582)
<b>Totals, Net</b>	<b>\$ 55,125</b>	<b>\$ 43,498</b>	<b>\$ 89,318</b>	<b>\$ 88,674</b>	<b>\$ 144,443</b>	<b>\$ 132,172</b>

This year's more significant capital asset additions include:

- Water treatment plant improvement \$0.9 million
- Community enrichment project \$0.9 million
- Main Street improvements \$1.5 million
- Public safety facilities \$3.5 million
- Fire truck and equipment \$1.0 million

**Debt Administration**

At year-end, the City had \$63.5 million in long-term debt outstanding, which represents a \$6,891,159 increase from the prior year. These debts are further detailed as follows: <sup>2</sup>

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

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds, Net	\$ 13,090	\$ 4,195	\$ -	\$ -	\$ 13,090	\$ 4,195
Capital Lease Obligations	613	778	-	-	613	778
Notes Payable	-	-	5,407	6,089	5,407	6,089
Revenue Bonds	15,545	16,000	27,100	27,805	42,645	43,805
Accrued Compensation	907	917	337	336	1,244	1,253
Utility Deposits	-	-	499	487	499	487
<b>Totals</b>	<b>\$ 30,155</b>	<b>\$ 21,890</b>	<b>\$ 33,343</b>	<b>\$ 34,717</b>	<b>\$ 63,498</b>	<b>\$ 56,607</b>

<sup>2</sup> For more detailed information on long-term debt activity please refer to page 54, Note 3.E. Long-Term Debt

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

Sand Springs' economy has improved over the past year. The unemployment rate in the metro area showed a decline in 2018 over the previous year from 4.9% to 3.5%. Building permits were up last year with construction values totaling over \$37 million. Taxable sales in the City increased 4% over prior year, due to an increase in construction and retail sales. The FY19 budget reflects an increase in projected sales tax revenues by 1.7%; however, so far during the first 4 months of the year, sales tax revenues have exceeded prior year revenues by 10%. This is partially due to taxable sales from new retail businesses as well as the sale of materials used in new construction. Use taxes are also up so far over prior year by 137%. The FY19 budget includes an increase in water rates of 3%, which will be the last year of a 5-year utility rate increase plan that was adopted in 2015, with the final year coming up in May 2019. The City will reassess utility costs and rates during the FY20 budget process to determine how to proceed with utility rates in the next year's budget. The City maintains a 15% reserve in the General Fund for emergencies, and has begun to fund a stabilization reserve in FY19 utilizing one-time carryover funds, bringing that reserve balance to 2.2% of net revenues. The City strives to increase the stabilization reserve to 15% of net revenues. This will allow the City to better handle future economic downturns while continuing to provide the same level of services to its citizens.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Office at 100 E. Broadway, Sand Springs, Oklahoma or phone at (918) 246-2518. This report may be found on the City's website, [www.sandspringsok.org](http://www.sandspringsok.org).

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## BASIC FINANCIAL STATEMENTS

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

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

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



**City of Sand Springs, Oklahoma**  
**Statement of Net Position**  
**June 30, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Museum Trust Authority
<b>ASSETS</b>				
Cash and equivalents	\$ 25,253,439	\$ 17,686,652	\$ 42,940,091	\$ 153,874
Investments	7,906,584	8,866,710	16,773,294	-
Deposit with insurance pool	822,685	-	822,685	-
Interest receivable	8,681	9,916	18,597	-
Accounts receivable, net	450,094	1,777,601	2,227,695	-
Due from other governmental agencies	2,389,963	51,794	2,441,757	-
Inventories	18,733	206,274	225,007	-
Other assets	83	7	90	-
Capital assets:				
Capital assets, nondepreciable	27,645,005	11,868,030	39,513,035	-
Other capital assets, net of depreciation	27,479,868	77,449,794	104,929,662	-
Total Assets	<u>91,975,135</u>	<u>117,916,778</u>	<u>209,891,913</u>	<u>153,874</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts related to pension	2,431,215	-	2,431,215	-
Deferred amounts related to OPEB	13,906	7,263	21,169	-
Total Deferred Outflows of Resources	<u>2,445,121</u>	<u>7,263</u>	<u>2,452,384</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	457,685	690,391	1,148,076	1,329
Accrued interest payable	404,071	195,541	599,612	-
Accrued payroll liabilities	296,819	120,161	416,980	176
Due to other governmental agencies	201,274	1,756	203,030	26
Amounts held in escrow	46,267	-	46,267	-
Unearned revenue	-	4,989	4,989	-
Long-term liabilities:				
Due within one year	1,387,816	1,677,312	3,065,128	-
Due in more than one year	39,293,093	32,325,194	71,618,287	-
Total Liabilities	<u>42,087,025</u>	<u>35,015,344</u>	<u>77,102,369</u>	<u>1,531</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts related to pension	823,813	-	823,813	-
Deferred amounts related to OPEB	115,306	60,228	175,534	-
Total Deferred Inflows of Resources	<u>939,119</u>	<u>60,228</u>	<u>999,347</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	40,483,621	56,884,600	97,368,221	-
Restricted for:				
Capital projects	8,930,304	-	8,930,304	-
Public safety	853,706	-	853,706	-
Debt service	337,689	2,450,805	2,788,494	-
Economic development	211,161	-	211,161	-
Other projects	120,026	-	120,026	-
Unrestricted	457,605	23,513,064	23,970,669	152,343
Total Net Position	<u>\$ 51,394,112</u>	<u>\$ 82,848,469</u>	<u>\$ 134,242,581</u>	<u>\$ 152,343</u>

**City of Sand Springs, Oklahoma  
Statement of Activities  
For the Year Ended June 30, 2018**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Museum Trust Authority	
					Governmental Activities	Business-type Activities		
<b>Primary government</b>								
Governmental Activities								
General government	\$ 1,418,445	\$ 297,522	\$ -	\$ -	\$ (1,120,923)	\$ -	\$ (1,120,923)	\$ -
Planning and zoning	159,519	6,781	-	-	(152,738)	-	(152,738)	-
Financial administration	865,794	-	-	-	(865,794)	-	(865,794)	-
Public safety	9,182,181	921,272	966,778	-	(7,294,131)	-	(7,294,131)	-
Highways and streets	2,069,886	400	174,623	1,131,714	(763,149)	-	(763,149)	-
Health and welfare	29,826	-	-	-	(29,826)	-	(29,826)	-
Culture and recreation	1,528,516	135,398	-	10,600	(1,382,518)	-	(1,382,518)	-
Economic development	2,147,387	-	-	-	(2,147,387)	-	(2,147,387)	-
Facilities management and fleet maintenance	586,098	-	-	-	(586,098)	-	(586,098)	-
Interest on long-term debt	684,270	-	-	-	(684,270)	-	(684,270)	-
Total governmental activities	<u>18,671,922</u>	<u>1,361,373</u>	<u>1,141,401</u>	<u>1,142,314</u>	<u>(15,026,834)</u>	<u>-</u>	<u>(15,026,834)</u>	<u>-</u>
Business-type activities								
Water operations	7,763,775	8,444,082	-	575,252	-	1,255,559	1,255,559	-
Wastewater operations	3,905,087	3,413,943	-	61,501	-	(429,643)	(429,643)	-
Solid waste operations	1,522,908	2,032,671	335	-	-	510,098	510,098	-
Stormwater operations	445,087	1,238,509	-	214,063	-	1,007,485	1,007,485	-
Airport operations	912,916	405,962	-	78,610	-	(428,344)	(428,344)	-
Golf course operations	852,479	554,969	-	-	-	(297,510)	(297,510)	-
Total business-type activities	<u>15,402,252</u>	<u>16,090,136</u>	<u>335</u>	<u>929,426</u>	<u>-</u>	<u>1,617,645</u>	<u>1,617,645</u>	<u>-</u>
Total primary government	<u>\$ 34,074,174</u>	<u>\$ 17,451,509</u>	<u>\$ 1,141,736</u>	<u>\$ 2,071,740</u>	<u>(15,026,834)</u>	<u>1,617,645</u>	<u>(13,409,189)</u>	<u>-</u>
<b>Component Units</b>								
Culture and recreation	\$ 13,672	\$ 4,950	\$ 1,643	\$ -				(7,079)
Total component units	<u>\$ 13,672</u>	<u>\$ 4,950</u>	<u>\$ 1,643</u>	<u>\$ -</u>				<u>(7,079)</u>
<b>General revenues:</b>								
Taxes:								
Sales and use taxes					13,668,341	-	13,668,341	-
Property taxes					815,000	-	815,000	-
Franchise taxes					898,716	-	898,716	-
Abatement taxes					57,112	-	57,112	-
E-911 taxes					171,718	-	171,718	-
Hotel/Motel taxes					249,941	-	249,941	-
Payment in lieu of tax					1,244,157	-	1,244,157	-
Grants and contributions not restricted to specific programs					757,328	-	757,328	-
Unrestricted investment earnings					642,317	231,774	874,091	760
Miscellaneous					40,287	5,256	45,543	-
Special item, gain on sale of capital assets					105,876	-	105,876	-
Transfers					168,929	(168,929)	-	-
Total general revenues and transfers					<u>18,819,722</u>	<u>68,101</u>	<u>18,887,823</u>	<u>760</u>
Change in net position					<u>3,792,888</u>	<u>1,685,746</u>	<u>5,478,634</u>	<u>(6,319)</u>
Net position - beginning, restated					<u>47,601,224</u>	<u>81,162,723</u>	<u>128,763,947</u>	<u>158,662</u>
Net position - ending					<u>\$ 51,394,112</u>	<u>\$ 82,848,469</u>	<u>\$ 134,242,581</u>	<u>\$ 152,343</u>

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma  
Balance Sheet  
Governmental Funds  
June 30, 2018**

	General Fund	Street Improvement	Capital Improvement Water/Wastewater	Public Safety Capital Improvement Fund	2018 General Obligation Bond Economic Development Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,578,930	\$ 2,649,630	\$ 3,584,844	\$ 11,864,946	\$ -	\$ 12,882,277	\$ 33,560,627
Investments	1,512,093	5,971,372	2,970,155	-	-	1,705,177	12,158,797
Deposit with insurance pool	822,685	-	-	-	-	-	822,685
Accrued interest receivable	1,137	7,437	4,890	-	-	2,098	15,562
Taxes receivable, net	209,075	-	-	-	-	-	209,075
Due from other governments	1,889,094	-	-	-	-	343,588	2,232,682
Court fines receivable, net	98,988	-	-	-	-	-	98,988
Other receivables	351,106	-	-	-	-	-	351,106
Inventories	18,733	-	-	-	-	-	18,733
Prepaid items	83	-	-	-	-	-	83
Total assets	<u>\$ 7,481,924</u>	<u>\$ 8,628,439</u>	<u>\$ 6,559,889</u>	<u>\$ 11,864,946</u>	<u>\$ -</u>	<u>\$ 14,933,140</u>	<u>\$ 49,468,338</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 152,656	\$ 4,409	\$ 263,774	\$ 48,437	\$ -	\$ 190,780	\$ 660,056
Payable to other governments	202,364	-	-	130,066	-	-	332,430
Other accrued expenditures	269,537	-	-	252,438	-	-	521,975
Amounts held in escrow	24,906	-	-	-	-	-	24,906
Other payables	48,850	-	-	-	-	-	48,850
Total liabilities	<u>698,313</u>	<u>4,409</u>	<u>263,774</u>	<u>430,941</u>	<u>-</u>	<u>190,780</u>	<u>1,588,217</u>
Deferred inflows of resources:							
Unavailable revenues	118,479	4,872	1,829	-	-	318,395	443,575
Fund balances:							
Nonspendable	18,816	-	-	-	-	-	18,816
Restricted	662,747	8,368,589	5,335,774	11,123,857	-	5,464,557	30,955,524
Assigned	1,916,526	250,569	958,512	310,148	-	8,959,408	12,395,163
Unassigned	4,067,043	-	-	-	-	-	4,067,043
Total fund balances	<u>6,665,132</u>	<u>8,619,158</u>	<u>6,294,286</u>	<u>11,434,005</u>	<u>-</u>	<u>14,423,965</u>	<u>47,436,546</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 7,481,924</u>	<u>\$ 8,628,439</u>	<u>\$ 6,559,889</u>	<u>\$ 11,864,946</u>	<u>\$ -</u>	<u>\$ 14,933,140</u>	<u>\$ 49,468,338</u>

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2018**

Total fund balance, governmental funds	\$ 47,436,546
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$42,613,439	
	55,124,873
Certain other long-term assets are not available to pay current period expenditures and therefore are reported as unavailable in the funds:	
Court fines receivable	98,987
Other receivables	9,616
Receivable from other governments	285,790
Deferred outflows of resources are not outflows that relate to the current period and therefore are not reported in the funds:	
Pension related deferred outflows	2,431,215
OPEB related deferred outflows	13,906
Capital project funds are used by management to purchase or construct certain capital assets for the City. The assets and liabilities of certain capital project funds are included in the business-type activities in the Statement of Net Position:	
Fund balance of the Water and Wastewater CIP Fund	(6,294,286)
Fund balance of the SSMA CIP Fund	(61,074)
Fund balance of the Airport CIP Fund	(74,003)
Fund balance of the Stormwater CIP Fund	(5,832,262)
Fund balance of the Golf Course CIP Fund	(22,179)
Certain long-term liabilities and related accounts are not due and payable from current financial resources and they, along with deferred inflows, therefore, are not reported in the funds:	
Net pension liability	(9,003,612)
Pension related deferred inflows	(823,813)
OPEB related deferred inflows	(115,306)
Accrued interest payable	(102,989)
General obligation bonds payable	(13,090,000)
Revenue bonds payable	(15,545,000)
Capital lease payable	(613,406)
Unamortized premium on debt	(118,529)
Accrued compensated absences	(906,776)
Total OPEB liability	(1,403,586)
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 51,394,112</u>

**City of Sand Springs, Oklahoma**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	General Fund	Street Improvement	Capital Improvement Water/Wastewater	Public Safety Capital Improvement Fund	2018 General Obligation Bond Economic Development Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 16,627,859	\$ -	\$ -	\$ -	\$ -	\$ 965,525	\$ 17,593,384
Fees and fines	154,171	-	-	-	-	-	154,171
Licenses and permits	195,881	-	-	-	-	-	195,881
Intergovernmental	1,527,146	-	-	-	-	131,420	1,658,566
Charges for services	988,491	-	111,550	-	-	31,245	1,131,286
Investment earnings	73,149	83,174	63,718	230,893	-	106,958	557,892
Miscellaneous	208,282	-	-	-	-	670,287	878,569
Total revenues	<u>19,774,979</u>	<u>83,174</u>	<u>175,268</u>	<u>230,893</u>	<u>-</u>	<u>1,905,435</u>	<u>22,169,749</u>
<b>EXPENDITURES</b>							
Current:							
General government	1,064,084	-	-	-	-	-	1,064,084
Planning and zoning	156,593	-	-	-	-	-	156,593
Financial administration	835,743	-	-	-	-	-	835,743
Public safety	8,475,471	-	-	15,000	-	-	8,490,471
Highways and streets	646,379	-	-	-	-	-	646,379
Health and welfare	27,291	-	-	-	-	-	27,291
Culture and recreation	1,098,999	-	-	-	-	-	1,098,999
Community and economic development	337,580	-	-	-	-	471,020	808,600
Facilities management and fleet maintenance	729,145	-	-	-	-	-	729,145
Debt Service:							
Principal	164,638	-	-	455,000	-	785,000	1,404,638
Interest and other charges	7,227	-	-	520,225	-	111,045	638,497
Capital Outlay	32,870	2,070,976	3,022,948	3,905,608	6,180,000	5,017,459	20,229,861
Total expenditures	<u>13,576,020</u>	<u>2,070,976</u>	<u>3,022,948</u>	<u>4,895,833</u>	<u>6,180,000</u>	<u>6,384,524</u>	<u>36,130,301</u>
Excess of revenues over (under) expenditures	<u>6,198,959</u>	<u>(1,987,802)</u>	<u>(2,847,680)</u>	<u>(4,664,940)</u>	<u>(6,180,000)</u>	<u>(4,479,089)</u>	<u>(13,960,552)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from long-term debt	-	-	-	-	6,180,000	3,500,000	9,680,000
Premiums from issuance of long-term debt	-	-	-	-	-	37,203	37,203
Transfers in	1,786,899	1,654,483	3,175,211	1,480,845	-	4,093,739	12,191,177
Transfers out	(7,145,025)	-	(839,877)	-	-	(406,899)	(8,391,801)
Total other financing sources and uses	<u>(5,358,126)</u>	<u>1,654,483</u>	<u>2,335,334</u>	<u>1,480,845</u>	<u>6,180,000</u>	<u>7,224,043</u>	<u>13,516,579</u>
Net change in fund balances	840,833	(333,319)	(512,346)	(3,184,095)	-	2,744,954	(443,973)
Fund balances - beginning	5,824,299	8,952,477	6,806,632	14,618,100	-	11,679,011	47,880,519
Fund balances - ending	<u>\$ 6,665,132</u>	<u>\$ 8,619,158</u>	<u>\$ 6,294,286</u>	<u>\$ 11,434,005</u>	<u>\$ -</u>	<u>\$ 14,423,965</u>	<u>\$ 47,436,546</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, 2018**

Net change in fund balances - total governmental funds: \$ (443,973)

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	14,523,628
Book value of capital assets disposed or sold	(578,801)
Capital assets donated	1,044,029
Depreciation expense	(2,270,287)

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

61,844

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. This is the change in unavailable revenues.

(33,360)

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

Capital lease obligation principal payments	164,638
General obligation bond principal payments	785,000
General obligation bond proceeds	(9,680,000)
Revenue bond principal payments	455,000
Premium on bonds issued	(37,202)

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

Changes in:

Accrued interest	(66,775)
Amortization expense	21,002
Accrued compensated absences	9,903
Total OPEB liability	(112,245)

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	512,346
SSMA Capital Fund	121,743
Airport CIP Fund	21,788
Stormwater CIP Fund	(751,292)
Golf Course CIP Fund	45,902

Change in net position of governmental activities	\$ 3,792,888
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See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Airport Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 4,455,231	\$ 2,142,166	\$ 928,368	\$ 171,556	\$ 212,205	\$ 390,028	\$ 8,299,554
Restricted cash and cash equivalents	828,832	111,173	-	-	-	-	940,005
Investments	2,059,439	489,734	-	-	-	-	2,549,173
Interest receivable	1,775	1,260	-	-	-	-	3,035
Accounts receivable, net	1,009,245	367,185	219,254	27,940	28,820	125,157	1,777,601
Inventories	194,657	-	-	11,617	-	-	206,274
Prepaid expenses	7	-	-	-	-	-	7
Total current assets	<u>8,549,186</u>	<u>3,111,518</u>	<u>1,147,622</u>	<u>211,113</u>	<u>241,025</u>	<u>515,185</u>	<u>13,775,649</u>
Noncurrent assets:							
Restricted cash and cash equivalents	-	130,424	-	-	-	-	130,424
Restricted investments	2,043,059	31,746	-	-	-	-	2,074,805
Capital assets, nondepreciable	10,390,306	387,813	-	458,121	394,417	237,373	11,868,030
Other capital assets, net	34,731,760	31,589,610	400,481	4,895,620	620,579	5,211,744	77,449,794
Total noncurrent assets	<u>47,165,125</u>	<u>32,139,593</u>	<u>400,481</u>	<u>5,353,741</u>	<u>1,014,996</u>	<u>5,449,117</u>	<u>91,523,053</u>
Total assets	<u>55,714,311</u>	<u>35,251,111</u>	<u>1,548,103</u>	<u>5,564,854</u>	<u>1,256,021</u>	<u>5,964,302</u>	<u>105,298,702</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>							
Deferred amounts related to OPEB	3,882	1,753	1,378	125	-	125	7,263
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	290,112	40,531	16,058	6,247	52,283	-	405,231
Accrued payroll liabilities	72,548	28,423	14,819	3,060	-	1,381	120,231
Accrued interest payable	170,718	24,823	-	-	-	-	195,541
Payable to other governments	-	1,756	-	-	-	-	1,756
Unearned revenue	1,612	1,260	-	-	2,117	-	4,989
Current portion of:							
Compensated absences	42,293	11,823	10,821	2,548	-	74	67,559
Deposits subject to refund	186,622	-	-	-	-	-	186,622
Notes payable	115,016	588,115	-	-	-	-	703,131
Revenue bonds payable	720,000	-	-	-	-	-	720,000
Total current liabilities	<u>1,598,921</u>	<u>696,731</u>	<u>41,698</u>	<u>11,855</u>	<u>54,400</u>	<u>1,455</u>	<u>2,405,060</u>
Noncurrent liabilities:							
Compensated absences	169,174	47,294	43,283	9,694	-	296	269,741
Deposits subject to refund	312,265	-	-	-	-	-	312,265
Total OPEB liability	391,867	176,917	139,098	12,606	-	12,606	733,094
Notes payable	1,468,720	3,263,175	-	-	-	-	4,731,895
Revenue bonds payable	26,278,199	-	-	-	-	-	26,278,199
Total non-current liabilities	<u>28,620,225</u>	<u>3,487,386</u>	<u>182,381</u>	<u>22,300</u>	<u>-</u>	<u>12,902</u>	<u>32,325,194</u>
Total liabilities	<u>30,219,146</u>	<u>4,184,117</u>	<u>224,079</u>	<u>34,155</u>	<u>54,400</u>	<u>14,357</u>	<u>34,730,254</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>							
Deferred amounts related to OPEB	32,192	14,534	11,427	1,039	-	1,036	60,228
<b>NET POSITION</b>							
Net investment in capital assets	16,540,132	28,126,133	400,481	5,353,741	1,014,996	5,449,117	56,884,600
Restricted for debt service	2,202,286	248,519	-	-	-	-	2,450,805
Unrestricted	6,724,437	2,679,561	913,494	176,044	186,625	499,917	11,180,078
Total net position	<u>\$ 25,466,855</u>	<u>\$ 31,054,213</u>	<u>\$ 1,313,975</u>	<u>\$ 5,529,785</u>	<u>\$ 1,201,621</u>	<u>\$ 5,949,034</u>	<u>70,515,483</u>

Capital project funds are used by management to purchase or construct certain capital assets for the City.

The assets and liabilities of certain capital project governmental funds are included in the business-type activities in the Statement of Net Position:

Water and Wastewater CIP	6,294,286
SSMA Capital Fund	61,074
Airport CIP Fund	74,003
Stormwater CIP Fund	5,832,262
Golf Course CIP Fund	22,179

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

Total net position per Government-Wide financial statements

49,182  
\$ 82,848,469

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Airport Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total
<b>OPERATING REVENUES</b>							
Charges for services	\$ 8,241,758	\$ 3,395,320	\$ 2,023,731	\$ 134,310	\$ 226,944	\$ 1,237,020	\$ 15,259,083
Miscellaneous	-	-	-	271,165	-	-	271,165
Total operating revenues	<u>8,241,758</u>	<u>3,395,320</u>	<u>2,023,731</u>	<u>405,475</u>	<u>226,944</u>	<u>1,237,020</u>	<u>15,530,248</u>
<b>OPERATING EXPENSES</b>							
Personal services	2,431,487	997,281	598,769	97,479	1,155	42,302	4,168,473
Operations and maintenance	2,566,067	1,332,324	799,926	372,030	377,743	191,183	5,639,273
Depreciation	1,493,915	1,023,093	115,291	442,962	99,736	147,113	3,322,110
Total operating expenses	<u>6,491,469</u>	<u>3,352,698</u>	<u>1,513,986</u>	<u>912,471</u>	<u>478,634</u>	<u>380,598</u>	<u>13,129,856</u>
Operating income (loss)	<u>1,750,289</u>	<u>42,622</u>	<u>509,745</u>	<u>(506,996)</u>	<u>(251,690)</u>	<u>856,422</u>	<u>2,400,392</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Interest and investment revenue	77,894	22,556	7,602	1,657	1,871	3,573	115,153
Miscellaneous revenue	20,578	3,358	353	42	1,042	-	25,373
Gain (Loss) on disposal of capital asset	-	-	-	-	(22,124)	-	(22,124)
Interest expense and fiscal agent charges	(1,018,998)	(96,463)	-	-	-	-	(1,115,461)
Total non-operating revenue (expenses)	<u>(920,526)</u>	<u>(70,549)</u>	<u>7,955</u>	<u>1,699</u>	<u>(19,211)</u>	<u>3,573</u>	<u>(997,059)</u>
Income (loss) before contributions and transfers	829,763	(27,927)	517,700	(505,297)	(270,901)	859,995	1,403,333
Capital contributions	2,952,455	407,572	-	85,743	90,844	451,436	3,988,050
Transfers in	3,975,211	-	-	50,000	175,000	-	4,200,211
Transfers out	(5,862,376)	(612,000)	(500,000)	-	(25,211)	(1,000,000)	(7,999,587)
Change in net position	<u>1,895,053</u>	<u>(232,355)</u>	<u>17,700</u>	<u>(369,554)</u>	<u>(30,268)</u>	<u>311,431</u>	<u>1,592,007</u>
Total net position - beginning, restated	<u>23,571,802</u>	<u>31,286,568</u>	<u>1,296,275</u>	<u>5,899,339</u>	<u>1,231,889</u>	<u>5,637,603</u>	<u>68,923,476</u>
Total net position - ending	<u>\$ 25,466,855</u>	<u>\$ 31,054,213</u>	<u>\$ 1,313,975</u>	<u>\$ 5,529,785</u>	<u>\$ 1,201,621</u>	<u>\$ 5,949,034</u>	<u>\$ 70,515,483</u>

Change in net position, per above \$ 1,592,007

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	(512,346)
SSMA Capital Fund	(121,743)
Airport CIP Fund	(21,788)
Stormwater CIP Fund	751,292
Golf Course CIP Fund	(45,902)

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. 44,226

Change in Business-Type Activities in Net Position per Government-Wide Financial Statements \$ 1,685,746

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, 2018**

	<b>SSMA Water Utility Fund</b>	<b>SSMA Wastewater Utility Fund</b>	<b>SSMA Solid Waste Utility Fund</b>	<b>SSMA Airport Fund</b>	<b>SSMA Golf Fund</b>	<b>SSMA Stormwater Fund</b>	<b>Total Proprietary Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 8,210,692	\$ 3,390,969	\$ 2,018,257	\$ 387,747	\$ 228,640	\$ 1,230,435	\$ 15,466,740
Receipts from other funds	513,849	-	-	-	-	-	513,849
Payments to suppliers	(2,504,292)	(1,328,241)	(802,330)	(374,727)	(386,620)	(191,517)	(5,587,727)
Payments to employees	(2,398,155)	(987,337)	(587,022)	(95,792)	(1,155)	(41,207)	(4,110,668)
Receipts of customer meter deposits	92,885	-	-	-	-	-	92,885
Refunds of customer meter deposits	(80,953)	-	-	-	-	-	(80,953)
Net Cash Provided by (Used in) Operating Activities	<u>3,834,026</u>	<u>1,075,391</u>	<u>628,905</u>	<u>(82,772)</u>	<u>(159,135)</u>	<u>997,711</u>	<u>6,294,126</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers from other funds	3,975,211	-	-	50,000	175,000	-	4,200,211
Transfers to other funds	(5,862,376)	(612,000)	(500,000)	-	(25,211)	(1,000,000)	(7,999,587)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,887,165)</u>	<u>(612,000)</u>	<u>(500,000)</u>	<u>50,000</u>	<u>149,789</u>	<u>(1,000,000)</u>	<u>(3,799,376)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Principal paid on capital debt	(816,749)	(571,109)	-	-	-	-	(1,387,858)
Interest paid on capital debt	(1,018,020)	(106,670)	-	-	-	-	(1,124,690)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,834,769)</u>	<u>(677,779)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,512,548)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Sale (Purchase) of investments	(30,867)	7,786	-	-	-	-	(23,081)
Interest and dividends	77,894	22,556	7,602	1,657	1,872	3,573	115,154
Net Cash Provided by Investing Activities	<u>47,027</u>	<u>30,342</u>	<u>7,602</u>	<u>1,657</u>	<u>1,872</u>	<u>3,573</u>	<u>92,073</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>159,119</b>	<b>(184,046)</b>	<b>136,507</b>	<b>(31,115)</b>	<b>(7,474)</b>	<b>1,284</b>	<b>74,275</b>
<b>Balances - beginning of the year</b>	<b>5,124,944</b>	<b>2,567,809</b>	<b>791,861</b>	<b>202,671</b>	<b>219,679</b>	<b>388,744</b>	<b>9,295,708</b>
<b>Balances - end of the year</b>	<b><u>\$ 5,284,063</u></b>	<b><u>\$ 2,383,763</u></b>	<b><u>\$ 928,368</u></b>	<b><u>\$ 171,556</u></b>	<b><u>\$ 212,205</u></b>	<b><u>\$ 390,028</u></b>	<b><u>\$ 9,369,983</u></b>
<b>Reconciliation to Statement of Net Position:</b>							
Cash and cash equivalents	\$ 4,455,231	\$ 2,142,166	\$ 928,368	\$ 171,556	\$ 212,205	\$ 390,028	\$ 8,299,554
Restricted cash and cash equivalents	828,832	111,173	-	-	-	-	940,005
Noncurrent restricted cash and cash equivalents	-	130,424	-	-	-	-	130,424
	<u>\$ 5,284,063</u>	<u>\$ 2,383,763</u>	<u>\$ 928,368</u>	<u>\$ 171,556</u>	<u>\$ 212,205</u>	<u>\$ 390,028</u>	<u>\$ 9,369,983</u>

(Continued)

**City of Sand Springs, Oklahoma  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2018**

(Continued)

	<b>SSMA Water Utility Fund</b>	<b>SSMA Wastewater Utility Fund</b>	<b>SSMA Solid Waste Utility Fund</b>	<b>SSMA Airport Fund</b>	<b>SSMA Golf Fund</b>	<b>SSMA Stormwater Fund</b>	<b>Total Proprietary Funds</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>							
Operating income (loss)	\$ 1,750,289	\$ 42,622	\$ 509,745	\$ (506,996)	\$ (251,690)	\$ 856,422	\$ 2,400,392
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	1,493,915	1,023,093	115,291	442,962	99,736	147,113	3,322,110
Other non-operating revenues (expenses)	20,578	3,358	353	42	1,042	-	25,373
Change in assets and liabilities:							
Receivables, net	(51,644)	(7,709)	(5,827)	(17,770)	(147)	(6,585)	(89,682)
Inventory	(101,843)	-	-	3,859	-	-	(97,984)
Unearned revenue	-	-	-	-	801	-	801
Prepaid expenses	14	-	-	-	-	-	14
Due from other funds	513,849	-	-	-	-	-	513,849
Deferred outflows related to OPEB	(3,882)	(1,753)	(1,378)	(125)	-	(125)	(7,263)
Accounts payables	163,604	3,850	(2,404)	(6,558)	(8,877)	(334)	149,281
Customer meter deposits payable	11,932	-	-	-	-	-	11,932
Payable to other governments	-	233	-	-	-	-	233
Total OPEB liability	3,028	1,367	1,075	97	-	96	5,663
Accrued payroll liabilities	(1,309)	(1,719)	365	119	-	95	(2,449)
Accrued compensated absences	3,303	(2,485)	258	559	-	(7)	1,628
Deferred inflows related to OPEB	32,192	14,534	11,427	1,039	-	1,036	60,228
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 3,834,026</b>	<b>\$ 1,075,391</b>	<b>\$ 628,905</b>	<b>\$ (82,772)</b>	<b>\$ (159,135)</b>	<b>\$ 997,711</b>	<b>\$ 6,294,126</b>
<b>Noncash activities:</b>							
Contributed capital assets	\$ 2,952,455	\$ 407,572	\$ -	\$ 85,743	\$ 90,844	\$ 451,436	\$ 3,988,050
Total Noncash Activities	<u>\$ 2,952,455</u>	<u>\$ 407,572</u>	<u>\$ -</u>	<u>\$ 85,743</u>	<u>\$ 90,844</u>	<u>\$ 451,436</u>	<u>\$ 3,988,050</u>

See accompanying notes to the basic financial statements.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

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

NOTE 4. OTHER NOTES

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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

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

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

Statement No. 75, *Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions* - GASB 75 establishes financial reporting standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures of OPEB.

Statement No. 85, *Omnibus 2017* - GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits.

The City early implemented the following GASB Pronouncement:

Statement No. 89, *Accounting for Interest Cost Incurred Before End of Construction* - GASB 89 eliminates the requirement to capitalize interest on business-type debt.

**1.A. FINANCIAL REPORTING ENTITY**

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

Primary Government:           City of Sand Springs

Blended Component Unit:       Sand Springs Municipal Authority

Discretely Presented Component Unit:   Sand Springs Cultural and Historical Museum Trust Authority

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

BLENDING COMPONENT UNITS

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

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

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

DISCRETELY PRESENTED COMPONENT UNITS

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

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

Sand Springs Economic Development Authority (Economic Development Authority)	Created October 24, 1980, to promote and encourage development of industry and commerce on behalf of the City. This Trust was primarily set up to be the loan servicing agent for Community Development Block Grant Economic Development Loans, and lender for Oklahoma Industrial Finance Authority Loans to private enterprises. The SSEDAA governing body is comprised of eight members; two appointed council members and six other members appointed by the full City Council. Any issuances of debt would require a two-thirds approval of the City Council. <i>(Component Unit deemed immaterial; therefore, it was not included)</i>
Sand Springs Cultural and Historical Museum Trust Authority (Museum Trust Authority)	Created December 20, 1990, to promote cultural and historical activities within the City. The governing body is comprised of seven members appointed by the full City Council. No current City Council members serve on the board. Any issuance of debt would require a two-thirds approval of the City Council.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

RELATED ORGANIZATIONS

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

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

*Government-Wide Financial Statements:*

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

*Fund Financial Statements:*

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

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

The funds of the financial reporting entity are described below.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Funds

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

Vision 2025 Fund

Debt Service Fund

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

Capital Project Funds

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

Street Improvement Fund  
Community Development Block Grant (CDBG) Fund – EDIF  
Park and Recreation Fund  
T.I.D. Cimarron Center Fund  
Short-term Capital Improvements Fund  
ODOC EECBG Fund  
Capital Improvement Fund  
Airport Construction Fund  
Stormwater Capital Improvement Fund  
SSMA Capital Fund  
2014 General Obligation Bond Capital Improvement Fund  
Capital Improvement Water and Wastewater Fund  
Golf Course Capital Improvement Fund  
Public Safety Capital Improvement Fund  
Economic Development Capital Improvement Fund  
2018 General Obligation Bond Economic Development Fund  
2018 General Obligation Bond City Project Fund

PROPRIETARY FUNDS

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds:

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

COMPONENT UNITS

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

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

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

<u>Fund</u>	<u>Brief Description</u>
<b><i>Major:</i></b> General	See previous description.
Capital Project Funds: Street Improvement	Accounts for the permanent half-cent sales tax extension approved by the voters on September 11, 2007 with effective date of January 1, 2008. These funds are to be used to make capital improvements to the roads, streets and bridges.
Capital Improvement Water and Wastewater	Accounts for the one-cent increase in sales tax approved by the citizens in 1979. These funds are to be expended for water and wastewater capital improvement projects and retirement of debt as provided in the ordinance.
Public Safety Capital Improvement	Accounts for the forty-five hundredths of one-cent increase in sales tax approved by citizens in 2015 which went into effect January 2017 to repay the debt. Also, accounts for the bonds proceeds to be expended for building and improving public safety facilities and land acquisition for public safety facilities for the benefit of the City as provided in the ordinance.
2018 G O Bond Economic Development	Accounts for the proceeds of general obligation bond issues. These funds are to be expended for economic development purposes.
Enterprise Funds: SSMA Water Fund	Accounts for activities of the public trust in providing water services to the citizens.
SSMA Wastewater Fund	Accounts for activities of the public trust in providing wastewater services to the citizens.
SSMA Solid Waste Fund	Accounts for activities of the public trust in providing solid waste services to the citizens.
SSMA Airport Fund	Accounts for revenues and expenses related to the operations of the airport facility and financing for future airport improvements.



**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

SSMA Golf Fund	Accounts for revenues and expenses related to the operation of the golf course, payment of debt service requirements on the debt issued related to the golf course and financing for future golf improvements.
SSMA Stormwater Fund	Accounts for revenues and expenses related to the maintenance of stormwater operations.
<i>Nonmajor:</i>	
Special Revenue Fund	
Community Development Block Grant HOME Investment Partnership	Accounts for grants received from the U.S. Department of Housing and Urban Development and transfers from the City for housing rehabilitation.
Vision 2025	Accounts for grants received from Tulsa County restricted for the river park project.
Capital Project Funds:	
Community Development Block Grant - EDIF	Accounts for grants received from the U.S. Department of Housing and Urban Development and transfers from the City for infrastructure.
Park and Recreation	Accounts for revenues from housing developers restricted for park improvements.
Short-term Capital Improvements	Accounts for revenues, transfers from other City funds and certain bond proceeds as the City Council may designate for the City's short-term capital needs, consisting of items having a useful life of ten years or less.
T.I.D. #1 Cimarron Center	Accounts for tax increment financing revenues initially collected by the General Fund and related economic development expenditures.
ODOC EECBG	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.
Stormwater Capital Improvement	Accounts for transfers from the Municipal Authority stormwater revenues set aside for stormwater capital improvement projects.
Airport Construction	Accounts for governmental grants and transfers from the City set aside for capital improvement projects of the airport.
SSMA Capital	Accounts for transfers from the Municipal Authority water, wastewater, solid waste, airport and golf revenues set aside for capital improvement projects.
2014 General Obligation Bond CIP Fund	Accounts for the proceeds of general obligation bond issues. These funds are to be expended for public parks and park land and culture and recreation facilities.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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

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

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

Measurement Focus

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

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

1. All governmental fund types and similar component units utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. Proprietary fund types and similar component units utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) and deferred outflows and deferred inflows associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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

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

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

Cash and Cash Equivalents

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

Investments

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

Receivables and Related Deferred Inflows

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

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

Inventories and Prepaids

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

Capital Assets

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

*Government-Wide Statements*

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

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

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

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

*Fund Financial Statements*

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

Restricted Assets

Restricted assets reported in the fund financial statements include current assets of enterprise funds and similar discretely presented component units that are legally restricted as to their use. The primary restricted assets are related to revenue bond and promissory note trustee accounts restricted for debt service and deposits held for refund.

Long-Term Debt

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

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, 2018**

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, 2018. However, any employee leaving the service of the City after a period of 10 years are paid at the rate of one day's pay for each four days of accumulated leave and the City reports a liability for this leave type.

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

Equity Classifications

*Government-Wide Financial Statements:*

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

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

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

*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, 2018**

- d. Assigned – includes amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by City Council action or management decision when the City Council has delegated that authority to the City Manager, which is currently the case here. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

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

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

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

Sales Tax

The City levies a four and 5 hundredths (4.05) cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The Tax Commission receives the sales tax approximately one month after collection by vendors. The entire sales tax is recorded as revenue within the General Fund. Upon receipt, the General Fund distributes the dedicated portion of the sales tax as follows:

- 2 cents retained by the General Fund
- 1 cent transferred to the Sand Springs Municipal Authority Water Fund as required by revenue bond indenture, and then transferred to the Capital Improvement Water and Wastewater Fund.
- 1/2 cent transferred to the Street Improvement Fund as required by city ordinance.
- 9/20 cent transferred to Public Safety Capital Improvement Fund as required by city ordinance and as required by revenue bond indenture.
- 1/10 cent transferred to Economic Development Capital Improvement Fund as required by city ordinance.

Property Tax

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

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.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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, 2018, the City's net assessed valuation of taxable property was \$135,974,782. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2018 was \$5.99.

Program Revenues

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

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

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

Pledge of Future Revenues

Sales Tax and Utility Net Revenues Pledge - The City has pledged one cent (or 24.7%) of future sales tax revenues to repay \$30,510,000 of the Series 2012 Revenue Bonds and \$14,606,515 of OWRB Notes Payable Series 2003, 2004, 2005, 2006, 2009, 2012, and 2013. Proceeds from the bonds and notes provided financing for capital assets. The bonds and notes are payable from pledged sales tax revenues and further secured by net water and wastewater revenues. The bonds and notes are payable through 2023, 2024, 2027, 2026, 2030, 2023, and 2023 respectively. If the net utility revenues are sufficient to service the debt, the pledged sales taxes are transferred to the Capital Improvement Water and Wastewater Fund to be used for capital purchases. The total principal and interest payable for the remainder of the life of these bonds and notes is \$47,305,987. Pledged sales taxes received in the current year were \$3,175,211 and the net utility revenues were \$4,308,919. Debt service payments of \$2,503,319 for the current fiscal year were 78.8% of the pledged sales taxes and 33.5% of both pledged sales taxes and utility revenues.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

Sales Tax Revenues Pledge – The City, as approved by a vote of the citizens, added an additional .45% of one cent of sales tax for the repayment of the Series 2015 and 2016 Capital Improvement Revenue Bonds. This sales tax went into effect January 2017. Proceeds of these bonds provided financing for public safety capital assets, including facilities. These bonds are payable through 2042. The total principal and interest payable for the remainder of the life of these bonds and notes is \$23,130,619. Pledged sales taxes received in the current year were \$1,428,845. Debt service payments of \$975,225 for the current fiscal year were 68.3% of the pledged sales taxes. If the pledged sales tax is not sufficient at any time, the remaining net utility revenues can be used to service the debt.

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

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

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

*Fund Financial Statements:*

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

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



**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

*Government-Wide Financial Statements:*

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

1. Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities.

The effect of interfund services between funds are not eliminated in the statement of activities.

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

**1.G. USE OF ESTIMATES**

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

**1.H. PENSIONS AND OPEB**

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

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

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

**2.A. FUND ACCOUNTING REQUIREMENTS**

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

<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, 2018.

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

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitations, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements.
- d. County, municipal or school district tax-supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c. and d.

Public trusts created under O.S. Title 60 are not subject to the above noted investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2018, 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:

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

<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, 2018, 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, 2018, 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, 2018, 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, 2018.

<u>Requirement</u>	<u>Level of Compliance</u>
a. Flow of Funds:	All required accounts have been established and are used per Bond Indenture requirements.
- 2003 Bond Account	
- 2003 Reserve Account	
- 2004 Bond Account	
- 2004 Project Account	
-2004 Reserve Account	
- 2012 Bond Account	
- 2012 Project Account	
-2012 Reserve Account	
b. Reserve Account Requirement:	
2012 OWRB Promissory Note: Required balance is \$129,666.	

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

2012 Revenue Bonds:

Required balance is \$1,678,162.

Balance in Reserve Account at June 30, 2018 is \$1,691,575.

c. 2003, 2004 2005, 2006, 2009, 2012 and

2013 Series OWRB Notes:

Net revenues of the Authority plus transferred sales tax should be at least 125% of maximum annual principal and interest requirements on this note and any senior debt.

For the year ended June 30, 2018, net revenues plus sales tax amounted to \$7,484,130. Maximum annual principal and interest requirements were \$1,794,578. Actual coverage was 417%.

2012 Revenue Bonds:

Net revenues of the Authority plus transferred sales tax should be at least 125% of average annual principal and interest requirements on the bonds and OWRB notes listed above.

For the year ended June 30, 2018, net revenues plus sales tax amounted to \$7,484,130. Average annual principal and interest requirements were \$1,675,637. Actual coverage was 447%.

## **2.E. BUDGETARY COMPLIANCE**

### Budget Law

The City prepares its annual operating budget under the provisions of the Municipal Budget Act of 1979 (the "Budget Act"). In accordance with those provisions, the following process is used to adopt the annual budget:

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

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

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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

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

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

**Primary Government:**

The City of Sand Springs, including its blended component units held the following deposits and investments at June 30, 2018:

<u>Type</u>	<u>Maturities</u>	<u>Rating</u>	<u>Fair Value Heirarchy</u>	<u>Carrying Value</u>
<b>Deposits:</b>				
Demand deposits				\$ 30,636,404
Time deposits	Due within 1 year		N/A	15,010,759
<b>Total deposits</b>				<u>45,647,163</u>
<b>Investments:</b>				
Invesco Prem US Gov Money Market - Inst 1949		Aaa-mf	Level 1	11,361,176
Cavanal Hill US Money Market Treas-Admin #0002		Aaa	Level 1	2,607,097
Money Market Funds		Aaa	N/A	97,950
<b>Total investments</b>				<u>14,066,223</u>
<b>Total deposits and investments</b>				<u>\$ 59,713,385</u>
<b>Reconciliation to Statement of Net Position:</b>				
Cash and cash equivalents				\$ 42,940,091
Investments				16,773,294
				<u>\$ 59,713,385</u>

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

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 110% of the uninsured deposits and accrued interest thereon. The investment policy also limits acceptable collateral to U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the state of Oklahoma. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2018, the City was not exposed to custodial credit risk as defined above.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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

As noted in the schedule of deposits and investments above, at June 30, 2018, all of the City’s investments in debt securities were rated by Moody’s.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

*Investment Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s investment policy limits investments to those with a maturity no more than three years from the date of purchase, except for reserve funds, as a means of managing exposure to fair value losses arising from increasing interest rates. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

*Concentration of Investment Credit Risk* - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City’s investment policy requires diversification of investments and indicates that, with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City’s total investment portfolio will be invested in a single financial institution.

At June 30, 2018, 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, 2018 is as follows:

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>
Service receivables	\$ 247,717	2,814,112	\$ 3,061,829
Other receivables	103,389	90,927	194,316
Municipal court fines receivable	1,812,109	-	1,812,109
Allowance for uncollectible accounts	<u>(1,713,121)</u>	<u>(1,127,438)</u>	<u>(2,840,559)</u>
Net accounts receivable	<u>\$ 450,094</u>	<u>\$ 1,777,601</u>	<u>\$ 2,227,695</u>

**3.C. RESTRICTED ASSETS**

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

The restricted assets as of June 30, 2018 were as follows:

<u>Types of Restricted Assets</u>	<u>Current Cash and Cash Equivalents</u>	<u>Noncurrent Cash and Cash Equivalents</u>	<u>Noncurrent Investments</u>
ENTERPRISE FUND:			
Trustee Accounts:			
2009 OWRB Notes:			
Bond Fund Account	\$ -	\$ -	39,219
2012 OWRB Notes:			
Reserve Fund Account	-	130,424	-
Bond Fund Account	111,173	-	31,746
2012 Revenue Bonds:			
Bond Fund Account	642,210	-	-
Reserve Fund Account	-	-	1,691,575
Deposits held for refund	<u>186,622</u>	<u>-</u>	<u>312,265</u>
Total	<u>\$ 940,005</u>	<u>\$ 130,424</u>	<u>\$ 2,074,805</u>

**3.D. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

	Balance at <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	Balance at <u>June 30, 2018</u>
<b>PRIMARY GOVERNMENT:</b>					
<i>Governmental Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 10,057,204	\$ 6,112,218	\$ 570,423	\$ -	\$ 15,598,999
Construction-in-progress	5,705,800	6,295,340	-	44,866	12,046,006
Total capital assets not being depreciated	<u>15,763,004</u>	<u>12,407,558</u>	<u>570,423</u>	<u>44,866</u>	<u>27,645,005</u>
Other capital assets:					
Buildings	9,644,648	149,862	-	-	9,794,510
Other improvements	4,293,170	438,706	95,564	-	4,636,312
Machinery and equipment	10,413,248	401,407	16,328	-	10,798,327
Infrastructure	43,744,742	1,119,416	-	-	44,864,158
Total other capital assets at historical cost	<u>68,095,808</u>	<u>2,109,391</u>	<u>111,892</u>	<u>-</u>	<u>70,093,307</u>
Less accumulated depreciation for:					
Buildings	2,653,046	214,133	-	-	2,867,179
Other improvements	1,873,596	175,853	1,596	-	2,047,853
Machinery and equipment	6,952,932	612,669	16,328	-	7,549,273
Infrastructure	28,881,502	1,267,632	-	-	30,149,134
Total accumulated depreciation	<u>40,361,076</u>	<u>2,270,287</u>	<u>17,924</u>	<u>-</u>	<u>42,613,439</u>
Other capital assets, net	<u>27,734,732</u>	<u>(160,896)</u>	<u>93,968</u>	<u>-</u>	<u>27,479,868</u>
Governmental activities capital assets, net	<u>\$ 43,497,736</u>	<u>\$ 12,246,662</u>	<u>\$ 664,391</u>	<u>\$ 44,866</u>	<u>\$ 55,124,873</u>
<i>Business-Type Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 2,169,204	\$ -	\$ -	\$ -	\$ 2,169,204
Intangible assets	6,702,666	-	-	-	6,702,666
Construction in progress	18,448,721	2,706,842	18,159,403	-	2,996,160
Total capital assets not being depreciated	<u>27,320,591</u>	<u>2,706,842</u>	<u>18,159,403</u>	<u>-</u>	<u>11,868,030</u>
Other capital assets:					
Buildings	30,678,427	17,109,871	-	-	47,788,298
Improvements other than buildings	40,245,122	1,056,584	-	-	41,301,706
Machinery and equipment	5,804,655	289,764	-	-	6,094,419
Infrastructure	56,845,815	962,267	-	-	57,808,082
Total other capital assets at historical cost	<u>133,574,019</u>	<u>19,418,486</u>	<u>-</u>	<u>-</u>	<u>152,992,505</u>
Less accumulated depreciation for:					
Buildings	11,000,935	611,761	-	-	11,612,696
Improvements other than buildings	17,330,718	1,280,931	-	-	18,611,649
Machinery and equipment	3,807,363	372,647	-	-	4,180,010
Infrastructure	40,081,585	1,056,771	-	-	41,138,356
Total accumulated depreciation	<u>72,220,601</u>	<u>3,322,110</u>	<u>-</u>	<u>-</u>	<u>75,542,711</u>
Other capital assets, net	<u>61,353,418</u>	<u>16,096,376</u>	<u>-</u>	<u>-</u>	<u>77,449,794</u>
Business-type activities capital assets, net	<u>\$ 88,674,009</u>	<u>\$ 18,803,218</u>	<u>\$ 18,159,403</u>	<u>\$ -</u>	<u>\$ 89,317,824</u>

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



**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

Primary Government:	
Governmental Activities:	
General Government	\$ 208,962
Financial Administration	23,181
Public Safety	361,983
Highways and Streets	1,349,648
Health and Welfare	1,923
Culture and Recreation	316,206
Economic Development	8,384
Total depreciation expense for governmental activities	<u>\$ 2,270,287</u>
Business-Type Activities:	
Water	\$ 1,493,915
Wastewater	1,023,093
Solid Waste	115,291
Storm Water	147,113
Airport	442,962
Golf	99,736
Total depreciation expense for business-type activities	<u>\$ 3,322,110</u>

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

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

Governmental Activities:

At June 30, 2018, the governmental activities long-term debt consisted of the following:

General Obligation Bonds:

\$3,500,000 General Obligation Bonds of 2018, used for streets, parks and municipal facilities, due in annual installments of \$185,000, final payment due April 1, 2038, with interest rates of 2.0% to 3.25%	\$3,500,000
\$6,180,000 General Obligation Limited Tax Bonds of 2018, used for economic development purposes, due in annual installments of \$325,000, final payment due April 1, 2038, with interest rates of 2.9% to 3.45%	6,180,000
\$2,310,000 General Obligation Refunding Bonds of 2016, used for advanced refunding of the 2006, due in annual installments of \$450,000, final payment due March 1, 2021, with interest rates of 3.7% to 5.0%	1,410,000
\$2,365,000 General Obligation Refunding Bonds of 2014B, used for park lands and culture and recreation facilities, due in annual installments varying from \$115,000 to \$125,000, final payment due March 1, 2034, with interest rates of 2.0% to 3.5%	<u>2,000,000</u>
Total General Obligation Bonds	<u>\$13,090,000</u>
Current portion	\$575,000
Non-current portion	<u>12,515,000</u>
Total General Obligation Bonds	<u>\$13,090,000</u>

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

Revenue Bonds:

\$8,640,000 Capital Improvement Revenue Bonds of 2015 dated January 1, 2016, used for capital improvements for public safety, issued by Sand Springs Municipal Authority, secured by dedicated sales tax, interest rates 2.0% to 4.25%, due in annual installments varying from \$245,000 to \$510,000, final payment due January 1, 2042	\$8,395,000
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\$7,360,000 Capital Improvement Revenue Bonds of 2016 dated January 1, 2016, used for capital improvements for public safety, issued by Sand Springs Municipal Authority, secured by dedicated sales tax, interest rates 2.0% to 4.0%, due in annual installments varying from \$210,000 to \$430,000, final payment due January 1, 2042	<u>7,150,000</u>
Total Revenue Bonds	<u>\$15,545,000</u>
Plus: Unamortized Premium	<u>118,529</u>
Total Revenue Bonds, net	<u>\$15,663,529</u>

Current portion	\$465,000
Non-current portion, net	<u>15,198,529</u>
Total Revenue Bonds	<u>\$15,663,529</u>

Capital Leases Payable:

\$647,799 capital lease with Motorola for police radio equipment, due in annual installments of \$92,543, final payment due August 1, 2021, with no interest	\$ 370,171
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\$66,418 capital lease with Motorola for fire radio equipment, due in annual installments of \$10,411, final payment due May 1, 2022, with interest rate of 3.21%	38,505
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\$496,304 capital lease with Community First National Bank for fire pumper, due in monthly installments of \$5,747, final payment due July 1, 2021, with interest rate of 2.406%	<u>204,730</u>
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Total Capital Leases Payable	<u>\$613,406</u>
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Current portion	\$166,461
Non-current portion	<u>446,945</u>
Total Capital Leases Payable	<u>\$613,406</u>

Accrued Compensated Absences:

Current portion	\$181,355
Non-current portion	<u>725,421</u>
Total Accrued Compensated Absences	<u>\$906,776</u>

Business-Type Activities:

As of June 30, 2018, the long-term debt payable from business-type activities resources consisted of the following:

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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.	\$269,993
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.	285,241
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.	1,072,710
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.	995,017
2009 OWRB SRF Note Payable dated December 9, 2009, original amount of \$5,631,709 with an interest rate of 3.11% with semi-annual payments, final payment due September 15, 2030, used for water improvements; remaining funds left to draw are \$187,337.	1,583,734
2012 OWRB Note Payable dated August 29, 2012, original amount of \$1,240,000 with a variable interest rate ranging from 0.25% to 4.00% plus a .5% admin fee, with semi-annual payments, final payment due September 1, 2022, used for refinancing 2003B OWRB Note that was issued for sewer improvements	655,000
2013 Note Payable dated October 1, 2013, original amount of \$1,020,000 with a annual interest rate ranging of 3.05%, semiannual installments of principal and interest, final installment October 1, 2022, used for refinancing 2004B OWRB Note that was issued for sewer improvements.	<u>545,000</u>
Total Notes Payable	\$5,406,695
Plus: Unamortized Premium	<u>28,331</u>
Total Notes Payable, net	<u>\$5,435,026</u>
Current portion	\$703,131
Non-current portion, net	<u>4,731,895</u>
Total Notes Payable	<u>\$5,435,026</u>

Revenue Bonds:

2012 Series Utility System Revenue Bonds dated November 1, 2012, original amount of \$30,510,000, issued by Sand Springs Municipal Authority, secured by utility revenues and pledged sales tax, interest rates from 2.0% to 4.0%, final maturity November 1, 2042, used for water and sewer improvements and pay off notes payable.	\$27,100,000
Less: Unamortized discount	<u>(101,801)</u>
Total Revenue Bonds, net	<u>\$26,998,199</u>
Current portion	\$720,000
Non-current portion, net	<u>26,278,199</u>
Total Revenue Bonds Payable	<u>\$26,998,199</u>

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

Accrued Compensated Absences:	
Current portion	\$67,559
Non-current portion	<u>269,741</u>
Total Accrued Compensated Absences	<u>\$337,300</u>
Deposits Subject to Refund:	
Current portion	\$186,622
Non-current portion	<u>312,265</u>
Total Deposits Subject to Refund	<u>\$498,887</u>

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2018:

<u>Type of Debt</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>	<u>Amounts Due Within One Year</u>
<u>Primary Government</u>					
Governmental Activities:					
General Obligation Bonds	\$ 4,195,000	\$ 9,680,000	\$ 785,000	\$ 13,090,000	\$ 575,000
Revenue Bonds	16,000,000	-	455,000	15,545,000	465,000
Capital Leases Payable	778,044	-	164,638	613,406	166,461
Accrued Compensated Absences	<u>916,681</u>	<u>662,576</u>	<u>672,481</u>	906,776	<u>181,355</u>
Total Governmental Activities	<u>\$ 21,889,725</u>	<u>\$ 10,342,576</u>	<u>\$ 2,077,119</u>	30,155,182	<u>\$ 1,387,816</u>
Plus: Total OPEB liability (See Note 4A)				1,403,586	
Unamortized bond premium (See Note 3E)				118,529	
Net pension liability (See Note 4A)				9,003,612	
				<u>\$ 40,680,909</u>	
Reconciliation to Statement of Net Position:					
Due in one year				\$ 1,387,816	
Due in more than one year				<u>39,293,093</u>	
				<u>\$ 40,680,909</u>	
Business-Type Activities:					
Notes Payable	\$ 6,089,553	\$ -	\$ 682,858	\$ 5,406,695	\$ 703,131
Revenue Bonds Payable	27,805,000	-	705,000	27,100,000	720,000
Accrued Compensated Absences	335,672	218,059	216,431	337,300	67,559
Deposits Subject to Refund	<u>486,955</u>	<u>92,885</u>	<u>80,953</u>	498,887	<u>186,622</u>
Total Business-Type Activities	<u>\$ 34,717,180</u>	<u>\$ 310,944</u>	<u>\$ 1,685,242</u>	33,342,882	<u>\$ 1,677,312</u>
Plus: Total OPEB liability (See Note 4A)				733,094	
Unamortized bond premium (See Note 3E)				28,331	
Less: Unamortized bond discount (See Note 3E)				101,801	
				<u>\$ 34,002,506</u>	
Reconciliation to Statement of Net Position:					
Due in one year				\$ 1,677,312	
Due in more than one year				<u>32,325,194</u>	
				<u>\$ 34,002,506</u>	

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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

Debt Service Requirements to Maturity - Primary Government

The debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2018 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>					
	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Capital Leases Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 575,000	\$ 382,251	\$ 465,000	\$ 507,650	\$ 166,461	\$ 5,451
2020	1,070,000	367,565	475,000	498,350	168,331	3,581
2021	1,145,000	339,726	485,000	488,850	170,248	1,665
2022	635,000	310,088	495,000	242,570	108,366	336
2023	635,000	293,365	505,000	469,250	-	-
2024-2028	3,175,000	1,202,355	2,695,000	2,171,819	-	-
2029-2033	3,175,000	728,225	3,105,000	1,762,801	-	-
2034-2038	2,680,000	254,907	3,760,000	1,106,478	-	-
2039-2042	-	-	3,560,000	337,863	-	-
Totals	<u>\$ 13,090,000</u>	<u>\$ 3,878,482</u>	<u>\$ 15,545,000</u>	<u>\$ 7,585,631</u>	<u>\$ 613,406</u>	<u>\$ 11,033</u>

<u>Year Ending June 30,</u>	<u>Business-Type Activities</u>			
	<u>Notes Payable</u>		<u>Revenue Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 703,131	\$ 116,060	\$ 720,000	\$ 949,750
2020	718,468	99,814	735,000	932,444
2021	734,681	81,992	755,000	911,012
2022	755,972	63,948	775,000	888,062
2023	682,618	45,661	800,000	865,637
2024-2028	1,543,272	76,698	4,380,000	3,921,676
2029-2033	268,553	2,045	5,230,000	3,059,894
2034-2038	-	-	6,215,000	2,041,544
2039-2043	-	-	7,490,000	743,051
Totals	<u>\$ 5,406,695</u>	<u>\$ 486,218</u>	<u>\$ 27,100,000</u>	<u>\$ 14,313,070</u>

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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

Interfund transfers reported in the fund financial statements for the year ended June 30, 2018, were as follows:

TRANSFERS IN	TRANSFERS OUT									
	GENERAL FUND	CAPITAL IMPROVEMENT WATER/WASTEWATER FUND	PUBLIC SAFETY CAPITAL IMPROVEMENT FUND	SSMA WATER FUND	SSMA WASTEWATER FUND	SSMA SOLID WASTE FUND	SSMA GOLF FUND	SSMA STORMWATER FUND	OTHER GOVERNMENTAL FUNDS	
<i>Primary Government:</i>										
<i>Governmental Activities:</i>										
<i>Major Funds:</i>										
General Fund	\$ 1,786,899	\$ -	\$ -	\$ -	\$ 980,000	\$ 200,000	\$ 500,000	\$ -	\$ -	\$ 106,899
<i>Capital Project Funds:</i>										
Street Improvement Fund	1,654,483	1,587,606	39,877	-	27,000	-	-	-	-	-
Capital Improvement Water/Wastewater Fund	3,175,211	-	-	-	3,175,211	-	-	-	-	-
Public Safety Capital Improvement Fund	1,480,845	1,480,845	-	-	-	-	-	-	-	-
Capital Project Funds	6,310,539	3,068,451	39,877	-	3,202,211	-	-	-	-	-
Sub-total Major Funds	8,097,438	3,068,451	39,877	-	4,182,211	200,000	500,000	-	-	106,899
Nonmajor Funds	4,093,739	901,363	-	-	1,455,165	412,000	-	25,211	1,000,000	300,000
Total Governmental Activities	12,191,177	3,969,814	39,877	-	5,637,376	612,000	500,000	25,211	1,000,000	406,899
<i>Business-Type Activities:</i>										
<i>Major Funds:</i>										
SSMA Water Fund	3,975,211	3,175,211	800,000	-	-	-	-	-	-	-
SSMA Airport Fund	50,000	-	-	-	50,000	-	-	-	-	-
SSMA Golf Fund	175,000	-	-	-	175,000	-	-	-	-	-
Total Business-Type Activities	4,200,211	3,175,211	800,000	-	225,000	-	-	-	-	-
Total Primary Government	\$ 16,391,388	\$ 7,145,025	\$ 839,877	\$ -	\$ 5,862,376	\$ 612,000	\$ 500,000	\$ 25,211	\$ 1,000,000	\$ 406,899

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	Short-Term Capital Improvement	\$ 12,800	A E911 wireless system
General Fund	Capital Improvement Fund	100,000	A Capital asset purchases
Short-Term Capital Improvement	General Fund	95,000	B E911 wireless system
Sinking Fund	General Fund	11,899	B Interest earnings
SSMA Water Fund	General Fund	980,000	Operating subsidy
SSMA Wastewater Fund	General Fund	200,000	Operating subsidy
SSMA Solid Waste Utility Fund	General Fund	500,000	Operating subsidy
SSMA Water Fund	Capital Improvement Fund	30,000	A Capital asset purchases
General Fund	Street Improvement Fund	1,587,606	Sales tax transfer
General Fund	Public Safety Capital Improvement Fund	1,428,845	Sales tax transfer
General Fund	Public Safety Capital Improvement Fund	52,000	Capital asset purchases
Capital Improvement Fund	2018 GO Bond City Projects Fund	300,000	A/B Operating subsidy
Capital Improvement W&WW Fund	Street Improvement Fund	39,877	Capital asset purchases
General Fund	T.I.D. #1 Cimarron Center Fund	471,042	A Property tax transfer
General Fund	Economic Development Capital Impr Fund	317,521	A Sales tax transfer
SSMA Golf Course Fund	Golf Course Capital Improvement	25,211	A Capital asset purchases
Capital Improvement W&WW Fund	SSMA Water Fund	800,000	Debt service
General Fund	SSMA Water Fund	3,175,211	Sales tax transfer
SSMA Stormwater Fund	Stormwater Capital Improvement	1,000,000	A Operating subsidy
SSMA Water Fund	Street Improvement Fund	27,000	Capital asset purchases
SSMA Water Fund	Capital Improvement W&WW Fund	3,175,211	Sales tax transfer
SSMA Water Fund	CDBG - EDIF Fund	6,000	A Capital asset purchases
SSMA Water Fund	Airport Construction Fund	30,000	A Capital asset purchases
SSMA Water Fund	2014 GO Bond Capital Improvement Fund	100,000	A Capital asset purchases
SSMA Water Fund	2018 GO Bond City Project Fund	1,154,250	A Capital asset purchases
SSMA Water Fund	SSMA Short-term Capital Improvement Fund	134,915	A Capital asset purchases
SSMA Water Fund	SSMA Golf Course Fund	175,000	Operating subsidy
SSMA Water Fund	SSMA Airport Fund	50,000	Operating subsidy
SSMA Wastewater Fund	2018 GO Bond City Project Fund	412,000	A Capital asset purchases
		<u>\$ 16,391,388</u>	

Denotes major fund

Sub-total of Nonmajor Governmental Fund Transfers In	3,993,739	Sum of A
Sub-total of Nonmajor Governmental Fund Transfers Out	(406,899)	Sum of B

Reconciliation to Fund Financials:	Transfers		Net Transfers
	In	Out	
Governmental Funds	\$ 12,191,177	\$ (8,391,801)	\$ 3,799,376
Enterprise Funds	4,200,211	(7,999,587)	(3,799,376)
Total Transfers	<u>\$ 16,391,388</u>	<u>\$ (16,391,388)</u>	<u>\$ -</u>

**Reconciliation to Statement of Activities:**

Net Transfers Governmental Funds	\$ 3,799,376
Net transfer for Capital project funds reported as business-type activities	213,898
Capital outlay for governmental capital project funds reported as transfers to business-type activities	(3,844,345)

Net Transfers/Internal Activity	<u>\$ 168,929</u>
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**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

**3.G. FUND EQUITY**

**Fund Balance and Net Position:**

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

	General Fund	Major Capital Project Funds				Other Governmental Funds	TOTAL
		Street Improvement	Capital Improvement Water & Wastewater	Public Safety Capital Improvement	2018 GO Bond Economic Development		
<b>Fund Balances:</b>							
<b>Nonspendable:</b>							
Inventory & prepaids	\$ 18,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,816
Sub-total Nonspendable	18,816	-	-	-	-	-	18,816
<b>Restricted for:</b>							
Animal Sterilization	3,606	-	-	-	-	-	3,606
Jail Reserves	113,953	-	-	-	-	-	113,953
Substance Abuse	107,341	-	-	-	-	-	107,341
Juvenile Programs	70,620	-	-	-	-	-	70,620
Economic Development	211,161	-	-	-	-	-	211,161
Streets	-	8,368,589	-	-	-	-	8,368,589
Housing Rehabilitation	-	-	-	-	-	-	-
License Plates	36,040	-	-	-	-	-	36,040
Public Safety Capital Improvements	-	-	-	11,123,857	-	-	11,123,857
Capital Improvements	-	-	-	-	-	4,200,651	4,200,651
Contract Wages	120,026	-	-	-	-	-	120,026
E911	-	-	-	-	-	522,146	522,146
Utility Capital Projects	-	-	5,335,774	-	-	-	5,335,774
Debt Service	-	-	-	-	-	741,760	741,760
Sub-total Restricted	662,747	8,368,589	5,335,774	11,123,857	-	5,464,557	30,955,524
<b>Assigned to:</b>							
Subsequent Year Budget	1,269,257	-	-	-	-	-	1,269,257
Encumbrances	171,465	-	-	-	-	-	171,465
Economic Development Capital Improvements	-	-	-	-	-	466,315	466,315
Community Center	281,842	-	-	-	-	-	281,842
Police	172,375	-	-	-	-	-	172,375
Fire	647	-	-	-	-	-	647
Municipal Court Technology	15,737	-	-	-	-	-	15,737
Alive at 25	5,191	-	-	-	-	-	5,191
Streets	-	250,569	-	-	-	-	250,569
Public Safety Capital Improvements	-	-	-	310,148	-	-	310,148
Capital Improvements	-	-	-	-	-	847,069	847,069
Parks	-	-	-	-	-	41,498	41,498
Energy Efficiency Projects	-	-	-	-	-	-	-
River City Crossing	-	-	-	-	-	1,674,280	1,674,280
South Side Park	-	-	-	-	-	10,750	10,750
Stormwater Projects	-	-	-	-	-	5,832,262	5,832,262
Utility Capital Projects	-	-	958,512	-	-	61,074	1,019,586
Golf Course	-	-	-	-	-	22,179	22,179
Debt Service	-	-	-	-	-	3,981	3,981
Other	12	-	-	-	-	-	12
Sub-total Assigned	1,916,526	250,569	958,512	310,148	-	8,959,408	12,395,163
<b>Unassigned:</b>							
	4,067,043	-	-	-	-	-	4,067,043
<b>TOTAL FUND BALANCES</b>	<b>\$ 6,665,132</b>	<b>\$ 8,619,158</b>	<b>\$ 6,294,286</b>	<b>\$ 11,434,005</b>	<b>\$ -</b>	<b>\$ 14,423,965</b>	<b>\$ 47,436,546</b>

**Enterprise Funds:**

**Restricted for Debt Service:**

Cash and Cash Equivalents	\$ 883,807
Investments	1,762,540
	<u>2,646,347</u>
Less: accrued interest payable	<u>(195,542)</u>

**Total Enterprise Fund Restricted Net Position** \$ 2,450,805

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

**Prior Period Adjustments**

	<u>Government-Wide</u>		<u>Proprietary Funds</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
Beginning net position, as previously reported	\$ 49,310,764	\$ 81,550,592	\$ 69,311,345
Implementation of GASB OPEB Statements 75 and 85, recognition of beginning total OPEB liability, deferred outflows and deferred inflows	(618,109)	(387,869)	(387,869)
Correction of prior year CIP	(1,091,431)	-	-
Beginning net position, restated	<u>\$ 47,601,224</u>	<u>\$ 81,162,723</u>	<u>\$ 68,923,476</u>

The City has early implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. As a result, the City will no longer include capitalized interest costs in proprietary fund capital assets. In accordance with the standard, any capitalized interest costs included in capital assets placed in service prior to July 1, 2017, have not been removed or restated.

**NOTE 4. OTHER NOTES**

**4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS**

The City participates in three employee pension systems as follows:

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

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



**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

		Governmental Activities
Net Pension Liability		
Police Pension System	\$	42,849
Firefighter's Pension System		8,960,763
Total Net Pension Liability	\$	9,003,612
Deferred Outflows of Resources		
Police Pension System	\$	596,052
Firefighter's Pension System		1,835,163
Total Deferred Outflows of Resources	\$	2,431,215
Deferred Inflows of Resources		
Police Pension System	\$	268,300
Firefighter's Pension System		555,513
Total Deferred Inflows of Resources	\$	823,813
Pension Expense		
Police Pension System	\$	269,093
Firefighter's Pension System		1,017,597
Total Pension Expense	\$	1,286,690

**Oklahoma Police Pension and Retirement Systems**

***Summary of Significant Accounting Policies***

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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

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

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

**Contributions** - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$240,220. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$226,571 this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$190,975. These on-behalf payments did not meet the criteria of a special funding situation.

**Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2018, the City reported a liability of \$42,849 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2017. Based upon this information, the City's proportion was .557055%.

For the year ended June 30, 2018, the City recognized pension expense of \$269,093. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,152	\$ 259,051
Net difference between projected and actual earnings on pension plan investments	319,148	-
Changes in proportion and differences between City contributions and proportionate share of contributions	19,926	3,464
City contributions during the measurement date	14,606	5,785
City contributions subsequent to the measurement date	240,220	-
Total	\$ 596,052	\$ 268,300

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

The \$240,220 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$	(2,857)
2020		164,914
2021		79,360
2022		(126,144)
2023		(27,741)
Total	<u>\$</u>	<u>87,532</u>

**Actuarial Assumptions**-The total pension liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	4.5% to 17% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Cost-of-living adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary.
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.
	Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.
	Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA.

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

<u>Asset Class</u>	<u>Real Rate of Return</u>
Fixed income	4.51%
Domestic equity	6.62%
International equity	9.70%
Real estate	6.96%
Private equity	9.86%
Commodities	5.18%

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

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 1,448,170	\$ 42,849	\$ (1,144,158)

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

**Oklahoma Fire Pension and Retirement Systems**

**Summary of Significant Accounting Policies**

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

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**CITY OF SAND SPRINGS, OKLAHOMA**  
**JUNE 30, 2018**

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

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

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

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

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

**Contributions** - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$289,423. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$654,797 this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$627,916. These on-behalf payments did not meet the criteria of a special funding situation.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2018, the City reported a liability of \$8,960,763 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2017. Based upon this information, the City's proportion was .712459%.

For the year ended June 30, 2018, the City recognized pension expense of \$1,017,597. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,197,002	\$ -
Net difference between projected and actual earnings on pension plan investments	-	249,706
Changes in proportion and differences between City contributions and proportionate share of contributions	348,738	295,864
City contributions during the measurement date	-	9,943
City contributions subsequent to the measurement date	289,423	-
<b>Total</b>	<b>\$ 1,835,163</b>	<b>\$ 555,513</b>

The \$289,423 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

	2019	\$	97,040
	2020		374,300
	2021		286,800
	2022		39,494
	2023		160,863
	Thereafter		31,730
	<b>Total</b>	<b>\$</b>	<b>990,227</b>

**Actuarial Assumptions**-The total pension liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

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

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	4.38%
Domestic equity	47%	7.72%
International equity	15%	9.70%
Real estate	10%	6.96%
Other assets	8%	5.75%

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

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

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability	\$ 11,755,215	\$ 8,960,763	\$ 6,592,637

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

**Defined Contribution Plan - OkMRF**

The City has provided a defined contribution plan and trust known as the City of Sand Springs Plan and Trust (the "Plan") in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OkMRF). OkMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The plan is administered by JP Morgan Chase of Oklahoma City. The OkMRF Plan issues a separate financial report that may be obtained from OkMRF. The defined contribution plan is available to all full-time employees except those participating in state fire or police program and the City Manager. Employees are eligible on the employee's employment commencement date. Each employee shall be required to contribute 4% (not to exceed 10%) of his or her compensation. By City ordinance, the City, as employer, is required to make contributions to the plan, under the government pick-up option, at a rate of 8% of covered payroll. The City has also elected the variable funding option. The contribution rate of the employer may be determined annually by the City council. The City's contributions for each employee (and interest allocated to the employee's account) are vested at a rate of 50% after completion of five years of service and then 10% per year for the next five years. The employee is fully vested after 10 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting are allocated back to remaining eligible participants. Benefits depend solely on amounts contributed to the plan plus investment earnings. The authority to establish and amend the provisions of the plan rests with the City Council.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

For the year ended June 30, 2018, the following amounts related to the defined contribution plan:

Employee contributions made	\$223,434
Employer (City) contributions made	\$438,486

**Defined Contribution Plan – OkMRF - CMO Plan**

The City has also provided a defined contribution plan in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OkMRF). The defined contribution plan is available to any person who is in the position of City Manager as of August 14, 2006. Employees are eligible on the employee’s employment commencement date. The City has elected the variable funding option. The City intends to make a contribution to the Plan for the benefit of the participants on a monthly basis. The contribution may be varied from year to year by the City. The City’s contributions for each employee (and interest allocated to the employee’s account) are vested at 100% immediately upon the participation date. Benefits depend solely on amounts contributed to the plan plus investment earnings. The authority to establish and amend the provisions of the plan rests with the City Council. The City contributes 13% to the plan and the employee does not contribute to the plan. The total contributions by the City for fiscal year 2018 were \$11,745 which is 100% of the required contribution.

**Other Post-Employment Benefits**

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

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

**Employees covered by benefit terms** - At June 30, 2018 the following employees were covered by the benefit terms:

Active Employees	125
Inactives or beneficiaries currently receiving benefit payments	<u>4</u>
Total	<u>129</u>

**Total OPEB Liability** – The City’s total OPEB liability of \$2,136,680 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions- The total OPEB liability was determined based on an actuarial valuation prepared as of June 30, 2017 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 3.58%, based on June 30, 2017 published Bond Pay Go-20 bond index
- Termination – Civilian employees are based on actual experience of the Oklahoma Municipal Retirement Fund. Rates for police and firefighters are based on rates for these groups in Oklahoma.



**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

Retirement Age:

*Civilian  
Retirement*

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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

	Total OPEB Liability
Balances Beginning of Year	\$ 2,147,907
Changes for the Year:	
Service cost	159,662
Interest expense	60,022
Changes in assumptions	(203,174)
Benefits paid	(27,737)
Net changes	(11,227)
Balances Ending of Year	\$ 2,136,680
Governmental Activities	\$ 1,403,586
Business-type Activities	733,094
	\$ 2,136,680

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

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**–The following presents the total OPEB liability of the employer calculated using the discount rate of 3.58%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.58%) or 1-percentage-point higher (4.58) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Employers' total OPEB liability	\$ 2,629,620	\$ 2,136,680	\$ 1,752,834

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

	1% Decrease (5.09% grading to 3.87%)	Healthcare Costs Trend Rates (6.09% grading to 4.87%)	1% Increase (7.09% grading to 5.87%)
Employers' net OPEB liability	\$ 1,765,806	\$ 2,136,680	\$ 2,599,705

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

For the year ended June 30, 2018, the City recognized OPEB expense of \$192,041. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 175,534
Benefit payments subsequent to the measurement date	21,169	-
Total	\$ 21,169	\$ 175,534

The \$21,169 reported as deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2019	\$	(27,643)
2020		(27,643)
2021		(27,643)
2022		(27,643)
2023		(27,643)
Thereafter		(37,319)
Total	\$	(175,534)

**4.B. TAX ABATEMENTS**

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

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

Due to the confidentiality laws in Oklahoma Statutes, Title 68, Section 1354.11, the amounts of sales taxes rebated will not be disclosed. The following businesses had rebate agreements with the City as of June 30, 2018:

A grocery retailer received rebated sales taxes during 2018. The sales tax rebated cannot exceed the lesser of (i) 1% of the gross sales tax generated over a 10 year period, or (ii) \$2,000,000. This sales tax rebate period is for ten years from the sales tax commencement date (the date the City first receives sales tax). The agreement must be renewed for the City Council annually to ensure a continuing public benefit. This agreement was entered into July 2012 and will terminate no later than June 2022.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

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

**4.C. RISK MANAGEMENT**

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

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
a. General Liability: - Torts - Errors and omissions - Police liability - Vehicle	Purchased commercial insurance.	None
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, 2018**

OMAG Workers Compensation

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

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

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

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

**4.D. COMMITMENTS AND CONTINGENCIES**

Contingencies:

Grant Program Involvement

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

Litigation

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

Commitments:

Construction Projects

At June 30, 2018, the City had several construction projects ongoing. The material projects are noted below:

Project	Total Contract	Remaining Contract	Funding Source
Main Street Improvements	\$ 2,434,543	\$ 23,718	Street Improvement Fund
Public Safety Complex	\$ 11,707,124	\$ 9,431,412	Public Safety Capital Improvement Fund
Case Community Park	\$ 4,152,150	\$ 40,302	Vision 2025; 2014 GO Bond
Fire Station #2	\$ 1,549,058	\$ 502,245	Public Safety Capital Improvement Fund

Tax Increment Financing District

The City established a tax increment financing district (the “District”) for the purpose of assisting an existing company within the City to expand its business. Under terms of the agreement, the Company agreed to relocate/expand its business on an underdeveloped parcel of land within the City. Pursuant to the agreement, sales tax generated within the District would be rebated by the City to the company on allowable construction costs incurred in the District as defined in the agreement. In addition, one hundred percent of the ad valorem tax generated within the District in excess of the base assessed value of the District is to be apportioned and used to reimburse the company for certain allowable project costs. The apportionment of ad valorem will terminate upon the final payment for all allowable project costs incurred, less previous apportionments of sales tax, but in no case shall extend beyond twenty-five years from the original effective date. During fiscal 2018, the ad valorem assessments on the District totaled \$471,020.

**4.E. NEW ACCOUNTING PRONOUNCEMENTS**

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

GASB Statement No. 83, *Certain Asset Retirement Obligations* - GASB No. 83 was issued December 2016, under this statement a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information. This Statement is effective for periods beginning after June 15, 2018. The City has not yet determined the impact that implementation of GASB 83 will have on its net position.

GASB Statement 84, *Fiduciary Activities* - GASB No. 84 was issued January 2017, this Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for periods beginning after December 15, 2018. The City has not yet determined the impact that implementation of GASB 84 will have on its net position.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2018**

GASB Statement 87, *Leases* - GASB No. 87 was issued June 2017, the primary objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about activities. This Statement is effective for periods beginning after December 15, 2019. The City has not yet determined the impact that implementation of GASB 87 will have on its net position.

GASB Statement 88, *Certain Disclosures Related to Debt* - GASB No. 88 was issued April 2018, the primary objective of this Statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. It defines debt for purposes of disclosure in the notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The City has not yet determined the impact that implementation of GASB 88 will have on its net position. This Statement is effective for periods beginning after June 15, 2018.

GASB Statement 90, *Majority Equity Interests* - GASB No. 90, Majority Equity Interests (An amendment of GASB Statement 14 and 61) -issued August 2018, will be effective for the City beginning with its fiscal year ending June 30, 2020. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The City has not yet determined the impact that implementation of GASB 90 will have on its net position.

## ***REQUIRED SUPPLEMENTARY INFORMATION***

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

- Defined Benefit Cost Sharing Plans:
  - Police
    - Schedule of the City's proportionate share of the net pension liability
    - Schedule of City contributions
  - Fire
    - Schedule of the City's proportionate share of the net pension liability
    - Schedule of City contributions
- Budgetary Comparison Schedule - General Fund
- Notes to RSI - Budgetary Comparison Schedule
- Schedule of Changes in Total OPEB Liability and Related Ratios



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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's proportion of the net pension liability (asset)	0.5255%	0.5557%	0.5755%	0.5571%
City's proportionate share of the net pension liability (asset)	\$ (176,923)	\$ 22,670	\$ 881,406	\$ 42,849
City's covered-employee payroll	\$1,497,869	\$ 1,522,161	\$1,649,772	\$ 1,802,485
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(11.81%)	1.49%	53.43%	2.38%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%

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

**Notes to Schedule:**

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

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

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

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

**Notes to Schedule:**

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's proportion of the net pension liability	0.696226%	0.7066%	0.7441%	0.7125%
City's proportionate share of the net pension liability	\$ 7,159,629	\$ 7,499,699	\$ 9,090,642	\$ 8,960,763
City's covered-employee payroll	\$ 1,785,586	\$ 1,941,928	\$ 2,020,060	\$ 2,030,414
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	401%	386%	450%	441%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%

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

**Notes to Schedule:**

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

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

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

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

**Notes to Schedule:**

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

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the fiscal year ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$4,149,384	\$5,726,465	\$5,726,465	-
<b>Resources (Inflows):</b>				
<b>TAXES:</b>				
Sales tax	12,248,750	12,248,750	12,859,605	610,855
Use tax	375,000	375,000	808,736	433,736
Hotel/Motel tax	195,000	195,000	249,941	54,941
Incremental tax	750,000	750,000	450,987	(299,013)
Franchise tax	808,000	808,000	898,716	90,716
Video Provider Fee	50,000	50,000	26,201	(23,799)
Emergency telephone tax	32,000	32,000	21,568	(10,432)
Abatement fees	20,000	20,000	94,149	74,149
Payment in lieu of taxes	1,224,079	1,224,079	1,244,157	20,078
<b>Total Taxes</b>	<u>15,702,829</u>	<u>15,702,829</u>	<u>16,654,060</u>	<u>951,231</u>
<b>INTERGOVERNMENTAL:</b>				
Taxes	216,000	216,000	210,910	(5,090)
Cigarette tax	136,000	136,000	151,527	15,527
Grants	-	113,009	77,096	(35,913)
<b>Total Intergovernmental</b>	<u>352,000</u>	<u>465,009</u>	<u>439,533</u>	<u>(25,476)</u>
<b>CHARGES FOR SERVICES:</b>				
Court costs	166,200	130,000	76,965	(53,035)
Zoning and inspection fees	73,500	73,500	88,938	15,438
Park and recreation fees	79,500	79,500	81,348	1,848
Fire run fees	750	750	2,200	1,450
Fire protection fee	159,000	159,000	162,914	3,914
First responder runs	9,000	9,000	11,000	2,000
First responder fees	245,000	245,000	248,045	3,045
EMSA fees	270,500	270,500	274,279	3,779
Other fees	16,800	16,800	42,802	26,002
<b>Total Charges for Services</b>	<u>1,020,250</u>	<u>984,050</u>	<u>988,491</u>	<u>4,441</u>
<b>FINES AND FORFEITURES</b>	<u>260,200</u>	<u>296,400</u>	<u>159,191</u>	<u>(137,209)</u>
<b>LICENSES AND PERMITS:</b>				
Licenses	112,410	112,410	145,516	33,106
Permits	41,700	41,700	50,365	8,665
<b>Total Licenses and Permits</b>	<u>154,110</u>	<u>154,110</u>	<u>195,881</u>	<u>41,771</u>
<b>OTHER:</b>				
Transfers from other funds	1,778,500	1,778,500	1,786,899	8,399
Interest on taxes	5,000	5,000	6,316	1,316
Interest	39,000	39,000	65,868	26,868
Other	281,000	289,856	316,768	26,912
<b>Total Other</b>	<u>2,103,500</u>	<u>2,112,356</u>	<u>2,175,851</u>	<u>63,495</u>
<b>Total Resources (Inflows)</b>	<u>19,592,889</u>	<u>19,714,754</u>	<u>20,613,007</u>	<u>898,253</u>
<b>Amounts available for appropriation</b>	<u>23,742,273</u>	<u>25,441,219</u>	<u>26,339,472</u>	<u>898,253</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the fiscal year ended June 30, 2018  
(Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Charges to Appropriations (Outflows):</b>				
<b>GENERAL GOVERNMENT:</b>				
General Administration:				
Personal services	\$ 50,000	\$ 10,000	\$ -	\$ 10,000
Materials and supplies	25,000	3,100	958	2,142
Other services and charges	151,650	157,605	96,513	61,092
Total General Administration	<u>226,650</u>	<u>170,705</u>	<u>97,471</u>	<u>73,234</u>
Municipal Court:				
Personal services	193,529	194,000	141,436	52,564
Materials and supplies	1,825	1,825	1,155	670
Other services and charges	18,798	20,229	16,787	3,442
Total Municipal Court	<u>214,152</u>	<u>216,054</u>	<u>159,378</u>	<u>56,676</u>
City Manager:				
Personal services	354,702	353,688	333,306	20,382
Materials and supplies	1,465	1,215	727	488
Other services and charges	2,600	2,350	979	1,371
Total City Manager	<u>358,767</u>	<u>357,253</u>	<u>335,012</u>	<u>22,241</u>
City Clerk:				
Personal services	167,925	175,596	163,223	12,373
Materials and supplies	2,500	2,500	935	1,565
Other services and charges	13,920	13,920	11,513	2,407
Total City Clerk	<u>184,345</u>	<u>192,016</u>	<u>175,671</u>	<u>16,345</u>
Information Services:				
Personal services	141,096	140,290	134,977	5,313
Materials and supplies	5,925	9,425	9,360	65
Other services and charges	174,852	172,602	152,215	20,387
Total Information Services	<u>321,873</u>	<u>322,317</u>	<u>296,552</u>	<u>25,765</u>
TOTAL GENERAL GOVERNMENT	<u>1,305,787</u>	<u>1,258,345</u>	<u>1,064,084</u>	<u>194,261</u>
<b>PLANNING AND ZONING:</b>				
Planning and Development:				
Personal services	143,417	143,854	138,524	5,330
Materials and supplies	1,280	1,280	1,016	264
Other services and charges	21,614	21,254	17,053	4,201
TOTAL PLANNING AND ZONING	<u>166,311</u>	<u>166,388</u>	<u>156,593</u>	<u>9,795</u>
<b>FINANCIAL ADMINISTRATION:</b>				
Human Resources:				
Personal services	187,134	190,533	168,288	22,245
Materials and supplies	4,310	4,970	3,958	1,012
Other services and charges	10,640	9,143	6,309	2,834
Total Human Resources	<u>202,084</u>	<u>204,646</u>	<u>178,555</u>	<u>26,091</u>
Finance:				
Personal services	437,407	415,846	398,226	17,620
Materials and supplies	6,524	10,654	8,672	1,982
Other services and charges	134,440	184,350	136,647	47,703
Total Finance	<u>578,371</u>	<u>610,850</u>	<u>543,545</u>	<u>67,305</u>
City Attorney:				
Personal services	22,068	17,876	14,514	3,362
Materials and supplies	-	1	-	1
Other services and charges	83,700	99,200	99,129	71
Total City Attorney	<u>105,768</u>	<u>117,077</u>	<u>113,643</u>	<u>3,434</u>
TOTAL FINANCIAL ADMINISTRATION	<u>886,223</u>	<u>932,573</u>	<u>835,743</u>	<u>96,830</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the fiscal year ended June 30, 2018**  
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>PUBLIC SAFETY:</b>				
<b>Police:</b>				
Personal services	\$ 3,030,919	\$ 3,240,538	\$ 2,989,589	\$ 250,949
Materials and supplies	163,237	125,741	116,212	9,529
Other services and charges	64,247	76,478	59,506	16,972
<b>Total Police</b>	<b>3,258,403</b>	<b>3,442,757</b>	<b>3,165,307</b>	<b>277,450</b>
<b>Emergency Management:</b>				
Personal services	40,158	40,158	36,501	3,657
Materials and supplies	5,921	5,621	1,091	4,530
Other services and charges	14,186	19,486	11,135	8,351
<b>Total Emergency Management</b>	<b>60,265</b>	<b>65,265</b>	<b>48,727</b>	<b>16,538</b>
<b>Animal Control:</b>				
Personal services	100,955	101,977	93,316	8,661
Materials and supplies	11,494	10,534	8,941	1,593
Other services and charges	1,409	1,409	458	951
<b>Total Animal Control</b>	<b>113,858</b>	<b>113,920</b>	<b>102,715</b>	<b>11,205</b>
<b>Communications:</b>				
Personal services	500,889	493,687	442,812	50,875
Materials and supplies	10,500	10,500	8,023	2,477
Other services and charges	148,741	157,191	149,721	7,470
<b>Total Communications</b>	<b>660,130</b>	<b>661,378</b>	<b>600,556</b>	<b>60,822</b>
<b>Fire:</b>				
Personal services	3,123,636	3,129,708	2,944,951	184,757
Materials and supplies	110,304	115,494	106,577	8,917
Other services and charges	325,886	320,186	300,773	19,413
Capital outlay	3,000	3,000	1,649	1,351
<b>Total Fire</b>	<b>3,562,826</b>	<b>3,568,388</b>	<b>3,353,950</b>	<b>214,438</b>
<b>Neighborhood Services:</b>				
Personal services	225,015	216,756	182,058	34,698
Materials and supplies	8,816	8,916	6,198	2,718
Other services and charges	99,781	108,301	92,307	15,994
<b>Total Neighborhood Services</b>	<b>333,612</b>	<b>333,973</b>	<b>280,563</b>	<b>53,410</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>7,989,094</b>	<b>8,185,681</b>	<b>7,551,818</b>	<b>633,863</b>
<b>HIGHWAYS AND STREETS:</b>				
<b>Street and Alley:</b>				
Personal services	517,803	524,681	348,262	176,419
Materials and supplies	187,290	187,990	109,663	78,327
Other services and charges	234,587	233,687	188,454	45,233
<b>TOTAL HIGHWAYS AND STREETS</b>	<b>939,680</b>	<b>946,358</b>	<b>646,379</b>	<b>299,979</b>
<b>HEALTH AND WELFARE:</b>				
<b>Senior Citizens:</b>				
Personal services	25,173	25,274	21,622	3,652
Materials and supplies	5,953	10,039	4,220	5,819
Other services and charges	2,099	2,099	1,449	650
<b>TOTAL HEALTH AND WELFARE</b>	<b>33,225</b>	<b>37,412</b>	<b>27,291</b>	<b>10,121</b>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the fiscal year ended June 30, 2018**  
(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>		
<b>CULTURE AND RECREATION:</b>				
Parks and Recreation:				
Personal services	\$ 576,364	\$ 537,976	\$ 507,160	\$ 30,816
Materials and supplies	132,027	126,447	119,251	7,196
Other services and charges	411,705	449,404	426,253	23,151
Capital outlay	40,000	65,030	31,221	33,809
Total Parks and Recreation	<u>1,160,096</u>	<u>1,178,857</u>	<u>1,083,885</u>	<u>94,972</u>
Museum:				
Personal services	18,890	14,728	10,836	3,892
Materials and supplies	5,400	5,400	4,962	438
Other services and charges	32,666	33,066	30,537	2,529
Total Museum	<u>56,956</u>	<u>53,194</u>	<u>46,335</u>	<u>6,859</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>1,217,052</u>	<u>1,232,051</u>	<u>1,130,220</u>	<u>101,831</u>
<b>ECONOMIC DEVELOPMENT:</b>				
Economic Development:				
Personal services	74,111	144,786	78,461	66,325
Materials and supplies	500	7,400	4,536	2,864
Other services and charges	265,662	266,672	254,583	12,089
TOTAL ECONOMIC DEVELOPMENT	<u>340,273</u>	<u>418,858</u>	<u>337,580</u>	<u>81,278</u>
<b>FACILITIES MANAGEMENT AND FLEET MAINTENANCE:</b>				
Facilities Management:				
Personal services	256,473	217,654	203,988	13,666
Materials and supplies	113,350	107,250	66,955	40,295
Other services and charges	173,652	196,652	164,583	32,069
Total Facilities Management	<u>543,475</u>	<u>521,556</u>	<u>435,526</u>	<u>86,030</u>
Fleet Maintenance:				
Personal services	277,277	264,885	256,009	8,876
Materials and supplies	14,707	28,428	24,149	4,279
Other services and charges	14,539	14,410	13,461	949
Total Fleet Maintenance	<u>306,523</u>	<u>307,723</u>	<u>293,619</u>	<u>14,104</u>
<b>TOTAL FACILITIES MANAGEMENT AND FLEET MAINTENANCE</b>	<u>849,998</u>	<u>829,279</u>	<u>729,145</u>	<u>100,134</u>
<b>OTHER FINANCING USES:</b>				
Transfers to other funds	6,962,784	7,114,784	7,145,025	(30,241)
Debt service:				
Capital lease principal	162,862	164,639	164,638	1
Capital lease interest	9,055	9,054	7,227	1,827
Total Other Financing Uses	<u>7,134,701</u>	<u>7,288,477</u>	<u>7,316,890</u>	<u>(28,413)</u>
<b>Total Charges to Appropriations</b>	20,862,344	21,295,422	19,795,743	1,499,679
<b>Ending Budgetary Fund Balance</b>	<u>\$ 2,879,929</u>	<u>\$ 4,145,797</u>	<u>\$ 6,543,729</u>	<u>\$ 2,397,932</u>

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance:	
Total Resources per Budgetary Comparison Schedule	\$ 20,613,007
Add State Fire and Police pension on-behalf payments	881,368
Add Special Programs sub-fund account revenues	67,503
Less transfer in	(1,786,899)
Total Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 19,774,979</u>
Total Charges to Appropriations per Budgetary Comparison Schedule	
Add State Fire and Police pension on-behalf payments	\$ 19,795,743
Add Special Programs sub-fund account expenditures	881,368
Less transfer out	43,934
Total Expenditures per Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 13,576,020</u>



**CITY OF SAND SPRINGS, OKLAHOMA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the fiscal year ended June 30, 2018**

Budgetary Accounting

The City prepares its budget for the General Fund on the modified accrual basis of accounting. The City utilizes encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation. Encumbrances outstanding at year end are not considered expenditures for budgetary purposes, but are reported as an assignment of fund balance since the City intends to honor the commitments and provide for supplemental appropriations in the following budget year. All appropriations lapse at year end.

**Schedule of Changes in Total OPEB Liability and Related Ratios  
Last 10 Years\***

	<u><b>2018</b></u>
<b>Total OPEB Liability</b>	
Service cost	\$ 159,662
Interest	60,022
Change in assumptions	(203,174)
Benefit payments, including refunds of member contributions	<u>(27,737)</u>
<b>Net change in total OPEB liability</b>	<u>(11,227)</u>
<b>Total OPEB liability - beginning</b>	<u>2,147,907</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 2,136,680</u></u>
<b>Covered employee payroll</b>	\$ 9,012,000
<b>Total OPEB liability as a percentage of covered employee payroll</b>	23.71%

**Notes to Schedule:**

Only the current year is presented because 10 year data is not yet available

The change in assumption is a result of an increase in the discount rate from 2.85% to 3.58%

## ***OTHER SUPPLEMENTARY INFORMATION***

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

Such statements and schedules include:

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

**City of Sand Springs, Oklahoma**  
**Combining Balance Sheet**  
**General Fund Accounts**  
**June 30 2018**

	<u>General Fund</u>	<u>Special Programs Account</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,484,470	\$ 94,460	\$ 2,578,930
Investments	1,462,889	49,204	1,512,093
Deposits with insurance pool	822,685	-	822,685
Accrued interest receivable	1,137	-	1,137
Taxes receivable, net	209,075	-	209,075
Receivable from other governments	1,889,094	-	1,889,094
Court fines receivable, net	98,988	-	98,988
Other receivables	351,106	-	351,106
Inventories	18,733	-	18,733
Prepaid items	83	-	83
Total assets	<u>\$ 7,338,260</u>	<u>\$ 143,664</u>	<u>\$ 7,481,924</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 151,756	\$ 900	\$ 152,656
Payable to other governments	202,364	-	202,364
Other accrued expenses	269,537	-	269,537
Amounts held in escrow	24,906	-	24,906
Other payables	27,489	21,361	48,850
Total liabilities	<u>676,052</u>	<u>22,261</u>	<u>698,313</u>
Deferred inflows of resources:			
Unavailable revenues	118,479	-	118,479
Fund balances:			
Non-spendable	18,816	-	18,816
Restricted	662,747	-	662,747
Assigned	1,795,123	121,403	1,916,526
Unassigned	4,067,043	-	4,067,043
Total fund balances	<u>6,543,729</u>	<u>121,403</u>	<u>6,665,132</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,338,260</u>	<u>\$ 143,664</u>	<u>\$ 7,481,924</u>

**City of Sand Springs, Oklahoma**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund Accounts**  
**For the Year Ended June 30, 2018**

	<u>General Fund</u>	<u>Special Programs Account</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 16,627,859	\$ -	\$ 16,627,859
Fees and fines	154,171	-	154,171
Licenses and permits	195,881	-	195,881
Intergovernmental	1,527,146	-	1,527,146
Charges for services	988,491	-	988,491
Investment earnings	72,184	965	73,149
Miscellaneous	141,744	66,538	208,282
Total revenues	<u>19,707,476</u>	<u>67,503</u>	<u>19,774,979</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,064,084	-	1,064,084
Planning and zoning	156,593	-	156,593
Financial administration	835,743	-	835,743
Public safety	8,431,537	43,934	8,475,471
Highways and streets	646,379	-	646,379
Health and welfare	27,291	-	27,291
Culture and recreation	1,098,999	-	1,098,999
Community and economic development	337,580	-	337,580
Facilities management and fleet maintenance	729,145	-	729,145
Debt Service:			
Principal	164,638	-	164,638
Interest and other charges	7,227	-	7,227
Capital Outlay	32,870	-	32,870
Total expenditures	<u>13,532,086</u>	<u>43,934</u>	<u>13,576,020</u>
Excess (deficiency) of revenues over expenditures	<u>6,175,390</u>	<u>23,569</u>	<u>6,198,959</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,786,899	-	1,786,899
Transfers out	(7,145,025)	-	(7,145,025)
Total other financing sources and uses	<u>(5,358,126)</u>	<u>-</u>	<u>(5,358,126)</u>
Net change in fund balances	817,264	23,569	840,833
Fund balances - beginning	5,726,465	97,834	5,824,299
Fund balances - ending	<u>\$ 6,543,729</u>	<u>\$ 121,403</u>	<u>\$ 6,665,132</u>

City of Sand Springs, Oklahoma  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2018

	SPECIAL REVENUE FUND	CAPITAL PROJECT FUNDS						
	Vision 2025	Short-Term Capital Improvements	Community Development Block Grant - EDIF	T.I.D. #1 Cimarron Center	Park and Recreation	ODOC EECBG	Airport Construction	Capital Improvement
<b>ASSETS</b>								
Cash and cash equivalents	\$ 403,362	\$ 656,159	\$ 58,910	\$ -	\$ 41,498	\$ -	\$ 86,599	\$ 2,118,482
Investments	-	-	-	-	-	-	-	88,568
Accrued interest receivable	-	-	-	-	-	-	-	-
Receivable from other governments	-	13,031	-	-	-	-	51,794	-
Other receivables	-	-	-	-	-	-	-	-
Total assets	<u>\$ 403,362</u>	<u>\$ 669,190</u>	<u>\$ 58,910</u>	<u>\$ -</u>	<u>\$ 41,498</u>	<u>\$ -</u>	<u>\$ 138,393</u>	<u>\$ 2,207,050</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 154,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,915	\$ 14,368
Total liabilities	<u>154,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,915</u>	<u>14,368</u>
Deferred inflows of resources:								
Unavailable revenues	-	4,400	-	-	-	-	45,475	-
Fund balances:								
Restricted	249,293	522,146	58,910	-	-	-	74,003	-
Assigned	-	142,644	-	-	41,498	-	-	2,192,682
Total fund balances	<u>249,293</u>	<u>664,790</u>	<u>58,910</u>	<u>-</u>	<u>41,498</u>	<u>-</u>	<u>74,003</u>	<u>2,192,682</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 403,362</u>	<u>\$ 669,190</u>	<u>\$ 58,910</u>	<u>\$ -</u>	<u>\$ 41,498</u>	<u>\$ -</u>	<u>\$ 138,393</u>	<u>\$ 2,207,050</u>

(continued)

City of Sand Springs, Oklahoma  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2018

	CAPITAL PROJECT FUNDS						DEBT SERVICE FUND	Total Other Governmental Funds
	Stormwater Capital Improvement	SSMA Capital	2018 General Obligation Bond City Project Fund	2014 GO Capital Improvement	Golf Course Capital Improvement	Economic Development Capital Improvement	Debt Service Fund	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 4,559,572	\$ 63,475	\$ 3,819,472	\$ 196,773	\$ 22,179	\$ 466,315	\$ 389,481	\$ 12,882,277
Investments	1,272,577	-	-	-	-	-	344,032	1,705,177
Accrued interest receivable	1,991	-	-	-	-	-	107	2,098
Receivable from other governments	-	-	-	-	-	-	278,763	343,588
Other receivables	-	-	-	-	-	-	-	-
Total assets	<u>\$ 5,834,140</u>	<u>\$ 63,475</u>	<u>\$ 3,819,472</u>	<u>\$ 196,773</u>	<u>\$ 22,179</u>	<u>\$ 466,315</u>	<u>\$ 1,012,383</u>	<u>\$ 14,933,140</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ -	\$ 2,401	\$ 1,027	\$ -	\$ -	\$ -	\$ -	\$ 190,780
Total liabilities	<u>-</u>	<u>2,401</u>	<u>1,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,780</u>
Deferred inflows of resources:								
Unavailable revenues	<u>1,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,642</u>	<u>318,395</u>
Fund balances:								
Restricted	-	-	3,818,445	-	-	-	741,760	5,464,557
Assigned	<u>5,832,262</u>	<u>61,074</u>	<u>-</u>	<u>196,773</u>	<u>22,179</u>	<u>466,315</u>	<u>3,981</u>	<u>8,959,408</u>
Total fund balances	<u>5,832,262</u>	<u>61,074</u>	<u>3,818,445</u>	<u>196,773</u>	<u>22,179</u>	<u>466,315</u>	<u>745,741</u>	<u>14,423,965</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,834,140</u>	<u>\$ 63,475</u>	<u>\$ 3,819,472</u>	<u>\$ 196,773</u>	<u>\$ 22,179</u>	<u>\$ 466,315</u>	<u>\$ 1,012,383</u>	<u>\$ 14,933,140</u>

**City of Sand Springs, Oklahoma**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	SPECIAL REVENUE FUND	CAPITAL PROJECT FUNDS						Capital Improvement
	Vision 2025	Short-Term Capital Improvements	Community Development Block Grant - EDIF	T.I.D. #1 Cimarron Center	Park and Recreation	ODOC EECBG	Airport Construction	
<b>REVENUES</b>								
Taxes	\$ -	\$ 150,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	98,285	-	-	-	33,135	-
Charges for services	-	24,320	-	-	6,925	-	-	-
Investment earnings	1,923	5,905	-	(22)	346	(6)	820	19,136
Miscellaneous	-	-	-	-	-	-	-	661,931
Total revenues	<u>1,923</u>	<u>180,375</u>	<u>98,285</u>	<u>(22)</u>	<u>7,271</u>	<u>(6)</u>	<u>33,955</u>	<u>681,067</u>
<b>EXPENDITURES</b>								
Current:								
Community development	-	-	-	471,020	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-
Capital Outlay	1,100,224	68,700	115,181	-	-	-	85,743	1,277,776
Total expenditures	<u>1,100,224</u>	<u>68,700</u>	<u>115,181</u>	<u>471,020</u>	<u>-</u>	<u>-</u>	<u>85,743</u>	<u>1,277,776</u>
Excess (deficiency) of revenues over expenditures	(1,098,301)	111,675	(16,896)	(471,042)	7,271	(6)	(51,788)	(596,709)
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from long-term debt	-	-	-	-	-	-	-	-
Premiums from issuance of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	12,800	6,000	471,042	-	-	30,000	130,000
Transfers out	-	(95,000)	-	-	-	-	-	(300,000)
Total other financing sources and uses	<u>-</u>	<u>(82,200)</u>	<u>6,000</u>	<u>471,042</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>(170,000)</u>
Net change in fund balances	(1,098,301)	29,475	(10,896)	-	7,271	(6)	(21,788)	(766,709)
Fund balances - beginning	1,347,594	635,315	69,806	-	34,227	6	95,791	2,959,391
Fund balances - ending	<u>\$ 249,293</u>	<u>\$ 664,790</u>	<u>\$ 58,910</u>	<u>\$ -</u>	<u>\$ 41,498</u>	<u>\$ -</u>	<u>\$ 74,003</u>	<u>\$ 2,192,682</u>

(continued)



**City of Sand Springs**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	CAPITAL PROJECT FUNDS						DEBT SERVICE FUND	Total Other Governmental Funds
	Stormwater Capital Improvement	SSMA Capital	2018 General Obligation Bond City Project Fund	2014 GO Capital Improvement	Golf Course Capital Improvement	Economic Development Capital Improvement	Debt Service Fund	
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 815,375	\$ 965,525
Intergovernmental	-	-	-	-	-	-	-	131,420
Charges for services	-	-	-	-	-	-	-	31,245
Investment earnings	51,665	1,239	9,841	1,026	428	1,803	12,854	106,958
Miscellaneous	-	856	7,500	-	-	-	-	670,287
Total revenues	<u>51,665</u>	<u>2,095</u>	<u>17,341</u>	<u>1,026</u>	<u>428</u>	<u>1,803</u>	<u>828,229</u>	<u>1,905,435</u>
<b>EXPENDITURES</b>								
Current:								
Community development	-	-	-	-	-	-	-	471,020
Debt Service:								
Principal	-	-	-	-	-	-	785,000	785,000
Interest and other charges	-	-	-	-	-	-	111,045	111,045
Capital Outlay	300,373	258,753	1,565,146	44,224	71,541	129,798	-	5,017,459
Total expenditures	<u>300,373</u>	<u>258,753</u>	<u>1,565,146</u>	<u>44,224</u>	<u>71,541</u>	<u>129,798</u>	<u>896,045</u>	<u>6,384,524</u>
Excess (deficiency) of revenues over expenditures	<u>(248,708)</u>	<u>(256,658)</u>	<u>(1,547,805)</u>	<u>(43,198)</u>	<u>(71,113)</u>	<u>(127,995)</u>	<u>(67,816)</u>	<u>(4,479,089)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from long-term debt	-	-	3,500,000	-	-	-	-	3,500,000
Premiums from issuance of long-term debt	-	-	-	-	-	-	37,203	37,203
Transfers in	1,000,000	134,915	1,866,250	100,000	25,211	317,521	-	4,093,739
Transfers out	-	-	-	-	-	-	(11,899)	(406,899)
Total other financing sources and uses	<u>1,000,000</u>	<u>134,915</u>	<u>5,366,250</u>	<u>100,000</u>	<u>25,211</u>	<u>317,521</u>	<u>25,304</u>	<u>7,224,043</u>
Net change in fund balances	751,292	(121,743)	3,818,445	56,802	(45,902)	189,526	(42,512)	2,744,954
Fund balances - beginning	5,080,970	182,817	-	139,971	68,081	276,789	788,253	11,679,011
Fund balances - ending	<u>\$ 5,832,262</u>	<u>\$ 61,074</u>	<u>\$ 3,818,445</u>	<u>\$ 196,773</u>	<u>\$ 22,179</u>	<u>\$ 466,315</u>	<u>\$ 745,741</u>	<u>\$ 14,423,965</u>

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
For the fiscal year ended June 30, 2018**

	SPECIAL REVENUE - VISION 2025				CAPITAL PROJECT - SHORT-TERM CAPITAL IMPROVEMENTS			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 95,000	\$ 95,000	\$ 150,150	\$ 55,150
Intergovernmental	-	7,392	-	(7,392)	-	-	-	-
Charges for services	-	-	-	-	-	20,526	24,320	3,794
Investment income	-	-	1,923	1,923	200	200	5,905	5,705
<b>Total Revenues</b>	<b>-</b>	<b>7,392</b>	<b>1,923</b>	<b>(5,469)</b>	<b>95,200</b>	<b>115,726</b>	<b>180,375</b>	<b>64,649</b>
Expenditures:								
Information Services:								
Capital outlay	-	-	-	-	35,000	35,000	34,999	1
Communications:								
Capital outlay	-	-	-	-	5,000	8,892	1,766	7,126
Facilities Management:								
Capital outlay	-	-	-	-	44,000	44,000	-	44,000
Parks & Recreation:								
Capital outlay	-	1,354,986	1,100,224	254,762	25,000	32,000	31,935	65
Emergency Management:								
Capital outlay	-	-	-	-	-	5,545	-	5,545
Streets:								
Capital outlay	-	-	-	-	-	117,900	-	117,900
Public Works:								
Capital outlay	-	-	-	-	-	7,808	-	7,808
<b>Total Expenditures</b>	<b>-</b>	<b>1,354,986</b>	<b>1,100,224</b>	<b>254,762</b>	<b>109,000</b>	<b>251,145</b>	<b>68,700</b>	<b>182,445</b>
Revenues over (under) expenditures	-	(1,347,594)	(1,098,301)	249,293	(13,800)	(135,419)	111,675	247,094
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	12,800	12,800	12,800	-
Transfers out	-	-	-	-	(95,000)	(95,000)	(95,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(82,200)</b>	<b>(82,200)</b>	<b>(82,200)</b>	<b>-</b>
Revenues and other sources over (under) expenditures and other uses	-	(1,347,594)	(1,098,301)	249,293	(96,000)	(217,619)	29,475	247,094
Fund Balance - beginning of year	-	1,347,594	1,347,594	-	480,496	635,315	635,315	-
<b>Fund Balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 249,293</b>	<b>\$ 249,293</b>	<b>\$ 384,496</b>	<b>\$ 417,696</b>	<b>\$ 664,790</b>	<b>\$ 247,094</b>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
For the fiscal year ended June 30, 2018**

	CAPITAL PROJECT - COMMUNITY DEVELOPMENT BLOCK GRANT - EDIF				CAPITAL PROJECT - PARK AND RECREATION			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	98,401	98,285	(116)	-	-	-	-
Charges for services	-	-	-	-	7,000	7,000	6,925	(75)
Investment income	-	-	-	-	500	500	346	(154)
Miscellaneous	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>98,401</b>	<b>98,285</b>	<b>(116)</b>	<b>7,500</b>	<b>7,500</b>	<b>7,271</b>	<b>(229)</b>
Expenditures:								
Streets:								
Capital outlay	-	112,319	109,609	2,710	-	-	-	-
Wastewater:								
Capital outlay	-	35,839	5,572	30,267	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>148,158</b>	<b>115,181</b>	<b>32,977</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenues over (under) expenditures	-	(49,757)	(16,896)	32,861	7,500	7,500	7,271	(229)
Other Financing Sources (Uses):								
Transfers in	-	6,000	6,000	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>6,000</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenues and other sources over (under) expenditures and other uses	-	(43,757)	(10,896)	32,861	7,500	7,500	7,271	(229)
Fund Balance - beginning of year	26,050	69,806	69,806	-	36,730	34,227	34,227	-
<b>Fund Balance - end of year</b>	<b>\$ 26,050</b>	<b>\$ 26,049</b>	<b>\$ 58,910</b>	<b>\$ 32,861</b>	<b>\$ 44,230</b>	<b>\$ 41,727</b>	<b>\$ 41,498</b>	<b>\$ (229)</b>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
For the fiscal year ended June 30, 2018**

	CAPITAL PROJECT - T.I.D. #1 CIMARRON CENTER				CAPITAL PROJECT - ODOC EECBG			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	-	-	(22)	(22)	-	-	(6)	(6)
Miscellaneous	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>(22)</b>	<b>(22)</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>(6)</b>
Expenditures:								
Community Development:								
Other Services and Charges	750,000	750,000	471,020	278,980	-	-	-	-
<b>Total Expenditures</b>	<b>750,000</b>	<b>750,000</b>	<b>471,020</b>	<b>278,980</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenues over (under) expenditures	(750,000)	(750,000)	(471,042)	278,958	-	-	(6)	(6)
Other Financing Sources (Uses):								
Transfers in	750,000	750,000	471,042	(278,958)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>750,000</b>	<b>750,000</b>	<b>471,042</b>	<b>(278,958)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenues and other sources over (under) expenditures and other uses	-	-	-	-	-	-	(6)	(6)
Fund Balance - beginning of year	-	-	-	-	-	-	6	6
<b>Fund Balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
For the fiscal year ended June 30, 2018**

	CAPITAL PROJECT - CAPITAL IMPROVEMENT				CAPITAL PROJECT - STORMWATER CAPITAL IMPROVEMENT			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	1,000	1,000	19,136	18,136	6,930	6,930	51,665	44,735
Miscellaneous	-	651,596	661,931	10,335	-	-	-	-
<b>Total Revenues</b>	<b>1,000</b>	<b>652,596</b>	<b>681,067</b>	<b>28,471</b>	<b>6,930</b>	<b>6,930</b>	<b>51,665</b>	<b>44,735</b>
Expenditures:								
Current:								
Neighborhood Services:								
Capital Outlay	-	44,453	12,381	32,072	-	-	-	-
Economic Development:								
Capital Outlay	200,000	1,338,244	1,153,631	184,613	-	-	-	-
Parks and Recreation:								
Capital Outlay	-	77,630	-	77,630	-	-	-	-
Streets:								
Capital Outlay	-	29,550	13,733	15,817	-	-	-	-
Emergency Management:								
Capital Outlay	-	4,660	-	4,660	-	-	-	-
Facilities Management:								
Capital Outlay	12,000	43,746	11,250	32,496	-	-	-	-
Public Works:								
Capital Outlay	40,000	414,121	86,781	327,340	-	-	-	-
Golf Course:								
Capital Outlay	-	108,252	-	108,252	-	-	-	-
Water:								
Capital Outlay	-	50,000	-	50,000	-	-	-	-
Stormwater:								
Capital Outlay	-	-	-	-	1,078,000	6,050,001	300,373	5,749,628
<b>Total Expenditures</b>	<b>252,000</b>	<b>2,110,656</b>	<b>1,277,776</b>	<b>832,880</b>	<b>1,078,000</b>	<b>6,050,001</b>	<b>300,373</b>	<b>5,749,628</b>
Revenues over (under) expenditures	(251,000)	(1,458,060)	(596,709)	861,351	(1,071,070)	(6,043,071)	(248,708)	5,794,363
Other Financing Sources (Uses):								
Transfers in	30,000	130,000	130,000	-	1,000,000	1,000,000	1,000,000	-
Transfers out	-	(300,000)	(300,000)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>30,000</b>	<b>(170,000)</b>	<b>(170,000)</b>	<b>-</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>-</b>
Revenues and other sources over (under) expenditures and other uses	(221,000)	(1,628,060)	(766,709)	861,351	(71,070)	(5,043,071)	751,292	5,794,363
Fund Balance - beginning of year	2,448,943	2,959,391	2,959,391	-	93,809	5,080,970	5,080,970	-
<b>Fund Balance - end of year</b>	<b>\$ 2,227,943</b>	<b>\$ 1,331,331</b>	<b>\$ 2,192,682</b>	<b>\$ 861,351</b>	<b>\$ 22,739</b>	<b>\$ 37,899</b>	<b>\$ 5,832,262</b>	<b>\$ 5,794,363</b>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
For the fiscal year ended June 30, 2018**

	CAPITAL PROJECT - SSMA CAPITAL				CAPITAL PROJECT - GOLF COURSE CAPITAL IMPROVEMENT			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	15	15	1,239	1,224	10	10	428	418
Miscellaneous	-	-	856	856	-	-	-	-
<b>Total Revenues</b>	<b>15</b>	<b>15</b>	<b>2,095</b>	<b>2,080</b>	<b>10</b>	<b>10</b>	<b>428</b>	<b>418</b>
Expenditures:								
Current:								
Water:								
Capital Outlay	9,000	115,615	67,440	48,175	-	-	-	-
Engineering:								
Capital Outlay	31,000	30,300	29,706	594	-	-	-	-
Wastewater:								
Capital Outlay	64,500	64,500	60,349	4,151	-	-	-	-
Public Works:								
Capital Outlay	60,000	60,000	58,259	1,741	-	-	-	-
Fire:								
Capital Outlay	-	-	-	-	-	-	-	-
Parks & Recreation:								
Capital Outlay	-	-	-	-	-	-	-	-
Golf Course:								
Capital Outlay	43,000	43,000	42,999	1	30,000	90,564	71,541	19,023
<b>Total Expenditures</b>	<b>207,500</b>	<b>313,415</b>	<b>258,753</b>	<b>54,662</b>	<b>30,000</b>	<b>90,564</b>	<b>71,541</b>	<b>19,023</b>
Revenues over (under) expenditures	(207,485)	(313,400)	(256,658)	56,742	(29,990)	(90,554)	(71,113)	19,441
Other Financing Sources (Uses):								
Transfers in	29,000	134,915	134,915	-	25,500	25,500	25,211	(289)
Transfers out	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>29,000</b>	<b>134,915</b>	<b>134,915</b>	<b>-</b>	<b>25,500</b>	<b>25,500</b>	<b>25,211</b>	<b>(289)</b>
Revenues and other sources over (under) expenditures and other uses	(178,485)	(178,485)	(121,743)	56,742	(4,490)	(65,054)	(45,902)	19,152
Fund Balance - beginning of year	182,513	182,817	182,817	-	7,222	68,081	68,081	-
<b>Fund Balance - end of year</b>	<b>\$ 4,028</b>	<b>\$ 4,332</b>	<b>\$ 61,074</b>	<b>\$ 56,742</b>	<b>\$ 2,732</b>	<b>\$ 3,027</b>	<b>\$ 22,179</b>	<b>\$ 19,152</b>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
For the fiscal year ended June 30, 2018**

	CAPITAL PROJECT - 2018 G.O. CITY PROJECT				CAPITAL PROJECT - 2014 G.O. CAPITAL IMPROVEMENT			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	-	-	9,841	9,841	50	50	1,026	976
Miscellaneous	-	7,500	7,500	-	-	-	-	-
Total Revenues	<u>-</u>	<u>7,500</u>	<u>17,341</u>	<u>9,841</u>	<u>50</u>	<u>50</u>	<u>1,026</u>	<u>976</u>
Expenditures:								
Information Services:								
Capital Outlay	-	307,500	90,634	216,866	-	-	-	-
Park and Recreation:								
Capital Outlay	-	1,454,750	56,420	1,398,330	-	119,613	44,224	75,389
Facilities Management:								
Capital Outlay	-	-	-	-	-	100,000	-	100,000
Police:								
Capital Outlay	-	997,000	369,542	627,458	-	-	-	-
Fire:								
Capital Outlay	-	1,133,000	1,029,220	103,780	-	-	-	-
Streets:								
Capital Outlay	-	665,000	19,330	645,670	-	-	-	-
Museum:								
Capital Outlay	-	197,000	-	197,000	-	20,199	-	20,199
Golf Course:								
Capital Outlay	-	200,000	-	200,000	-	-	-	-
Wastewater:								
Capital Outlay	-	412,000	-	412,000	-	-	-	-
Total Expenditures	<u>-</u>	<u>5,366,250</u>	<u>1,565,146</u>	<u>3,801,104</u>	<u>-</u>	<u>239,812</u>	<u>44,224</u>	<u>195,588</u>
Revenues over (under) expenditures	-	(5,358,750)	(1,547,805)	3,810,945	50	(239,762)	(43,198)	196,564
Other Financing Sources (Uses):								
Long-term debt proceeds	-	3,500,000	3,500,000	-	-	100,000	100,000	-
Transfers in	-	1,866,250	1,866,250	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,366,250</u>	<u>5,366,250</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	-	7,500	3,818,445	3,810,945	50	(139,762)	56,802	196,564
Fund Balance - beginning of year	-	-	-	-	20	139,971	139,971	-
Fund Balance - end of year	<u>\$ -</u>	<u>\$ 7,500</u>	<u>\$ 3,818,445</u>	<u>\$ 3,810,945</u>	<u>\$ 70</u>	<u>\$ 209</u>	<u>\$ 196,773</u>	<u>\$ 196,564</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
For the fiscal year ended June 30, 2018**

	CAPITAL PROJECT - AIRPORT CONSTRUCTION				CAPITAL PROJECT - ECONOMIC DEVELOPMENT CAPITAL IMPROVEMENT FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	602,630	33,135	(569,495)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	25	25	820	795	500	500	1,803	1,303
Miscellaneous	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>25</b>	<b>602,655</b>	<b>33,955</b>	<b>(568,700)</b>	<b>500</b>	<b>500</b>	<b>1,803</b>	<b>1,303</b>
Expenditures:								
Current:								
Airport:								
Capital Outlay	32,000	726,877	85,743	641,134	-	-	-	-
Economic Development:								
Capital Outlay	-	-	-	-	-	541,477	129,798	411,679
<b>Total Expenditures</b>	<b>32,000</b>	<b>726,877</b>	<b>85,743</b>	<b>641,134</b>	<b>-</b>	<b>541,477</b>	<b>129,798</b>	<b>411,679</b>
Revenues over (under) expenditures	(31,975)	(124,222)	(51,788)	72,434	500	(540,977)	(127,995)	412,982
Other Financing Sources (Uses):								
Transfers in	30,000	30,000	30,000	-	302,438	302,438	317,521	15,083
<b>Total Other Financing Sources (Uses)</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>	<b>302,438</b>	<b>302,438</b>	<b>317,521</b>	<b>15,083</b>
Revenues and other sources over (under) expenditures and other uses	(1,975)	(94,222)	(21,788)	72,434	302,938	(238,539)	189,526	428,065
Fund Balance - beginning of year	12,191	95,791	95,791	-	151,096	276,789	276,789	-
<b>Fund Balance - end of year</b>	<b>\$ 10,216</b>	<b>\$ 1,569</b>	<b>\$ 74,003</b>	<b>\$ 72,434</b>	<b>\$ 454,034</b>	<b>\$ 38,250</b>	<b>\$ 466,315</b>	<b>\$ 428,065</b>

(Continued)



**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
For the fiscal year ended June 30, 2018**

<b>DEBT SERVICE FUND</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Taxes	\$ 1,035,530	\$ 1,035,530	\$ 815,375	\$ (220,155)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	3,750	3,750	12,854	9,104
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>1,039,280</b>	<b>1,039,280</b>	<b>828,229</b>	<b>(211,051)</b>
Expenditures:				
Debt Service	896,170	896,170	896,045	125
<b>Total Expenditures</b>	<b>896,170</b>	<b>896,170</b>	<b>896,045</b>	<b>125</b>
Revenues over (under) expenditures	143,110	143,110	(67,816)	(210,926)
Other Financing Sources (Uses):				
Long-term debt premium	-	-	37,203	37,203
Transfers out	(3,500)	(3,500)	(11,899)	(8,399)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,500)</b>	<b>(3,500)</b>	<b>25,304</b>	<b>28,804</b>
Revenues and other sources over (under) expenditures and other uses	139,610	139,610	(42,512)	(182,122)
Fund Balance - beginning of year	910,510	788,253	788,253	-
Fund Balance - end of year	<u>\$ 1,050,120</u>	<u>\$ 927,863</u>	<u>\$ 745,741</u>	<u>\$ (182,122)</u>

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
MAJOR GOVERNMENTAL FUNDS (CAPITAL PROJECT FUNDS)  
For the fiscal year ended June 30, 2018**

	<u>CAPITAL PROJECT - STREET IMPROVEMENT</u>				<u>CAPITAL PROJECT - CAPITAL IMPROVEMENT WATER/WASTEWATER</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,750,000	-	(1,750,000)	-	-	-	-
Charges for services	-	-	-	-	60,000	60,000	111,550	51,550
Investment income	33,790	33,790	83,174	49,384	20,300	20,300	63,718	43,418
<b>Total Revenues</b>	<u>33,790</u>	<u>1,783,790</u>	<u>83,174</u>	<u>(1,700,616)</u>	<u>80,300</u>	<u>80,300</u>	<u>175,268</u>	<u>94,968</u>
Expenditures:								
Water:								
Capital Outlay	-	-	-	-	2,809,347	5,991,071	2,386,327	3,604,744
Wastewater:								
Capital Outlay	-	-	-	-	723,012	2,631,735	618,037	2,013,698
Public Works:								
Capital Outlay	-	-	-	-	-	147,858	18,584	129,274
Street:								
Capital Outlay	1,849,552	11,978,843	2,070,976	9,907,867	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>1,849,552</u>	<u>11,978,843</u>	<u>2,070,976</u>	<u>9,907,867</u>	<u>3,532,359</u>	<u>8,770,664</u>	<u>3,022,948</u>	<u>5,747,716</u>
Revenues over (under) expenditures	(1,815,762)	(10,195,053)	(1,987,802)	8,207,251	(3,452,059)	(8,690,364)	(2,847,680)	5,842,684
Other Financing Sources (Uses):								
Transfers in	1,552,068	1,579,068	1,654,483	75,415	3,024,383	3,024,383	3,175,211	150,828
Transfers out	-	-	-	-	(839,877)	(839,877)	(839,877)	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,552,068</u>	<u>1,579,068</u>	<u>1,654,483</u>	<u>75,415</u>	<u>2,184,506</u>	<u>2,184,506</u>	<u>2,335,334</u>	<u>150,828</u>
Revenues and other sources over (under) expenditures and other uses	(263,694)	(8,615,985)	(333,319)	8,282,666	(1,267,553)	(6,505,858)	(512,346)	5,993,512
Fund Balance - beginning of year	267,675	8,952,477	8,952,477	-	1,453,059	6,806,632	6,806,632	-
<b>Fund Balance - end of year</b>	<u>\$ 3,981</u>	<u>\$ 336,492</u>	<u>\$ 8,619,158</u>	<u>\$ 8,282,666</u>	<u>\$ 185,506</u>	<u>\$ 300,774</u>	<u>\$ 6,294,286</u>	<u>\$ 5,993,512</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 MAJOR GOVERNMENTAL FUNDS (CAPITAL PROJECT FUNDS)  
 For the fiscal year ended June 30, 2018**

	CAPITAL PROJECT - PUBLIC SAFETY CAPITAL IMPROVEMENT				CAPITAL PROJECT - 2018 GO BOND ECONOMIC DEVELOPMENT			
	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	50,000	50,000	230,893	180,893	-	-	-	-
<b>Total Revenues</b>	<b>50,000</b>	<b>50,000</b>	<b>230,893</b>	<b>180,893</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Expenditures:								
Finance:								
Capital Outlay	-	1,087	-	1,087	-	-	-	-
Police:								
Capital Outlay	132,080	12,730,235	2,680,836	10,049,399	-	-	-	-
Communications:								
Other Services & Charges	-	15,000	15,000	-	-	-	-	-
Fire:								
Capital Outlay	-	1,625,174	1,074,910	550,264	-	-	-	-
Parks & Recreation:								
Capital Outlay	-	152,000	149,862	2,138	-	-	-	-
Economic Development:								
Capital Outlay	-	-	-	-	-	6,180,000	6,180,000	-
Debt Service	975,201	979,750	975,225	4,525	-	-	-	-
<b>Total Expenditures</b>	<b>1,107,281</b>	<b>15,503,246</b>	<b>4,895,833</b>	<b>10,607,413</b>	<b>-</b>	<b>6,180,000</b>	<b>6,180,000</b>	<b>-</b>
Revenues over (under) expenditures	(1,057,281)	(15,453,246)	(4,664,940)	10,788,306	-	(6,180,000)	(6,180,000)	-
Other Financing Sources (Uses):								
Long-term debt proceeds	-	-	-	-	-	6,180,000	6,180,000	-
Transfers in	1,360,972	1,412,972	1,480,845	67,873	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,360,972</b>	<b>1,412,972</b>	<b>1,480,845</b>	<b>67,873</b>	<b>-</b>	<b>6,180,000</b>	<b>6,180,000</b>	<b>-</b>
Revenues and other sources over (under) expenditures and other uses	303,691	(14,040,274)	(3,184,095)	10,856,179	-	-	-	-
Fund Balance - beginning of year	483,464	14,618,100	14,618,100	-	-	-	-	-
<b>Fund Balance - end of year</b>	<b>\$ 787,155</b>	<b>\$ 577,826</b>	<b>\$ 11,434,005</b>	<b>\$ 10,856,179</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF SAND SPRINGS, OKLAHOMA  
STATEMENT OF CASH FLOWS  
DISCRETELY PRESENTED COMPONENT UNITS  
For the fiscal year ended June 30, 2018**

	<u><b>Museum Trust Authority</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 6,593
Payments to suppliers	(3,957)
Payments to employees	(10,087)
	(7,451)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends	760
	760
Net Increase (Decrease) in Cash and Cash Equivalents	(6,691)
Balances - beginning of the year	160,565
Balances - end of the year	\$ 153,874
 <b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>	
Operating income (loss)	\$ (7,079)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
Accounts payable	(370)
Accrued payroll liabilities	(5)
Due to other governmental agencies	3
	3
Net Cash Provided by (Used in) Operating Activities	\$ (7,451)

**CITY OF SAND SPRINGS, OKLAHOMA  
SCHEDULE OF DEBT COVERAGE  
For the fiscal year ended June 30, 2018**

	<b>Series 2003, 2004, 2005, 2006, 2009, 2012 &amp; 2013 OWRB Notes and <u>Series 2012 Revenue Bonds</u></b>
Gross Revenue Available for Debt Service:	
Charges for services:	
Water charges	\$ 8,241,758
Wastewater charges	3,395,320
Sales tax pledged and transferred	<u>3,175,211</u>
Total Gross Revenues Available	<u>14,812,289</u>
Operating Expenses:	
Water	4,998,554
Wastewater	<u>2,329,605</u>
Total Operating Expenses	<u>7,328,159</u>
Net Revenues Available for Debt Service	<u>\$ 7,484,130</u>
Debt Service Requirements:	
Average annual debt service - 2012 Revenue Bonds	1,675,637
Maximum annual debt service - 2003, 2004, 2005, 2006, 2009, 2012 and 2013 OWRB Notes	<u>1,794,578</u>
Total Debt Service Requirements	<u>\$ 3,470,215</u>
Computed Coverage	<u>216%</u>
Coverage Requirement	<u>125%</u>

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

**CITY OF SAND SPRINGS, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<b>Federal/State Grantor/Pass Through Agency Grantor/Program Title</b>	<b>Federal CFDA#</b>	<b>Award Amount</b>	<b>Federal Expenditures</b>
<b><u>U. S. DEPARTMENT OF TRANSPORTATION:</u></b>			
Airport Improvement Program	20.106	\$ 131,490	\$ 33,135
		<u>131,490</u>	<u>33,135</u>
Passed Through Oklahoma Highway Safety Office:			
State and Community Highway Safety	20.600	50,000	11,487
State and Community Highway Safety	20.600	57,610	42,513
		<u>107,610</u>	<u>54,000</u>
<b>Total U. S. Department of Transportation</b>		<b><u>239,100</u></b>	<b><u>87,135</u></b>
<b><u>U. S. DEPARTMENT OF JUSTICE:</u></b>			
Bulletproof vests	16.607	1,790	1,790
Bulletproof vests	16.607	2,755	2,755
		<u>4,545</u>	<u>4,545</u>
<b>Total Department of Justice</b>		<b><u>4,545</u></b>	<b><u>4,545</u></b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u></b>			
<b>Federal Emergency Management Agency:</b>			
Passed through Oklahoma Civil Emergency Management:			
Emergency Management Preparedness Grant	97.042	20,000	5,000
Emergency Management Preparedness Grant	97.042	20,000	15,000
		<u>40,000</u>	<u>20,000</u>
<b>Total Federal Emergency Management Agency</b>		<b><u>40,000</u></b>	<b><u>20,000</u></b>
<b><u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u></b>			
Passed through Oklahoma Department of Commerce:			
Community Development Block Grant - Non-entitlement	14.218	73,388	35,962
Community Development Block Grant - Non-entitlement	14.218	62,323	62,323
Community Development Block Grant - Non-entitlement	14.218	70,105	-
		<u>205,816</u>	<u>98,285</u>
<b>Total U. S. Department of Housing and Urban Development</b>		<b><u>205,816</u></b>	<b><u>98,285</u></b>
<b>TOTAL FEDERAL AWARDS</b>		<b><u>\$ 489,461</u></b>	<b><u>\$ 209,965</u></b>

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# STATISTICAL SECTION



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR YEAR ENDING JUNE 30 2018



## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

# **FINANCIAL TRENDS**

CITY OF SAND SPRINGS, OKLAHOMA  
NET POSITION BY COMPONENT  
Last Ten Fiscal Years  
June 30, 2018  
TABLE 1

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 27,381,827	\$ 28,851,218	\$ 30,526,321	\$ 30,816,820	\$ 32,505,624	\$ 33,255,246	\$ 33,248,179	\$ 18,346,326	\$ 37,376,826	\$ 40,483,621
Restricted	7,083,138	7,722,731	8,138,469	8,213,492	8,213,492	9,112,520	10,589,915	25,072,566	11,329,895	10,452,886
Unrestricted (deficit)	<u>3,938,052</u>	<u>4,256,358</u>	<u>4,635,252</u>	<u>6,649,538</u>	<u>7,604,073</u>	<u>4,246,875</u>	<u>(1,644,109)</u>	<u>(716,374)</u>	<u>604,043</u>	<u>457,605</u>
Total governmental activities net position	<u>\$ 38,403,017</u>	<u>\$ 40,830,307</u>	<u>\$ 43,300,042</u>	<u>\$ 45,679,850</u>	<u>\$ 48,323,189</u>	<u>\$ 46,614,641</u>	<u>\$ 42,193,985</u>	<u>\$ 42,702,518</u>	<u>\$ 49,310,764</u>	<u>\$ 51,394,112</u>
Business-type activities										
Net investment in capital assets	\$ 49,632,325	\$ 49,617,735	\$ 51,590,911	\$ 51,114,327	\$ 50,561,549	\$ 50,419,150	\$ 51,548,644	\$ 53,054,629	\$ 54,851,506	\$ 56,884,600
Restricted	612,159	623,522	602,187	573,042	2,698,557	2,468,184	2,385,880	2,403,088	2,420,288	2,450,805
Unrestricted	<u>8,881,754</u>	<u>10,182,084</u>	<u>11,623,672</u>	<u>14,033,434</u>	<u>18,929,949</u>	<u>22,510,729</u>	<u>22,744,600</u>	<u>23,551,877</u>	<u>24,278,798</u>	<u>23,513,064</u>
Total business-type activities net position	<u>\$ 59,126,238</u>	<u>\$ 60,423,341</u>	<u>\$ 63,816,770</u>	<u>\$ 65,720,803</u>	<u>\$ 72,190,055</u>	<u>\$ 75,398,063</u>	<u>\$ 76,679,124</u>	<u>\$ 79,009,594</u>	<u>\$ 81,550,592</u>	<u>\$ 82,848,469</u>
Primary government										
Net investment in capital assets	\$ 77,014,152	\$ 78,468,953	\$ 82,117,232	\$ 81,931,147	\$ 83,067,173	\$ 83,674,396	\$ 84,796,823	\$ 71,400,955	\$ 92,228,332	\$ 97,368,221
Restricted	7,695,297	8,346,253	8,740,656	8,786,534	10,912,049	11,580,704	12,975,795	27,475,654	13,750,183	12,903,691
Unrestricted	<u>12,819,806</u>	<u>14,438,442</u>	<u>16,258,924</u>	<u>20,682,972</u>	<u>26,534,022</u>	<u>26,757,604</u>	<u>21,100,491</u>	<u>22,835,503</u>	<u>24,882,841</u>	<u>23,970,669</u>
Total primary government net position	<u>\$ 97,529,255</u>	<u>\$ 101,253,648</u>	<u>\$ 107,116,812</u>	<u>\$ 111,400,653</u>	<u>\$ 120,513,244</u>	<u>\$ 122,012,704</u>	<u>\$ 118,873,109</u>	<u>\$ 121,712,112</u>	<u>\$ 130,861,356</u>	<u>\$ 134,242,581</u>

CITY OF SAND SPRINGS, OKLAHOMA  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years  
 June 30, 2018  
**TABLE 2**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Government activities:										
Government government	\$ 965,662	\$ 945,967	\$ 1,082,775	\$ 1,433,226	\$ 1,164,073	\$ 2,662,169	\$ 1,322,426	\$ 1,382,934	\$ 1,452,911	\$ 1,418,445
Planning and zoning	167,527	155,859	156,231	107,071	123,879	136,407	101,842	155,897	152,884	159,519
Financial administration	768,416	635,064	677,511	655,916	778,035	891,880	826,352	797,905	814,019	865,794
Public safety	7,357,456	7,183,822	7,184,873	7,824,047	8,239,023	8,482,160	8,211,241	8,831,758	8,731,211	9,182,181
Highways and streets	2,662,136	2,110,331	2,136,980	2,562,148	2,306,716	2,295,442	2,280,869	1,917,538	2,666,478	2,069,886
Health and welfare	67,528	78,942	220,668	55,807	35,958	38,152	34,322	31,587	30,003	29,826
Culture and recreation	1,232,443	988,997	712,249	1,103,527	1,181,165	1,334,749	1,286,258	1,368,145	1,431,045	1,528,516
Economic development	177,654	169,517	186,419	346,436	503,795	718,360	614,822	887,161	930,693	2,147,387
Facilities mgmt & fleet maint	531,806	523,629	486,409	453,988	606,146	600,341	595,485	619,711	625,920	586,098
Interest on long-term debt	404,049	352,741	316,308	222,039	186,830	202,090	220,338	491,729	647,737	684,270
Total governmental activities expenses	<u>14,334,677</u>	<u>13,144,869</u>	<u>13,160,423</u>	<u>14,764,205</u>	<u>15,125,620</u>	<u>17,361,750</u>	<u>15,493,955</u>	<u>16,484,365</u>	<u>17,482,901</u>	<u>18,671,922</u>
Business-type activities:										
Water	5,551,089	5,710,896	5,468,136	5,643,653	7,276,661	7,217,517	6,950,079	7,582,078	7,542,148	7,763,775
Wastewater	3,680,021	3,267,638	3,111,019	4,082,209	3,454,771	3,542,099	3,699,133	3,463,644	3,676,656	3,905,087
Solid Waste	1,248,133	1,264,220	1,286,736	1,316,341	1,343,240	1,373,312	1,383,708	1,356,840	1,379,454	1,522,908
Stormwater	312,960	344,514	341,465	324,183	325,681	387,534	341,828	673,179	403,009	445,087
Airport	580,753	523,944	547,780	645,081	646,802	765,017	706,851	869,466	943,452	912,916
Golf course	768,141	806,336	797,618	832,127	788,392	818,843	914,668	1,042,559	868,605	852,479
Total business-type activities expenses	<u>12,141,097</u>	<u>11,917,548</u>	<u>11,552,754</u>	<u>12,843,594</u>	<u>13,835,547</u>	<u>14,104,322</u>	<u>13,996,267</u>	<u>14,987,766</u>	<u>14,813,324</u>	<u>15,402,252</u>
Total primary government expenses	<u>\$ 26,475,774</u>	<u>\$ 25,062,417</u>	<u>\$ 24,713,177</u>	<u>\$ 27,607,799</u>	<u>\$ 28,961,167</u>	<u>\$ 31,466,072</u>	<u>\$ 29,490,222</u>	<u>\$ 31,472,131</u>	<u>\$ 32,296,225</u>	<u>\$ 34,074,174</u>
<b>Program Revenues</b>										
Government activities:										
Charges for services:										
General government	\$ 319,310	\$ 214,752	\$ 258,705	\$ 276,483	\$ 306,843	\$ 303,965	\$ 214,664	\$ 210,245	\$ 208,693	\$ 297,522
Planning and zoning	9,758	10,206	8,424	10,033	10,220	9,873	5,482	5,190	8,679	6,781
Public safety	1,033,857	1,262,554	1,127,012	1,217,555	1,134,480	1,201,771	1,101,018	1,103,750	961,100	921,272
Highways and streets	1,275	1,545	1,180	1,475	1,298	1,294	386	114	497	400
Culture and recreation	59,683	59,997	71,802	84,991	99,001	104,868	100,759	101,860	117,420	135,398
Operating grants and contributions	927,006	967,138	1,231,916	1,650,439	1,366,190	1,105,579	1,013,534	1,296,996	3,213,149	1,141,401
Capital grants and contributions	500,299	821,415	182,110	395,186	3,237,687	78,024	1,434,539	620,064	3,095,037	1,142,314
Total governmental activities program revenues	<u>2,851,188</u>	<u>3,337,607</u>	<u>2,881,149</u>	<u>3,636,162</u>	<u>6,155,719</u>	<u>2,805,374</u>	<u>3,870,382</u>	<u>3,338,219</u>	<u>7,604,575</u>	<u>3,645,088</u>

TABLE 2

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Business-type activities:</b>										
Charges for services:										
Water	\$ 6,548,363	\$ 6,383,640	\$ 6,743,572	\$ 7,444,684	\$ 7,692,277	\$ 7,838,862	\$ 7,394,814	\$ 7,676,330	\$ 8,032,553	\$ 8,444,082
Wastewater	2,663,316	2,615,660	2,783,389	2,928,048	3,122,031	3,305,188	3,269,735	3,233,067	3,315,927	3,413,943
Solid Waste	1,409,823	1,519,914	1,575,918	1,622,290	1,725,143	1,794,651	1,841,535	1,906,505	1,985,233	2,032,671
Stormwater	435,950	495,067	575,355	701,081	848,193	1,016,272	1,143,193	1,183,770	1,220,885	1,238,509
Airport	229,342	222,551	242,640	344,829	340,534	398,421	413,053	418,815	396,386	405,962
Golf course	444,065	414,739	470,994	512,909	506,516	535,236	524,171	571,012	566,917	554,969
Operating grants and contributions	-	-	167,252	25,100	-	-	2,208	-	43,926	335
Capital grants and contributions	184,335	1,399,517	1,428,524	304,391	3,347,274	673,634	157,268	354,139	458,814	929,426
Total business-type activities program revenues	11,915,194	13,051,088	13,987,644	13,883,332	17,581,968	15,562,264	14,745,977	15,343,638	16,020,641	17,019,897
Total primary government program revenues	\$ 14,766,382	\$ 16,388,695	\$ 16,868,793	\$ 17,519,494	\$ 23,737,687	\$ 18,367,638	\$ 18,616,359	\$ 18,681,857	\$ 23,625,216	\$ 20,664,985
<b>Net (Expense)/Revenue</b>										
Government activities:	\$ (11,483,489)	\$ (9,807,262)	\$ (10,279,274)	\$ (11,128,043)	\$ (8,969,901)	\$ (14,556,376)	\$ (11,623,573)	\$ (13,146,146)	\$ (9,878,326)	\$ (15,026,834)
Business-type activities:	(225,903)	1,133,540	2,434,890	1,039,738	3,746,421	1,457,942	749,710	355,872	1,207,317	1,617,645
Total primary government net expense	\$ (11,709,392)	\$ (8,673,722)	\$ (7,844,384)	\$ (10,088,305)	\$ (5,223,480)	\$ (13,098,434)	\$ (10,873,863)	\$ (12,790,274)	\$ (8,671,009)	\$ (13,409,189)
<b>General Revenues and Other Changes in Net Assets</b>										
Government activities:										
Taxes:										
Sales and use taxes	\$ 10,109,396	\$ 9,238,802	\$ 9,595,485	\$ 10,493,465	\$ 10,555,793	\$ 10,883,650	\$ 11,070,144	\$ 11,114,194	\$ 11,897,949	\$ 13,668,341
Property taxes	1,243,884	1,246,910	1,207,441	1,145,387	1,172,499	406,950	1,497,025	1,256,849	1,182,844	815,000
Franchise and public service taxes	1,188,713	850,678	845,865	817,700	796,444	833,193	856,339	792,394	841,487	898,716
Other taxes	1,195,425	1,156,779	1,213,471	1,321,145	1,396,360	1,479,104	1,448,920	1,539,932	1,568,453	1,722,928
Unrestricted grants and contributions	282,315	328,756	337,019	306,994	526,006	723,417	1,079,758	399,296	789,523	757,328
Investment earnings	303,822	181,840	187,952	221,243	192,065	189,547	201,361	274,233	320,110	642,317
Miscellaneous	13,425	28,495	277,837	38,446	75,382	36,714	48,281	134,148	75,248	40,287
Special item	-	296,703	-	-	-	-	-	-	1,077,719	105,876
Transfers	(1,235,120)	(1,094,411)	(916,062)	(836,527)	(3,018,162)	(1,704,747)	(397,664)	(1,856,367)	(1,266,761)	168,929
Total governmental activities	13,101,860	12,234,552	12,749,008	13,507,853	11,696,387	12,847,828	15,804,164	13,654,679	16,486,572	18,819,722
Business-type activities:										
Investment earnings	256,198	120,158	40,910	26,365	42,218	39,496	48,937	75,790	64,926	231,774
Special item	-	-	-	(1,523)	-	-	-	-	-	-
Miscellaneous	17,662	873	1,567	3,844	2,738	5,823	84,750	42,441	1,994	5,256
Transfers	1,235,120	1,094,411	916,062	836,213	3,018,162	1,704,747	397,664	1,856,367	1,266,761	(168,929)
Total business-type activities	1,508,980	1,215,442	958,539	864,899	3,063,118	1,750,066	531,351	1,974,598	1,333,681	68,101
Total primary government	\$ 14,610,840	\$ 13,449,994	\$ 13,707,547	\$ 14,372,752	\$ 14,759,505	\$ 14,597,894	\$ 16,335,515	\$ 15,629,277	\$ 17,820,253	\$ 18,887,823
<b>Change in Net Position</b>										
Government activities	\$ 1,618,371	\$ 2,427,290	\$ 2,469,734	\$ 2,379,810	\$ 2,726,486	\$ (1,708,548)	\$ 4,180,591	\$ 508,533	\$ 6,608,246	\$ 3,792,888
Business-type activities	1,283,077	2,348,982	3,393,429	1,904,637	6,809,539	3,208,008	1,281,061	2,330,470	2,540,998	1,685,746
Total primary government	\$ 2,901,448	\$ 4,776,272	\$ 5,863,163	\$ 4,284,447	\$ 9,536,025	\$ 1,499,460	\$ 5,461,652	\$ 2,839,003	\$ 9,149,244	\$ 5,478,634

**CITY OF SAND SPRINGS, OKLAHOMA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**June 30, 2018**  
**TABLE 3**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 430,283	\$ 484,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,032,268	2,645,547	-	-	-	-	-	-	-	-
Nonspendable	-	-	23,616	22,597	22,982	30,035	18,653	21,720	17,607	18,816
Restricted	-	-	269,763	319,094	400,085	524,551	680,401	712,637	560,464	662,747
Committed	-	-	-	-	-	-	240,318	-	-	-
Assigned	-	-	1,052,274	1,322,428	1,432,738	1,825,667	2,283,351	1,718,537	1,753,911	1,916,526
Unassigned	-	-	<u>2,785,293</u>	<u>3,161,144</u>	<u>3,320,280</u>	<u>3,129,894</u>	<u>3,268,415</u>	<u>3,172,263</u>	<u>3,492,317</u>	<u>4,067,043</u>
Total general fund	<u>\$ 3,462,551</u>	<u>\$ 3,130,337</u>	<u>\$ 4,130,946</u>	<u>\$ 4,825,263</u>	<u>\$ 5,176,085</u>	<u>\$ 5,510,147</u>	<u>\$ 6,491,138</u>	<u>\$ 5,625,157</u>	<u>\$ 5,824,299</u>	<u>\$ 6,665,132</u>
All Other Governmental Funds										
Reserved	\$ 1,426,121	\$ 4,198,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	562,483	599,264	-	-	-	-	-	-	-	-
Debt service funds	1,102,825	1,080,982	-	-	-	-	-	-	-	-
Capital project funds	8,923,255	7,832,523	-	-	-	-	-	-	-	-
Restricted	-	-	11,987,586	13,041,167	16,346,865	17,488,846	17,685,547	32,247,352	31,996,951	30,292,777
Committed	-	-	26,000	43,536	-	-	-	-	-	-
Assigned	-	-	2,985,162	4,787,572	4,395,998	7,643,981	7,357,725	6,842,117	10,059,269	10,478,637
Unassigned	-	-	<u>(697,538)</u>	<u>(973,423)</u>	<u>(36,627)</u>	<u>-</u>	<u>(33)</u>	<u>(34,926)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 12,014,684</u>	<u>\$ 13,711,517</u>	<u>\$ 14,301,210</u>	<u>\$ 16,898,852</u>	<u>\$ 20,706,236</u>	<u>\$ 25,132,827</u>	<u>\$ 25,043,239</u>	<u>\$ 39,054,543</u>	<u>\$ 42,056,220</u>	<u>\$ 40,771,414</u>
<b>GRAND TOTAL</b>	<u>\$ 15,477,235</u>	<u>\$ 16,841,854</u>	<u>\$ 18,432,156</u>	<u>\$ 21,724,115</u>	<u>\$ 25,882,321</u>	<u>\$ 30,642,974</u>	<u>\$ 31,534,377</u>	<u>\$ 44,679,700</u>	<u>\$ 47,880,519</u>	<u>\$ 47,436,546</u>

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

CITY OF SAND SPRINGS, OKLAHOMA  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 June 30, 2018  
**TABLE 4**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>										
Taxes	\$ 13,728,301	\$ 12,444,830	\$ 12,909,683	\$ 13,786,404	\$ 14,096,209	\$ 14,018,930	\$ 15,373,972	\$ 14,786,346	\$ 15,984,007	\$ 17,593,384
Intergovernmental	1,572,496	1,769,104	1,675,578	2,356,440	4,430,432	1,973,647	2,753,093	2,643,976	6,484,625	1,658,566
Charges for services	1,046,901	1,023,287	1,069,579	1,145,909	1,099,110	1,142,732	1,064,055	1,064,286	1,123,472	1,131,286
Fines and forfeitures	252,006	302,569	371,277	413,805	415,268	432,401	393,102	317,676	202,411	154,171
Licences and permits	132,115	115,305	147,757	131,722	194,444	179,498	141,721	138,566	129,844	195,881
Investment Income	450,644	250,813	112,131	62,465	69,717	68,370	114,015	161,670	189,198	557,892
Miscellaneous	166,948	591,137	465,838	199,827	288,530	561,977	287,885	295,991	190,401	226,973
<b>Total Revenues</b>	<b>\$ 17,349,411</b>	<b>\$ 16,497,045</b>	<b>\$ 16,751,843</b>	<b>\$ 18,096,572</b>	<b>\$ 20,593,710</b>	<b>\$ 18,377,555</b>	<b>\$ 20,127,843</b>	<b>\$ 19,408,511</b>	<b>\$ 24,303,958</b>	<b>\$ 21,518,153</b>
<b>Expenditures:</b>										
General government	\$ 752,642	\$ 756,851	\$ 671,627	\$ 778,817	\$ 875,356	\$ 835,759	\$ 856,027	\$ 1,051,201	\$ 1,037,386	\$ 1,064,084
Planning and zoning	167,431	156,007	154,985	103,903	121,776	140,877	101,272	152,352	151,910	156,593
Financial administration	763,458	643,633	571,438	654,358	763,850	795,667	795,137	766,834	782,783	835,743
Public safety	6,908,601	6,798,342	6,750,855	7,071,741	7,465,352	8,012,482	8,194,641	8,896,588	8,170,498	8,490,471
Highways and streets	904,388	853,007	827,665	648,994	643,840	675,929	664,245	628,541	606,133	646,379
Health and welfare	62,815	71,857	51,842	51,572	32,088	34,219	31,108	28,577	27,287	27,291
Culture and recreation	1,021,500	845,083	700,856	919,003	934,028	1,086,835	1,055,016	1,066,160	1,124,552	1,098,999
Economic development	160,612	143,509	137,435	341,095	493,817	697,993	586,018	874,858	871,292	808,600
Facilities mgmt & fleet maint	527,770	523,870	478,511	454,319	703,484	716,874	709,666	728,308	739,918	729,145
Water	-	-	42,221	14,989	-	-	-	-	-	-
Capital outlay	5,220,108	5,055,225	6,649,063	5,097,127	7,293,491	5,966,389	21,014,013	18,065,850	10,141,265	20,229,861
Debt service										
Principal	946,003	946,030	943,896	507,967	991,142	1,030,859	1,035,360	1,173,192	1,212,860	1,404,638
Interest	402,579	361,914	325,066	233,420	179,312	172,495	212,826	499,308	655,503	638,497
<b>Total Expenditures</b>	<b>\$ 17,837,907</b>	<b>\$ 17,155,328</b>	<b>\$ 18,305,460</b>	<b>\$ 16,877,305</b>	<b>\$ 20,497,536</b>	<b>\$ 20,166,378</b>	<b>\$ 35,255,329</b>	<b>\$ 33,931,769</b>	<b>\$ 25,521,387</b>	<b>\$ 36,130,301</b>
Excess of revenues over/(under) expenditures	\$ (488,496)	\$ (658,283)	\$ (1,553,617)	\$ 1,219,267	\$ 96,174	\$ (1,788,823)	\$ (15,127,486)	\$ (14,523,258)	\$ (1,217,429)	\$ (14,612,148)
<b>Other financing sources(uses)</b>										
Issuance of debt	\$ -	\$ -	\$ -	\$ 2,540,000	\$ 496,304	\$ 2,367,241	\$ 714,217	\$ 18,436,354	\$ -	\$ 9,717,203
Transfers in	6,723,405	7,922,227	8,608,201	8,856,527	10,696,533	11,118,523	22,278,068	18,080,343	9,309,506	12,191,177
Transfers out	(5,390,750)	(5,899,323)	(5,464,282)	(6,307,866)	(7,130,805)	(6,936,288)	(6,973,396)	(6,538,116)	(7,277,798)	(8,391,801)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	2,386,540	651,596
Payment of issue costs	-	-	-	(74,611)	-	-	-	-	-	-
Transfer to bond escrow	-	-	-	(2,941,356)	-	-	-	(2,310,000)	-	-
<b>Total other financing sources(uses)</b>	<b>\$ 1,332,655</b>	<b>\$ 2,022,904</b>	<b>\$ 3,143,919</b>	<b>\$ 2,072,694</b>	<b>\$ 4,062,032</b>	<b>\$ 6,549,476</b>	<b>\$ 16,018,889</b>	<b>\$ 27,668,581</b>	<b>\$ 4,418,248</b>	<b>\$ 14,168,175</b>
<b>Net change in fund balances</b>	<b>\$ 844,159</b>	<b>\$ 1,364,621</b>	<b>\$ 1,590,302</b>	<b>\$ 3,291,961</b>	<b>\$ 4,158,206</b>	<b>\$ 4,760,653</b>	<b>\$ 891,403</b>	<b>\$ 13,145,323</b>	<b>\$ 3,200,819</b>	<b>\$ (443,973)</b>
Debt service as a percentage of noncapital expenditures	8.2%	8.6%	7.8%	4.7%	9.7%	8.5%	9.6%	5.5%	9.0%	9.5%

CITY OF SAND SPRINGS, OKLAHOMA  
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
 Last Ten Fiscal Years  
 June 30, 2018  
 TABLE 5

<u>Fiscal Year</u>	<u>Ad Valorem Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Hotel/Motel Tax</u>	<u>Use Tax</u>	<u>Emergency Telephone Tax</u>	<u>Payment in Lieu of Taxes</u>	<u>Abatement Tax</u>	<u>Incremental Property Tax</u>	<u>Totals</u>
2009	1,243,884	9,801,602	1,188,713	112,617	307,794	146,920	912,146	23,742	-	13,737,418
2010	1,246,910	8,982,429	850,678	94,065	256,373	131,685	905,686	25,343	-	12,493,169
2011	1,207,441	9,220,076	845,865	96,017	375,409	140,836	964,375	12,243	-	12,862,262
2012	1,145,387	10,096,850	817,700	98,154	396,615	139,986	1,045,046	37,959	-	13,777,697
2013	1,160,778	10,133,835	796,444	123,728	421,958	146,279	1,103,053	23,300	186,834	14,096,209
2014	419,689	10,492,846	833,193	157,200	390,804	142,163	1,149,337	30,404	403,294	14,018,930
2015	1,300,930	10,631,021	856,339	153,898	439,123	135,272	1,124,972	18,762	713,655	15,373,972
2016	1,250,740	10,708,375	792,394	193,952	405,819	129,772	1,161,172	34,015	110,107	14,786,346
2017	1,182,844	11,445,609	841,487	179,577	452,340	150,745	1,201,702	36,429	499,304	15,990,037
2018	815,000	12,859,605	898,716	249,941	808,736	171,718	1,244,157	57,112	450,987	17,555,972



# **REVENUE CAPACITY**

**CITY OF SAND SPRINGS OKLAHOMA**  
**SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS**  
**Last Ten Fiscal Years**  
**June 30, 2018**  
**TABLE 6**

	<b>Fiscal Year</b>										
	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	
General Fund Operations	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %
TIF District (Economic Development)	-	-	-	-	-	-	-	-	-	-	-
Water & Wastewater Improvements	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Street Improvements	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Public Safety Improvements	-	-	-	-	-	-	-	-	-	0.450	0.450
Economic Development Improvements	-	-	-	-	-	-	-	-	-	0.100	0.100
<b>Sand Springs Total</b>	<b>3.500 %</b>	<b>3.500 %</b>	<b>3.500 %</b>	<b>3.500 %</b>	<b>3.500 %</b>	<b>3.500 %</b>	<b>3.500 %</b>	<b>3.500 %</b>	<b>3.500 %</b>	<b>4.050 %</b>	<b>4.050 %</b>
Osage County	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %
Tulsa County	1.017	1.017	1.017	0.850	0.850	0.850	0.920	0.920	0.367	0.367	
<b>State of Oklahoma</b>	<b>4.500 %</b>	<b>4.500 %</b>	<b>4.500 %</b>	<b>4.500 %</b>	<b>4.500 %</b>	<b>4.500 %</b>	<b>4.500 %</b>	<b>4.500 %</b>	<b>4.500 %</b>	<b>4.500 %</b>	<b>4.500 %</b>
<b>Total (Osage County)</b>	<b>9.250 %</b>	<b>9.250 %</b>	<b>9.250 %</b>	<b>9.250 %</b>	<b>9.250 %</b>	<b>9.250 %</b>	<b>9.250 %</b>	<b>9.250 %</b>	<b>9.250 %</b>	<b>9.800 %</b>	<b>9.800 %</b>
<b>Total (Tulsa County)</b>	<b>9.017 %</b>	<b>9.017 %</b>	<b>9.017 %</b>	<b>8.850 %</b>	<b>8.850 %</b>	<b>8.850 %</b>	<b>8.920 %</b>	<b>8.920 %</b>	<b>8.917 %</b>	<b>8.917 %</b>	

**Source:**

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

**Note:**

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

CITY OF SAND SPRINGS OKLAHOMA  
**TAXABLE SALES BY CATEGORY**  
 Last Ten Fiscal Years  
 June 30, 2018  
**TABLE 7**

Category	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Manufacturing	\$ 5,821,246	\$ 4,579,167	\$ 4,865,836	\$ 6,474,226	\$ 6,733,569	\$ 7,564,199	\$ 7,255,899	\$ 7,135,431	\$ 8,295,991	\$ 9,918,200
Telecommunications & Other	10,297,993	10,464,868	10,386,773	11,683,916	8,223,040	6,143,900	6,439,582	6,368,003	6,674,048	5,936,649
Public Utilities	19,411,239	11,989,841	17,945,755	18,032,682	16,426,109	18,203,837	19,469,901	18,374,328	20,164,230	21,195,677
Wholesale trade	11,221,153	8,751,312	10,278,070	17,835,578	15,467,491	18,781,723	16,877,375	18,999,974	16,356,165	17,296,837
Retail - Building Materials	8,588,221	7,407,764	6,342,063	8,787,999	8,603,061	7,670,664	9,717,333	7,205,809	7,471,911	8,281,968
Retail - General Merchandise	120,144,526	112,456,892	106,016,119	109,547,834	104,402,935	105,798,763	106,713,323	104,434,347	104,257,661	106,560,567
Retail - Food	26,984,740	26,092,097	27,023,835	28,800,036	36,373,046	32,841,537	34,151,564	42,613,748	46,866,946	51,916,906
Retail - Automotive	9,161,857	9,084,846	9,753,355	9,667,077	10,541,623	10,321,611	10,662,095	9,040,782	8,303,489	8,141,945
Retail - Apparel	2,966,055	2,784,830	2,937,195	3,043,655	3,391,412	3,428,369	3,332,375	3,594,669	3,101,555	2,868,340
Retail - Furniture & Accessories	8,855,436	8,025,192	7,776,746	6,990,153	10,123,520	11,209,826	10,823,357	9,952,364	10,780,993	12,776,588
Retail - Restaurants	31,440,715	30,529,296	33,419,129	38,597,334	36,561,022	36,421,806	38,056,035	41,034,691	41,434,696	42,208,637
Retail - Miscellaneous	14,385,069	13,908,037	14,647,439	16,173,648	17,209,459	18,972,661	19,403,128	15,673,799	14,260,866	14,143,759
Retail - Hotel	2,242,911	1,853,185	1,917,219	1,923,991	2,060,773	2,487,256	576,134	1,691,857	2,244,784	3,522,902
Services - Business	4,518,959	1,509,937	1,432,019	1,335,123	2,843,803	1,847,657	2,370,215	884,919	750,809	931,537
Services - Other	6,484,679	8,785,053	8,660,226	10,557,317	9,040,125	11,781,384	11,509,395	11,975,167	12,171,906	12,171,191
All Other Categories	1,194,079	1,469,187	1,494,020	1,363,093	1,853,813	8,659,817	9,287,849	8,874,337	3,208,498	789,259
<b>Total</b>	<b>\$ 283,718,878</b>	<b>\$ 259,691,504</b>	<b>\$ 264,895,799</b>	<b>\$ 290,813,662</b>	<b>\$ 289,854,801</b>	<b>\$ 302,135,010</b>	<b>\$ 306,645,560</b>	<b>\$ 307,854,225</b>	<b>\$ 306,344,548</b>	<b>\$ 318,660,962</b>

**Source:**

1. Oklahoma Tax Commission

**Note:**

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

CITY OF SAND SPRINGS OKLAHOMA  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**June 30, 2018**  
**TABLE 8**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Property</b>	<b>Total Assessed Value</b>	<b>Homestead Exemption</b>	<b>Net Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>
2009	90,627,821	22,683,328	3,490,138	116,801,287	4,291,332	112,509,955	10.74	1,061,829,882
2010	94,163,935	25,551,946	8,459,397	128,175,278	4,238,669	123,936,609	10.06	1,165,229,800
2011	96,715,793	18,912,594	8,387,535	124,015,922	4,247,420	119,768,502	10.08	1,127,417,473
2012	98,591,088	17,445,941	8,108,272	124,145,301	4,205,921	119,939,380	9.55	1,128,593,645
2013	100,441,255	18,670,079	8,284,161	127,395,495	4,176,081	123,219,414	9.52	1,158,140,864
2014	102,534,222	19,974,137	7,652,889	130,161,248	4,146,411	126,014,837	3.23	1,183,284,073
2015	104,590,024	20,304,774	6,397,195	131,291,993	4,073,410	127,218,583	10.50	1,193,563,573
2016	107,629,055	19,617,887	6,364,548	133,611,490	4,020,860	129,590,630	9.70	1,214,649,909
2017	111,031,577	22,243,308	6,511,249	139,786,134	3,960,860	135,825,274	8.70	1,270,783,036
2018	113,632,937	19,172,369	7,077,847	139,883,153	3,908,371	135,974,782	5.99	1,271,665,027

**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, 2018**  
**TABLE 9**

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>(2) Overlapping Rates</u>				<u>Total Sand Springs City Resident</u>
	<u>Debt Service Fund*</u>	<u>Sand Springs School District</u>	<u>Tulsa County</u>	<u>Tulsa Community College</u>	<u>Tulsa Technology Center</u>	
2009	10.74	68.35	22.21	7.21	13.33	121.84
2010	10.06	69.71	22.21	7.21	13.33	122.52
2011	10.08	73.92	22.21	7.21	13.33	126.75
2012	9.55	73.42	22.24	7.21	13.33	125.75
2013	9.52	72.83	22.24	7.21	13.33	125.13
2014	3.23	73.27	22.23	7.21	13.33	119.27
2015	10.50	72.61	22.23	7.21	13.33	125.88
2016	9.70	72.31	22.22	7.21	13.33	124.77
2017	8.70	71.51	22.24	7.21	13.33	122.99
2018	5.99	71.74	22.24	7.21	13.33	120.51
The levy certified to the tax rolls for the upcoming fiscal year is as follows:						
2019	7.38	72.29	22.74	7.21	13.33	122.95

**Source:**

1. Tulsa County Excise Board

**Note:**

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

\* Direct rate is solely for direct and overlapping debt

CITY OF SAND SPRINGS, OKLAHOMA  
 PRINCIPAL PROPERTY TAXPAYERS  
 Current Year And Nine Years Ago  
 June 30, 2018  
 TABLE 10

Taxpayer	Type of Business	2018		2009	
		Taxable Assessed Value	Rank	Taxable Assessed Value	Rank
Webco Industries/Southwest Tube	Manufacturing	7,655,881	1	4,095,736	3
Chemlink Inc/Baker Petrolite	Manufacturing	5,974,938	2	4,532,059	2
Public Service Co of Okla	Utility	4,454,062	3	3,496,482	4
Wal-Mart	Retail	2,203,329	4	927,905	11
Sand Springs Home	Real Estate	1,582,559	5	1,571,723	5
Highland Crossing	Apartment	1,298,290	6	1,245,041	9
Yellowhouse Machinery	Equipment	1,199,471	7	1,496,663	6
Cust-O-Fab/B P Enterprises	Manufacturing	970,018	8	874,694	12
Oklahoma Natural Gas Co	Utility	759,127	9	788,399	14
Sand Springs Railway Co	Estate	743,465	10	1,137,036	10
Green Tree	Real Estate	652,708	11	847,650	13
AT&T	Utility	607,980	12	1,331,214	8
Caimbrae Realty	Real Estate	588,771	13	—	—
Hampton Inn of Sand Springs	Hotel	557,740	14	—	—
Gable Hills	Apartment	525,904	15	—	—
Totals		<u>\$ 29,774,243</u>		<u>\$ 22,344,602</u>	

Source:  
 1. Tulsa County Assessors Office

**CITY OF SAND SPRINGS, OKLAHOMA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**  
**June 30, 2018**  
**TABLE 11**

<b>Fiscal Year</b>	<b>Actual Levy Year</b>	<b>Tax Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections To Date</b>		<b>Net Assessed Value</b>	<b>Mill Levy</b>
			<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>		
2009	2008	\$ 1,243,871	\$ 1,205,963	97%	\$ 17,521	\$ 1,223,484	98.4%	\$ 112,509,955	10.74
2010	2009	\$ 1,246,887	\$ 1,202,135	96%	\$ 15,691	\$ 1,217,826	97.7%	\$ 123,936,609	10.06
2011	2010	\$ 1,207,455	\$ 1,184,282	98%	\$ 20,533	\$ 1,204,815	99.8%	\$ 119,768,502	10.08
2012	2011	\$ 1,145,387	\$ 1,111,816	97%	\$ 17,474	\$ 1,129,290	98.6%	\$ 119,937,191	9.55
2013	2012	\$ 1,172,499	\$ 1,126,854	96%	\$ 19,268	\$ 1,146,122	97.8%	\$ 123,219,414	9.52
2014	2013	\$ 406,950	\$ 387,732	95%	\$ -	\$ 387,732	95.3%	\$ 126,014,837	3.23
2015	2014	\$ 1,335,530	\$ 1,281,373	96%	\$ 19,557	\$ 1,300,930	97.4%	\$ 127,218,583	10.50
2016	2015	\$ 1,256,849	\$ 1,201,748	96%	\$ 48,992	\$ 1,250,740	99.5%	\$ 129,590,630	9.70
2017	2016	\$ 1,182,844	\$ 1,141,493	97%	\$ 35,321	\$ 1,176,814	99.5%	\$ 135,825,274	8.70
2018	2017	\$ 815,001	\$ 798,676	98%	\$ 16,699	\$ 815,375	100.0%	\$ 135,974,782	5.99

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

# **DEBT CAPACITY**



**CITY OF SAND SPRINGS, OKLAHOMA**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED**  
**VALUE AND NET BONDED DEBT PER CAPITA**  
**Last Ten Fiscal Years**  
**June 30, 2018**  
**TABLE 12**

<b>Fiscal Year</b>	<b>Population</b>	<b>Net Assessed Value</b>	<b>Gross Bonded Debt (1)</b>	<b>Less Debt Service Funds</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
2009	18,489	112,509,955	9,195,000	1,225,985	7,969,015	7.08%	431
2010	18,868	123,936,609	8,310,000	1,225,238	7,084,762	5.72%	375
2011	18,906	119,768,402	7,425,000	1,132,394	6,292,606	5.25%	333
2012	19,140	119,937,191	6,650,000	1,139,037	5,510,963	4.59%	288
2013	19,116	123,219,414	5,720,000	1,198,452	4,521,548	3.67%	237
2014	19,339	126,014,837	7,165,000	547,774	6,617,226	5.25%	342
2015	19,553	127,218,583	6,255,000	738,998	5,516,002	4.34%	282
2016	19,783	129,590,630	5,245,000	783,195	4,461,805	3.44%	226
2017	19,822	135,825,274	4,195,000	788,253	3,406,747	2.51%	172
2018	19,909	135,974,782	13,090,000	745,741	12,344,259	9.08%	600

**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, 2018**  
**TABLE 13**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage (1) Applicable to City of Sand Springs</u>	<u>Amount Applicable to City of Sand Springs</u>
City of Sand Springs	<u>\$ 13,703,405</u>	100.00%	<u>\$ 13,703,405</u>
Overlapping Debt:			
Sand Springs School District	17,525,000	75.05%	13,152,513
Berryhill School District	2,550,000	21.07%	537,285
Tulsa County	0	2.44%	0
Tulsa Community College	0	2.49%	0
Total overlapping debt	<u>20,075,000</u>		<u>13,689,798</u>
Total Direct and Overlapping Debt	<u><u>\$ 33,778,405</u></u>		<u><u>\$ 27,393,203</u></u>

**Source:**

1. Tulsa & Osage County Assessors Office

**Note:**

1. Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the City of Sand Springs.

CITY OF SAND SPRINGS, OKLAHOMA  
**LEGAL DEBT MARGIN INFORMATION**  
 Last Ten Fiscal Years  
 June 30, 2018  
**TABLE 14**

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 11,579,257	\$ 12,393,661	\$ 11,976,850	\$ 11,993,938	\$ 12,321,941	\$ 12,601,484	\$ 12,721,858	\$ 12,959,063	\$ 13,582,527	\$ 13,597,478
Total net debt applicable to limit	<u>6,447,018</u>	<u>5,829,158</u>	<u>5,211,297</u>	<u>4,668,269</u>	<u>4,119,634</u>	<u>5,820,184</u>	<u>5,163,023</u>	<u>4,329,211</u>	<u>3,608,699</u>	<u>6,180,000</u>
Legal debt margin	<u>\$ 5,132,239</u>	<u>\$ 6,564,503</u>	<u>\$ 6,765,553</u>	<u>\$ 7,325,669</u>	<u>\$ 8,202,307</u>	<u>\$ 6,781,300</u>	<u>\$ 7,558,835</u>	<u>\$ 8,629,852</u>	<u>\$ 9,973,828</u>	<u>\$ 7,417,478</u>
Total net debt applicable to the limit as a percentage of debt limit	55.68%	47.03%	43.51%	38.92%	33.43%	46.19%	40.58%	33.41%	26.57%	45.45%

**Legal Debt Margin Calculation for Fiscal Year 2018**

Net assessed valuation	\$ 135,974,782
Debt limit (10% of total assess value)	\$ 13,597,478
Debt applicable to limit:	
General obligation bonds	\$ 13,090,000
Less: Street bonds outstanding	<u>6,910,000</u>
Total net debt applicable to limit	<u>6,180,000</u>
Legal debt margin	<u>\$ 7,417,478</u>

**Note:**

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

**CITY OF SAND SPRINGS, OKLAHOMA**  
**MUNICIPAL AUTHORITY**  
**PLEDGED REVENUE COVERAGE**  
**Last Ten Fiscal Years**  
**June 30, 2018**  
**TABLE 15**

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Average Annual Debt Service (1)	Debt Service Coverage
2009	11,883,093	5,773,039	6,110,054	898,125	6.80
2010	11,387,089	5,250,446	6,136,643	779,905	7.87
2011	12,028,674	5,292,914	6,735,760	779,905	8.64
2012	13,069,529	5,465,821	7,603,708	0	N/A
2013	13,544,073	5,715,422	7,828,651	1,675,637	4.67
2014	14,053,576	6,023,712	8,029,864	1,675,637	4.79
2015	13,527,517	6,334,327	7,193,190	1,675,637	4.29
2016	13,912,884	6,595,546	7,317,338	1,675,637	4.37
2017	14,224,955	6,581,138	7,643,817	1,675,637	4.56
2018	14,812,289	7,328,159	7,484,130	1,675,637	4.47

**Note:**

1. Average annual debt service includes principal, interest and fee payments to fiscal agents for revenue bonds payable secured by or for which debt service is paid from trust revenue.

CITY OF SAND SPRINGS, OKLAHOMA  
RATIO FOR OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years  
June 30, 2018  
TABLE 16

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds Payable	Unamortized Discount/Premium	Capital Leases Payable	Revenue Bonds Payable	Unamortized Discount/Premium	Notes Payable	Capital Leases Payable			
2009	9,195,000	-	-	368,838	2,120,000	-	13,916,658	91,328	25,691,824	4%	1,390
2010	8,310,000	-	-	307,769	1,390,000	-	13,946,941	35,601	23,990,311	3%	1,271
2011	7,425,000	-	-	248,085	620,000	-	13,328,720	12,279	21,634,084	3%	1,144
2012	6,650,000	-	-	190,017	-	-	12,867,801	-	19,707,818	2%	1,030
2013	5,720,000	-	-	625,673	30,510,000	66,348	9,070,394	-	45,992,415	4%	2,406
2014	7,165,000	-	-	514,814	29,830,000	67,773	8,146,832	-	45,724,419	4%	2,364
2015	6,255,000	-	-	1,104,003	29,170,000	69,197	7,411,830	-	44,010,030	4%	2,248
2016	5,245,000	16,000,000	123,220	940,810	28,495,000	70,621	6,757,973	-	57,491,382	5%	2,900
2017	4,195,000	16,000,000	102,422	777,950	27,805,000	72,050	6,089,553	-	54,897,875	5%	2,758
2018	13,090,000	15,545,000	118,529	613,406	27,100,000	73,470	5,406,695	-	61,800,160	5%	3,006

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# **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**CITY OF SAND SPRINGS, OKLAHOMA**  
**BUILDING PERMITS, CONSTRUCTION AND BANK DEPOSITS**  
**Last Ten Calendar Years**  
**June 30, 2018**  
**TABLE 17**

Calendar Year	Number of Building Permits	Construction Values			Estimated Actual Value of Taxable Property	Bank Deposits
		Residential	Commercial	Total		
2008	190	15,838,709	14,167,699	30,006,408	1,036,050,155	279,222,000
2009	195	12,901,230	7,665,365	20,566,595	1,061,829,882	272,193,000
2010	190	10,910,659	27,059,845	37,970,504	1,127,417,473	275,391,000
2011	178	37,056,719	12,670,862	49,727,581	1,128,593,645	301,579,000
2012	250	15,046,585	7,292,732	22,339,317	1,158,140,864	311,563,000
2013	290	15,610,436	7,816,622	23,427,058	1,183,284,073	304,006,000
2014	238	14,969,551	17,720,381	32,689,932	1,193,563,573	329,335,000
2015	179	9,875,122	12,403,063	22,278,185	1,214,649,909	319,397,000
2016	158	7,861,535	19,058,803	26,920,338	1,270,783,036	321,528,000
2017	189	11,699,939	25,506,012	37,205,951	1,271,665,027	319,563,000

**Source:**

1. City Neighborhood Services Department



**CITY OF SAND SPRINGS, OKLAHOMA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Calendar Years**  
**June 30, 2018**  
**TABLE 18**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Current Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income (MSA)</b>	<b>Median Age of Population (3)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2009	18,868	744,192	39,442	35.1	5,328	7.7%
2010	18,906	771,232	40,793	35.2	5,327	7.9%
2011	19,140	918,165	47,971	36.5	5,261	5.3%
2012	19,116	1,057,975	55,345	36.2	5,315	5.2%
2013	19,339	1,268,503	65,593 *	36.5	5,315	4.6%
2014	19,553	1,384,646	70,815 *	34.3	5,336	4.3%
2015	19,783	1,247,971 *	63,083 *	34.3	5,236	5.6%
2016	19,822	1,070,071 *	53,984 *	36.1	5,141	4.9%
2017	19,909	1,174,332	58,985	36.8	5,144	3.5%
2018	20,558	1,174,643	57,138	36.8	5,101	3.1%

**Source:**

1. INCOG
2. Per Capita Personal Income - U.S. Bureau of Economic Analysis (BEA) for the Tulsa metropolitan area (information for Sand Springs unavailable)  
 \* Calendar years 2015 and 2016 were restated based on most recent information provided by BEA.
3. Municipal Net Guide
4. Sand Springs School District
5. Bureau of Labor Statistics, for the Tulsa metropolitan area.
6. Claritas-Pop Facts

CITY OF SAND SPRINGS, OKLAHOMA  
**PRINCIPAL EMPLOYERS**  
 Current Year And Nine Years Ago  
 June 30, 2018  
**TABLE 19**

<u>Employer</u>	<u>2018</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Sand Springs Schools	771	1	10.85%	743	1	11.14%
Webco	628	2	8.84%	305	3	4.57%
Wal Mart	221	3	3.11%	549	2	8.23%
City of Sand Springs	201	4	2.83%	246	4	3.69%
Cust-O-Fab	200	5	2.82%	130	9	1.95%
Baker Petrolite	154	6	2.17%	135	7	2.02%
Osage Million Dollar Elm	133	7	1.87%	—	—	—
Tulsa Community College	106	8	1.49%	212	6	3.18%
Keystone Chevrolet	102	9	1.44%	74	11	1.11%
Piping Enterprise	96	10	1.35%	150	8	2.25%
Totals	<u>2,612</u>		<u>36.77%</u>	<u>2,544</u>		<u>38.14%</u>

**Source:**

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

**Note:**

1. 2018 percentage is based on the U S Census Bureau 2014 totals
2. 2009 numbers total 6,668 and 2018 numbers total 7,103
3. The total number of employees includes full and part time employees

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# **OPERATING INFORMATION**

**CITY OF SAND SPRINGS OKLAHOMA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**  
**June 30, 2018**  
**TABLE 20**

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government	7	5	5	6	8	8	9	9	9	9
Planning and Zoning	1	1	1	1	1	2	2	2	2	2
Financial Administration	20	18	16	19	17	13	13	13	16	16
Public Safety	84	82	76	79	79	86	85	86	84	85
Highways and Streets	12	12	8	9	9	9	9	9	9	9
Culture and Recreation	14	11	7	6	6	8	8	8	8	8
Economic Development	1	1	1	1	1	1	1	1	1	1
Facilities Management & Maint	10	10	8	9	10	10	10	10	9	9
Water Operations	32	32	31	31	31	32	33	33	30	30
Stormwater	1	1	1	1	0	0	0	1	1	1
Wastewater Operations	19	19	19	19	19	19	19	19	19	19
Solid Waste Operations	11	11	11	11	11	11	11	11	11	11
Airport Operations	1	1	1	1	1	1	1	1	1	1
Golf Course Operations	8	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>221</b>	<b>204</b>	<b>185</b>	<b>193</b>	<b>193</b>	<b>200</b>	<b>201</b>	<b>203</b>	<b>200</b>	<b>201</b>

**Source:**

1. City Finance Office

**CITY OF SAND SPRINGS OKLAHOMA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**  
**June 30, 2018**  
**TABLE 21**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	33	33	33	38	38	40	36	33	37	37
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Trucks	11	11	13	13	9	10	10	10	10	12
<b>Highways and Streets</b>										
Roadways (arterial lane miles)	170	170	170	172	173	173	173	173	173	173
Streetlights	1,208	1,209	1,209	1,211	1,211	1,214	1,214	1,214	1,253	1,284
Signalized Intersections	18	18	18	18	18	19	19	19	19	19
<b>Culture and Recreation</b>										
Acreage *	1,623	1,583	1,623	1,623	1,623	1,623	1,629	1,629	1,635	1,655
Tennis Courts	6	6	6	6	6	6	4	4	4	4
Ball diamonds	13	13	13	11	11	11	11	11	11	17
Community Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
<b>Water Operations</b>										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Water Mains (miles)	431	448	452	452	454	454	455	455	456	404
Storage capacity (thousands of gallons)	7,023	7,023	7,023	6,523	6,523	6,523	6,523	6,523	6,523	6,178
<b>Wastewater Operations</b>										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (miles)	122	126	126	126	127	128	128	128	128	136
Treatment capacity (thousands of gallons)	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120
<b>Solid Waste Operations</b>										
Collection Trucks	8	10	10	10	8	8	9	9	10	10
<b>Stormwater Operations</b>										
Storm sewers (miles)	50	50	50	50	51	51	51	51	51	55

**Source:**

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

**CITY OF SAND SPRINGS OKLAHOMA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**  
**June 30, 2018**  
**TABLE 22**

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Public Safety										
Police										
Number of Violations (Citations)	5,031	10,029	8,859	8,810	6,677	6,181	6,240	4,840	3,541	2,265
Fire										
Call Responses	3,054	3,033	3,475	3,959	4,023	4,114	4,226	4,386	4,324	3,628
Highways and Streets										
Streets Resurfacing (miles)	7	7	14	2	9	-	8	-	12	-
Asphalt Repairs (tons)	82	145	258	208	208	147	280	213	164	153
Culture and Recreation										
Community Center Visitors (daily average)	264	348	338	310	293	269	254	265	262	251
Water and Wastewater Operations										
Number of Water Consumers	11,151	11,828	11,774	11,767	11,836	12,008	12,027	12,134	12,207	12,359
Average Daily Water Consumption (thousands of gallons)	3,072	2,844	2,839	3,073	3,065	2,986	2,840	2,754	2,804	2,892
Number of Sewer Consumers	6,731	6,827	6,792	6,780	6,835	6,907	6,925	6,976	7,031	7,070
Solid Waste Operations										
Refuse collected (tons per day)	48.3	41.3	41.1	38.7	39.3	40.4	34.5	38.8	37.9	38.6
Active Refuse Accounts	6,789	6,883	6,850	6,859	6,911	7,038	7,048	7,107	7,172	7,214
Airport Operations										
Annual Aviation/Jet Fuel Sales <sup>1</sup>	30,944	29,168	30,006	47,481	43,357	62,754	64,832	84,989	87,836	73,522
Golf Operations										
Number of Rounds Played	19,942	19,542	23,880	24,919	25,254	25,699	25,201	26,884	25,708	25,211

**Source:** City Departments

**Note:**

1. FY 2007 City no longer selling jet aviation fuel

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sand Springs, Oklahoma, (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 21, 2018.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Arledge & Associates, P.C.*

December 21, 2018

# THE CITY OF SAND SPRINGS PAST & PRESENT MAYORS

◆ H. C. Tingley	1912-1915	◆ Tom Wiley	1963-1963
◆ John Gladson	1916-1917	◆ John M. Hess	1963-1969
◆ W. E. Bartlett	1918-1919	◆ Dale C. Morrow	1969-1972
◆ B. L. Waddle	1920-1920	◆ Ed Everett	1972-1973
◆ George S. Brown	1920-1921	◆ William D. Bigby	1973-1974
◆ L. C. Hinz	1921-1924	◆ Ed Everett	1974-1975
◆ George Ruppert	1924-1927	◆ Don Sullivan	1975-1977
◆ Holly L. Anderson	1927-1933	◆ Charles Keightley	1977-1978
◆ Joe Kraus	1933-1934	◆ Artie Palk	1978-1983
◆ E. C. Hubbard	1934-1936	◆ Jerry A. Hanner	1983-1987
◆ H. H. Snow	1936-1937	◆ George Hooper	1987-1988
◆ Homer Akers	1938-1939	◆ George W. Hilsheimer	1988-1990
◆ Morris Ruppert	1941-1943	◆ A. Lyle Crowder	1990-1993
◆ Isham P. Nelson	1943-1947	◆ Charles P. Garner	1993-1994
◆ Paul Burtner	1947-1949	◆ E. Bruce Ford	1994-1997
◆ Rubye DeBolt	1949-1951	◆ Tom Ferguson	1997-1999
◆ George Gilmore	1951-1953	◆ Mike Burdge	1999-2002
◆ Lester Leed	1953-1956	◆ Michael Titus	2002-2003
◆ Harold Aitken	1956-1958	◆ Mike Burdge	2003-2005
◆ Stanley Martin	1958-1959	◆ Robert "Bob" Walker	2005-2011
◆ Ray Brown	1959-1963	◆ Mike Burdge	2011-present

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