



**CITY OF SAND SPRINGS, OKLAHOMA**

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

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

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

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

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

**CITY OF SAND SPRINGS, OKLAHOMA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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City of

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## SAND SPRINGS

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

December 31, 2012

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, 2012, is hereby submitted as mandated by the city charter and state statutes. The City is required to publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts.

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

The City’s financial statements have been audited by Arledge & Associates, P.C., a firm of licensed certified public accountants. The independent audit was conducted to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent auditor has issued an unqualified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2012. 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 19,140.

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

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

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

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

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

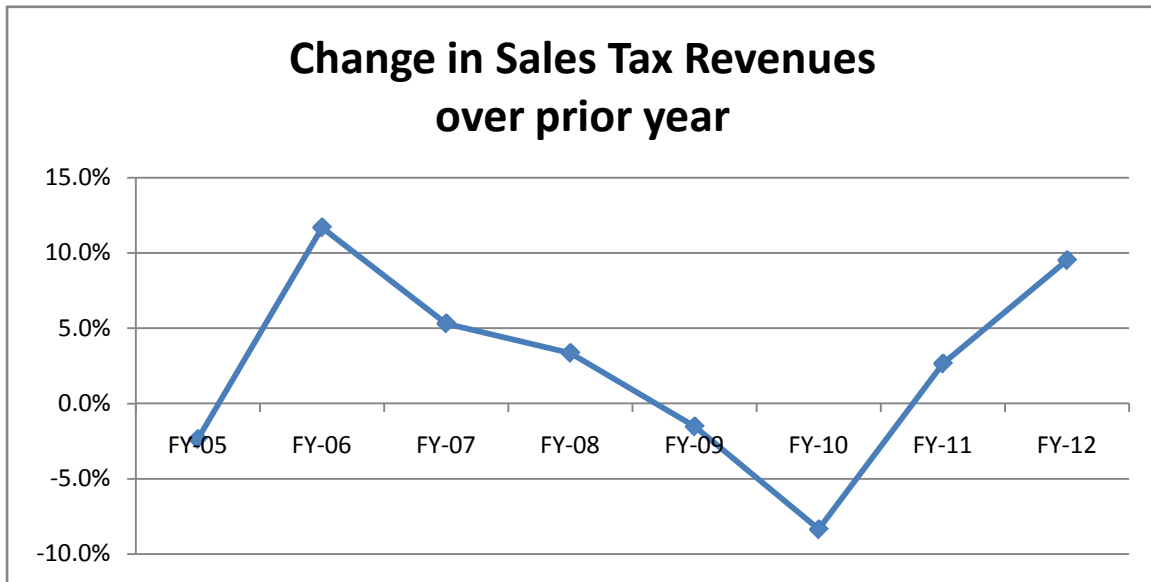
The City operates on a fiscal year basis, beginning July 1<sup>st</sup> and ending June 30<sup>th</sup>. All funds of the City with revenues and expenditures are required to have annual budgets. The City Manager's proposed operating budget for the fiscal year commencing the following July 1 is submitted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

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

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

### **Local Economy**

The City relies on sales and other taxes to fund the majority of its governmental operations. These revenue streams are volatile and consequently the City's finances are directly impacted by economic conditions and weather patterns. During the calendar year 2011, the local economy began to show improvement. Per capita personal income for the Tulsa metropolitan area increased while the unemployment rate went down (see Table 18). Taxable sales improved 10% during fiscal year 2012 (see Table 7). As a result, accrued sales tax revenues exceeded \$10 million and are higher than the pre-recession sales tax revenues earned during FY2008 by 1.4%. The following chart illustrates the percentage change in sales tax revenues trend over the last several years:



Use tax revenues also exceeded prior year revenues by 5.6% due to the expansion of a local industrial corporation to a new facility. Franchise tax revenues, however, went down 3.3% from prior year due to milder temperatures during the winter season, resulting in lower heating bills. However, the warmer temperatures coupled with minimal rainfall totals during the summer months caused water consumption to increase and water revenues to go up. Interest rates remain low, as well as interest income earned by the City on investments; however, the City also took advantage of low interest rates by refinancing some debt during the year to save money. Overall, the City has begun to see some economic and financial stability, but global economic concerns give cause to continued caution in forecasting future revenues.

### **Major Initiatives**

The City worked on several initiatives during FY12 to improve the efficiency of City operations and overall quality of life in Sand Springs. In 2011, the City Council established a tax incremental financing district to allow a major industrial customer to expand into a new state-of-the-art manufacturing facility on a dilapidated site that had been vacant for several years. The facility was finished and received its certificate of occupancy in the summer of 2012 and is now producing product. This expansion has added several new jobs to Sand Springs and is expected to add more as they continue to grow the company. Increased utility revenues have also been a benefit of this expansion.

Another major initiative the City focused its efforts on during FY12 was improving energy efficiency city-wide. City Council adopted an energy efficiency and

conservation plan in March 2012. These efforts will allow the City to obtain additional federal and state grants or other local funding mechanisms to pay for needed improvements. During FY12, the City completed an energy efficiency retrofit of the Municipal building made possible with grant funding provided by a Stimulus Energy Efficiency Community Block Grant. The City also received grant funding through a State Energy Program grant which provided funds for retrofitting the lighting systems in nine of the City's most significant satellite operations buildings and replacement of HVAC units in seven of those nine buildings. The City was also awarded under a pilot program a congestion mitigation/ air quality grant to allow for the purchase of a CNG-powered vehicle and a home-type refueling station/ compressor. Measuring and defining reduction of energy use and cost savings achieved through utility savings will enable the savings to be considered in the reduction of City expenditures, perhaps allowing savings to be redirected in the City's budget.

### **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, 2011. This was the 22nd 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 16th consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year 2011. This award recognizes conformance with the highest standards for preparation of state and local popular reports. The popular report is an easily understandable financial report on all activities for the general public at large.

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



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

Respectfully Submitted,



Rocky D. Rogers  
City Manager



Kelly A. Lamberson  
Finance Director

**CITY OF SAND SPRINGS, OKLAHOMA**

**PRINCIPAL OFFICIALS and STAFF**

**JUNE 30, 2012**

MAYOR AND CITY COUNCIL

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

FINANCE COMMITTEE

Mike Burdge	Chairman	Rocky Rogers	Member
Dean Nichols	Member	Kelly Lamberson	Member
Jesse Honn	Member	Julie Casteen	Member

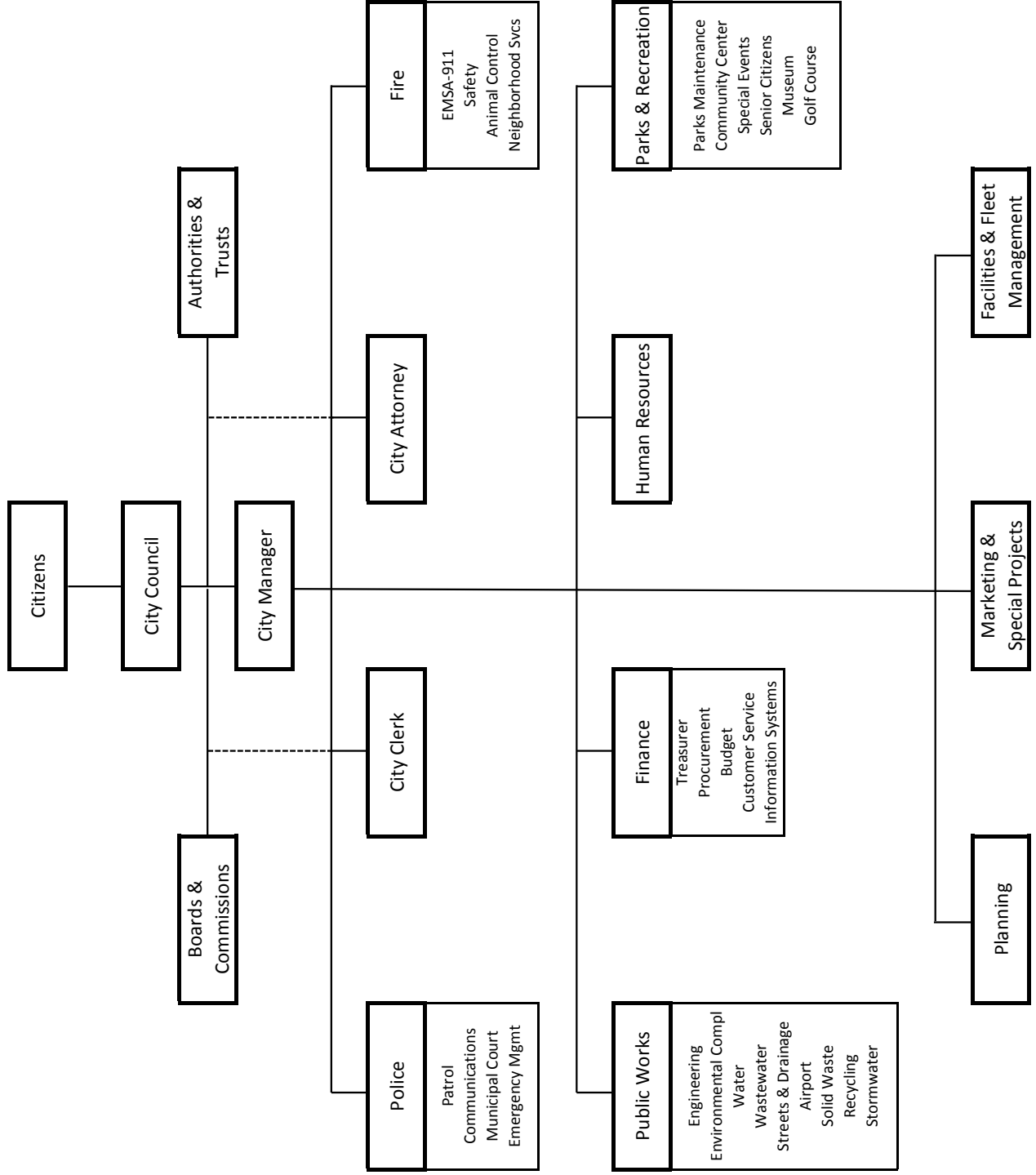
ADMINISTRATION

Rocky Rogers	City Manager	Kelly Lamberson	Finance Director
Derek Campbell	Public Works Director	Susan Pitts	Interim Planner
Kim Booth	Human Resources Director	Grant Gerondale	Parks Director
Daniel Bradley	Police Chief	Mike Wood	Fire Chief
David Weatherford	City Attorney	Janice Almy	City Clerk

ACCOUNTING STAFF

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

# CITY OF SAND SPRINGS ORGANIZATIONAL CHART



# 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, 2011

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



*Christopher P. Mouill*

President

*Jeffrey R. Emer*

Executive Director



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sand Springs, Oklahoma (the "City") as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

*Orledge & Associates, P.C.*

Edmond, Oklahoma

December 13, 2012

**MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012**

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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, 2012. We encourage readers to use this information in conjunction with the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- The City's total net assets increased by \$4.3 million and the assets of the City continued to exceed its liabilities at June 30, 2012, by \$111.4 million (net assets). Of this amount, \$20.7 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2012, the City's governmental funds reported combined ending fund balances of \$21.7 million. Approximately 10% of this amount, \$2.2 million, is unassigned.
- At the end of fiscal year 2012, unassigned fund balance for the General Fund was \$3.2 million or 20% of General Fund revenues.
- The City's total debt decreased by \$1.8 million or 8.0% during fiscal year 2012, primarily due to normal debt service payments. The highlights of this decrease can be found starting on page 53 of this report.

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

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

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



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

This discussion and analysis is intended to serve as an introduction to the City of Sand Springs' basic financial statements. The Statement of Net Assets and the Statement of Activities (on pages 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 and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

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

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

MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012

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

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

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

The notes provide additional information that is essential to gain understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 33-68 of this report.

### **Other Information**

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

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

MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The largest portion of the City's net assets reflects investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. This year the investment in capital assets, net of related debt, amounted to \$82 million. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. The Component Units are excluded from the following table.

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets:						
Current and other assets	\$ 16,533	\$ 14,715	\$ 16,418	\$ 14,593	\$ 32,951	\$ 29,308
Capital assets	37,532	38,140	63,982	65,547	101,514	103,687
<b>Total assets</b>	<b>54,065</b>	<b>52,855</b>	<b>80,400</b>	<b>80,140</b>	<b>134,465</b>	<b>132,995</b>
Liabilities:						
Long-term liabilities	7,766	8,514	13,732	14,758	21,498	23,272
Other liabilities	619	1,041	947	1,565	1,566	2,606
<b>Total liabilities</b>	<b>8,385</b>	<b>9,555</b>	<b>14,679</b>	<b>16,323</b>	<b>23,064</b>	<b>25,878</b>
Net assets:						
Invested in capital assets	30,817	30,526	51,114	51,591	81,931	82,117
Restricted	8,213	8,138	573	602	8,786	8,740
Unrestricted	6,650	4,636	14,034	11,624	20,684	16,260
<b>Total net assets</b>	<b>\$ 45,680</b>	<b>\$ 43,300</b>	<b>\$ 65,721</b>	<b>\$ 63,817</b>	<b>\$ 111,401</b>	<b>\$ 107,117</b>

A portion of the City's net assets, \$8.8 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$20.7 million, may be used to meet the government's ongoing obligations to citizens and creditors.

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

The significant increases of the current assets in both governmental and business-type activities are due primarily to an increase in cash and cash equivalents of approximately \$3.2 million or 19.3%.

**MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012**

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
Program revenues:						
Charges for Services	\$ 1,591	\$ 1,467	\$ 13,554	\$ 12,392	\$ 15,145	\$ 13,859
Grants & Contributions	1,650	1,232	25	167	1,675	1,399
Capital Grants & Contributions	395	182	304	1,429	699	1,611
General Revenues:						
Sales & Use Tax	10,493	9,595	-	-	10,493	9,595
Other Taxes	3,285	3,267	-	-	3,285	3,267
Other General Revenues	567	803	29	42	596	845
<b>Total Revenues</b>	<b>17,981</b>	<b>16,546</b>	<b>13,912</b>	<b>14,030</b>	<b>31,893</b>	<b>30,576</b>
<b>Program Expenses:</b>						
General Government	1,433	1,083	-	-	1,433	1,083
Planning & Zoning	107	156	-	-	107	156
Financial Administration	656	678	-	-	656	678
Public Safety	7,824	7,184	-	-	7,824	7,184
Highways & Streets	2,562	2,137	-	-	2,562	2,137
Health & Welfare	56	221	-	-	56	221
Culture & Recreation	1,104	712	-	-	1,104	712
Economic Development	346	186	-	-	346	186
General Properties	454	486	-	-	454	486
Interest on Long-term Debt	222	317	-	-	222	317
Water	-	-	5,644	5,468	5,644	5,468
Wastewater	-	-	4,082	3,111	4,082	3,111
Solid Waste	-	-	1,317	1,287	1,317	1,287
Storm Water	-	-	324	341	324	341
Airport	-	-	645	548	645	548
Golf Course	-	-	832	798	832	798
<b>Total Expenses</b>	<b>14,764</b>	<b>13,160</b>	<b>12,844</b>	<b>11,553</b>	<b>27,608</b>	<b>24,713</b>
Excess/(Deficiency)	3,217	3,386	1,068	2,477	4,285	5,863
Net Transfers	(837)	(916)	837	916	-	-
<b>Increase/(Decrease) in Net Assets</b>	<b>\$ 2,380</b>	<b>\$ 2,470</b>	<b>\$ 1,905</b>	<b>\$ 3,393</b>	<b>\$ 4,285</b>	<b>\$ 5,863</b>

In governmental activities, sales tax increased over prior year of \$0.9 million or a 9.5% increase. General government expenses increased approximately \$350,000 or 32.3% due to additional expenses in one of the non-major funds. Highways and streets had additional expenses from the previous year of approximately \$425,000 or 20%.

In business-type activities, wastewater expenses increased from prior year of approximately \$971,000 or 31.2%.

MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012

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**Governmental Activities**

The City's governmental activities' increase in net assets of \$2.4 million represents a 5.5% positive increase in net assets. The City's operating expenditures came in under budget by approximately 7%, contributing to part of the increase. The remaining increase in net assets is due to an increase in cash and cash equivalents.

**Business-type Activities**

The business-type activities' increase in net assets of \$1.9 million represents a 3% positive increase in net assets.

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

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

As the City completed its 2012 fiscal year, the governmental funds reported a combined fund balance of \$21.7 million, or a 17.9% increase from the prior year. The enterprise funds reported combined net assets of \$59.4 million, or a 1.3% increase from 2011. The fund balance and net asset restrictions are listed below.

Fund Balance Classifications:

Nonspendable	\$	22,597	
Restricted		13,360,261	
Committed		43,536	
Assigned		6,110,000	
Unassigned		2,187,721	
Total Fund Balance		<u>21,724,115</u>	\$ <u>21,724,115</u>

Net Asset Restrictions:

Invested in capital assets, net of related debt	\$	51,114,327	
Restricted for debt service		573,042	
Total Enterprise Fund Net Asset Restrictions		<u>51,687,369</u>	\$ <u>51,687,369</u>

**Other fund highlights include:**

For the year ended June 30, 2012, the General Fund's total fund balance increased by \$694,317, or 16.8%, due to an increase in tax, intergovernmental, and service revenues and in overall expenses. The Council has established a policy for maintaining the unassigned fund balance in the General Fund at not less than 10% of net revenues. Net revenues equals total revenues less required sales tax transfers out. The total unassigned fund balance at year end was 20% of net revenues.

**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**CITY OF SAND SPRINGS, OKLAHOMA**  
**JUNE 30, 2012**

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- The Street Improvement Fund's total fund balance increased by \$437,652 in order to accumulate the funds needed to complete large projects in the near future.
- The SSMA Solid Waste, Airport and Golf Funds reported a decrease in net assets, after transfers, for the year, but overall the total change in net assets for the enterprise funds was \$0.8 million.

**General Fund Budgetary Highlights**

Comparing the fiscal year 2012 original budget (or adopted) General Fund expenditures and transfers amount of \$15,612,121 to the final budgeted amount of \$17,009,812 shows a net increase of \$1,397,691 or 9.0%. Total original budgeted revenues and transfers were revised from \$14,893,200 to \$15,888,424, an increase of \$995,224 or 6.7%.

General Fund actual revenues and transfers totaled \$676,237 more than final estimates, while expenditures and transfers out were under final appropriations by \$1,213,840. Public safety departments were the primary reason, coming in approximately \$730,000 under budget appropriations.

**CAPITAL ASSETS & DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2012, the City had \$102 million invested in capital assets including land, buildings, machinery and equipment, park facilities, water, sewer and stormwater systems, roads and bridges. This represents a net decrease of \$2.2 million over last year.

Following are details regarding the change in the City's capital assets for the year ending June 30, 2012.<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, 2012

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

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land	\$ 11,453	\$ 11,386	\$ 2,169	\$ 2,169	\$ 13,622	\$ 13,555
Buildings	8,303	8,303	22,018	21,978	30,321	30,281
Improvements & Other	3,892	3,021	26,640	26,359	30,532	29,380
Equipment	7,922	7,803	4,447	4,426	12,369	12,229
Infrastructure	35,097	35,056	55,033	54,676	90,130	89,732
Intangible	-	-	6,703	6,703	6,703	6,703
Construction-in-progress	2,413	2,529	5,008	4,741	7,421	7,270
Totals	69,080	68,098	122,018	121,052	191,098	189,150
Less Depreciation	(31,548)	(29,958)	(58,036)	(55,505)	(89,584)	(85,463)
<b>Totals, Net</b>	<b>\$ 37,532</b>	<b>\$ 38,140</b>	<b>\$ 63,982</b>	<b>\$ 65,547</b>	<b>\$ 101,514</b>	<b>\$ 103,687</b>

This year's more significant capital asset additions include a street and sideway improvements of approximately \$0.8 million and various machinery and equipment.

**Debt Administration**

At year-end, the City had \$21.1 million in long-term debt outstanding, which represents a \$1.8 million decrease from the prior year due mainly to normal debt service payments. During the fiscal year, the City advanced refunded the 2002 and 2003 Series General Obligation Bonds with Series 2012 A and 2012 B. These debts are further detailed as follows: <sup>2</sup>

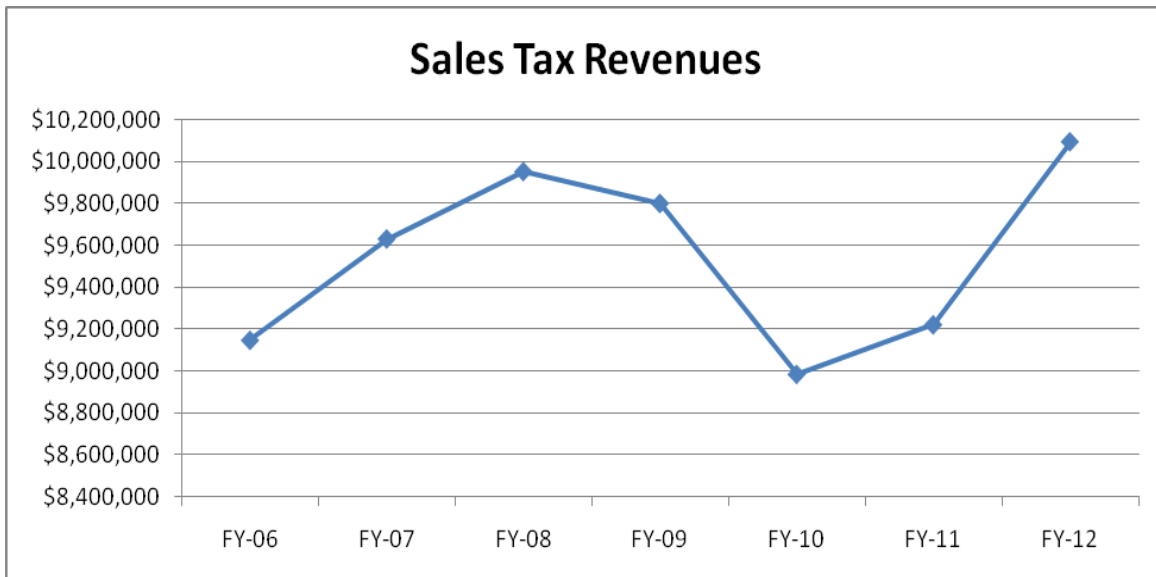
**The City of Sand Springs' Long-term Debt**  
(expressed in \$ 000's)

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds, Net	\$ 6,650	\$ 7,425	\$ -	\$ -	\$ 6,650	\$ 7,425
Capital Lease Obligations	190	248	-	12	190	260
Notes Payable	-	-	12,868	13,329	12,868	13,329
Revenue Bonds	-	-	-	620	-	620
Accrued Compensation	677	604	260	255	937	859
Utility Deposits	-	-	451	435	451	435
<b>Totals</b>	<b>\$ 7,517</b>	<b>\$ 8,277</b>	<b>\$ 13,579</b>	<b>\$ 14,651</b>	<b>\$ 21,096</b>	<b>\$ 22,928</b>

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

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

The City of Sand Springs continued to experience economic recovery during its fiscal year 2012. Sales tax revenues reached \$10 million for the first time and exceeded revenues earned prior to the recession by 1.4%. Water consumption was up 8.2% over that of the previous year, partially due to the hot, dry summer. All other utility revenues as well as the airport and golf course revenues exceeded revenues earned during the prior year. However, franchise revenues were down due to the mild winter months, resulting in lower gas bills. Interest rates remain at an all-time low and are not expected to increase much during the fiscal year 2013.



The budget for 2013 estimated modest increases in revenues in all operating funds. Sales tax was budgeted to increase by 1.3%. Water revenues were budgeted to go up 4.1% due to a slight increase in volume and a 3% increase in water rates put in place with the continuation of the 5-year rate structure plan adopted by Council. Thus far actual revenues earned continue to exceed projections in all funds. However, due to ongoing global economic concerns, the City remains cautious of any negative effects that might be experienced locally in the future. To better prepare the City in the event of a major loss of revenues or large emergency expenditures, City staff is working with City Council to establish a stabilization fund. The intent of this stabilization fund is to maintain a reserve of at least 15% of net operating revenues (gross revenues less non-recurring and/or grant funding and dedicated taxes transferred elsewhere) with a goal of increasing that percentage up to 30% as additional funds become available. These reserves will only be accessible in the event of a significant economic downturn causing revenues to decline by more than 5% over a one year time period or for emergency and unexpected needs of the City, such as the uses for natural disasters and one-time non-recurring emergencies that disrupt the cash receipts of the city. This will allow the City to become more financially stable and better equipped to handle any unforeseen emergencies or major loss of revenues.



## **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).

## BASIC FINANCIAL STATEMENTS

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

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

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

**City of Sand Springs, Oklahoma**  
**Statement of Net Assets**  
**June 30, 2012**

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Museum Trust</u> <u>Authority</u>	<u>Economic</u> <u>Development</u> <u>Authority</u>
<b>ASSETS</b>					
Cash and equivalents	\$ 9,046,938	\$ 10,710,169	\$ 19,757,107	\$ 124,485	\$ 8,089
Investments	4,996,525	3,434,907	8,431,432	-	9,214
Interest receivable	8,877	3,620	12,497	-	-
Accounts receivable, net	527,629	1,541,618	2,069,247	900	-
Internal balances	(175,278)	175,278	-	-	-
Due from other governmental agencies	1,979,347	21,616	2,000,963	-	-
Inventories	22,597	185,302	207,899	-	-
Other assets	1,408	5,174	6,582	-	-
Capital assets:					
Capital assets, nondepreciable	13,866,008	13,880,159	27,746,167	-	-
Other capital assets, net of depreciation	23,665,635	50,101,969	73,767,604	-	-
Unamortized debt issuance costs	125,194	340,286	465,480	-	-
Total Assets	<u>54,064,880</u>	<u>80,400,098</u>	<u>134,464,978</u>	<u>125,385</u>	<u>17,303</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	252,295	731,950	984,245	-	-
Accrued interest payable	57,139	128,309	185,448	-	-
Accrued payroll liabilities	197,450	82,084	279,534	-	-
Due to other governmental agencies	29,721	3,447	33,168	186	-
Amounts held in escrow	80,041	-	80,041	-	-
Unearned revenue	2,380	1,313	3,693	-	-
Long-term liabilities:					
Due within one year	1,125,915	1,430,877	2,556,792	-	-
Due in more than one year	6,640,089	12,301,315	18,941,404	-	-
Total Liabilities	<u>8,385,030</u>	<u>14,679,295</u>	<u>23,064,325</u>	<u>186</u>	<u>-</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	30,816,820	51,114,327	81,931,147	-	-
Restricted for:					
Capital projects	6,620,344	-	6,620,344	-	-
Public safety	171,204	-	171,204	-	-
Debt service	1,199,363	573,042	1,772,405	-	-
Economic development	142,659	-	142,659	-	-
Culture and recreation	7,320	-	7,320	-	-
Other projects	72,602	-	72,602	-	-
Unrestricted	6,649,538	14,033,434	20,682,972	125,199	17,303
Total Net Assets	<u>\$ 45,679,850</u>	<u>\$ 65,720,803</u>	<u>\$ 111,400,653</u>	<u>\$ 125,199</u>	<u>\$ 17,303</u>

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma  
Statement of Activities  
For the Year Ended June 30, 2012**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						Component Units	
	Primary Government			Total			Museum Trust Authority	Economic Development Authority
	Expenses	Charges for Services	Program Revenue Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
Primary Government								
Governmental Activities	\$ 1,433,226	\$ 276,483	\$ 156,518	\$ 163,206	\$ (837,019)	\$ -	\$ (837,019)	\$ -
General government	107,071	10,033	-	-	(97,038)	-	(97,038)	-
Planning and zoning	655,916	-	-	-	(655,916)	-	(655,916)	-
Financial administration	7,824,047	1,217,555	915,004	-	(5,691,488)	-	(5,691,488)	-
Public safety	2,562,148	1,475	164,382	231,980	(2,164,311)	-	(2,164,311)	-
Highways and streets	55,807	-	-	-	(55,807)	-	(55,807)	-
Health and welfare	1,103,527	84,991	414,535	-	(1,018,536)	-	(1,018,536)	-
Culture and recreation	346,436	-	-	-	68,089	-	68,089	-
Economic development	453,988	-	-	-	(453,988)	-	(453,988)	-
Facilities management and fleet maintenance	222,039	-	-	-	(222,039)	-	(222,039)	-
Interest on long-term debt	14,764,205	1,590,537	1,650,439	395,186	(11,128,043)	-	(11,128,043)	-
Total governmental activities								
Business-type activities	5,643,653	7,444,684	-	136,499	-	1,937,530	1,937,530	-
Water operations	4,082,209	2,928,048	-	31,900	-	(1,122,261)	(1,122,261)	-
Wastewater operations	1,316,341	1,622,290	25,100	-	-	331,049	331,049	-
Solid waste operations	324,183	701,081	-	-	-	376,898	376,898	-
Stormwater operations	645,081	344,829	-	135,992	-	(164,260)	(164,260)	-
Airport operations	833,650	512,909	-	-	-	(320,741)	(320,741)	-
Golf course operations	12,845,117	13,553,841	25,100	304,391	-	1,038,215	1,038,215	-
Total business-type activities	\$ 27,609,322	\$ 15,144,378	\$ 1,675,639	\$ 699,577	(11,128,043)	1,038,215	(10,089,828)	-
Total primary government	\$ 10,405	\$ 22,585	\$ 12,387	\$ -	-	24,567	24,567	(28,017)
Culture and recreation	29,017	-	-	-	-	-	-	(28,017)
Economic development	39,422	22,585	12,387	-	-	24,567	24,567	(28,017)
Total component units								
General revenues:								
Taxes:								
Sales and use taxes					10,493,465		10,493,465	
Property taxes					1,145,387		1,145,387	
Franchise taxes					817,700		817,700	
Abatement taxes					37,959		37,959	
E-911 taxes					139,986		139,986	
Hotel/Motel taxes					98,154		98,154	
Payment in lieu of tax					1,045,046		1,045,046	
Grants and contributions not restricted to specific programs					306,994		306,994	
Unrestricted investment earnings					221,241		221,241	
Miscellaneous					38,446		38,446	
Transfers					(836,527)		(836,527)	
Total general revenues and transfers					13,507,851		14,374,587	57
Change in net assets					1,904,951		24,724	(28,960)
Net assets - beginning					43,300,042		100,475	(46,263)
Net assets - ending					\$ 45,679,850		\$ 125,199	\$ 17,303

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma  
Balance Sheet  
Governmental Funds  
June 30, 2012**

	<u>General Fund</u>	<u>Street Improvement</u>	<u>DWSRF AMR Program</u>	<u>Capital Improvement Water/Wastewater</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,283,684	\$ 3,613,816	\$ 134,218	\$ 2,967,578	\$ 4,843,809	\$ 13,843,105
Investments	1,252,975	2,451,328	-	1,736,851	1,616,592	7,057,746
Accrued interest receivable	3,050	3,506	-	1,571	3,221	11,348
Taxes receivable, net	143,001	-	-	-	-	143,001
Due from other funds	2,704	-	-	-	-	2,704
Due from other governments	1,530,428	-	-	-	327,534	1,857,962
Court fines receivable, net	405,296	-	-	-	-	405,296
Other receivables	122,333	-	5,147	-	-	127,480
Inventories	22,597	-	-	-	-	22,597
Prepaid items	1,408	-	-	-	-	1,408
Total assets	<u>\$ 5,767,476</u>	<u>\$ 6,068,650</u>	<u>\$ 139,365</u>	<u>\$ 4,706,000</u>	<u>\$ 6,791,156</u>	<u>\$ 23,472,647</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 241,606	\$ -	\$ 410,109	\$ 59,927	\$ 53,126	\$ 764,768
Retainage payable	-	-	-	35,281	-	35,281
Due to other funds	-	-	5,141	-	177,982	183,123
Due to other governments	29,721	-	-	-	-	29,721
Deferred revenue	423,979	3,506	-	-	61,247	488,732
Other accrued expenses	183,007	-	-	-	-	183,007
Amounts held in escrow	41,166	-	-	-	-	41,166
Other payables	22,734	-	-	-	-	22,734
Total liabilities	<u>942,213</u>	<u>3,506</u>	<u>415,250</u>	<u>95,208</u>	<u>292,355</u>	<u>1,748,532</u>
Fund balances:						
Non-spendable	22,597	-	-	-	-	22,597
Restricted	319,094	6,026,149	697,538	4,364,070	1,953,410	13,360,261
Committed	-	-	-	-	43,536	43,536
Assigned	1,322,428	38,995	-	246,722	4,501,855	6,110,000
Unassigned	3,161,144	-	(973,423)	-	-	2,187,721
Total fund balances	<u>4,825,263</u>	<u>6,065,144</u>	<u>(275,885)</u>	<u>4,610,792</u>	<u>6,498,801</u>	<u>21,724,115</u>
Total liabilities and fund balances	<u>\$ 5,767,476</u>	<u>\$ 6,068,650</u>	<u>\$ 139,365</u>	<u>\$ 4,706,000</u>	<u>\$ 6,791,156</u>	<u>\$ 23,472,647</u>

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of**  
**Net Assets**  
**June 30, 2012**

Total fund balance, governmental funds \$ 21,724,115

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$29,958,202 37,531,643

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

Accrued interest receivable	8,108
Court fines receivable	405,296
Other receivables	1,500
Receivable from other governments	71,448

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

Fund balance of the Water and Wastewater CIP Fund	(4,610,792)
Fund balance of the SSMA CIP Fund	(35,927)
Fund balance of the Airport CIP Fund	(150,361)
Fund balance of the Stormwater CIP Fund	(1,841,863)
Fund balance of the DWSRF AMR Program Fund	275,885
Fund balance of the Golf Course CIP Fund	(1,253)

Certain long-term liabilities and related accounts are not due and payable from current financial resources and, therefore, are not reported in the funds:

Accrued interest payable	(57,139)
General obligation bonds payable	(6,650,000)
Capital lease payable	(190,017)
Unamortized issue costs	125,194
Unamortized gain/loss on bond refinancing	73,302
Accrued compensated absences	(676,715)
Other post employment benefits obligation	(322,574)

Net Assets of Governmental Activities in the Statement of Net Assets \$ 45,679,850

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2012**

	<u>General Fund</u>	<u>Street Improvement</u>	<u>DWSRF AMR Program</u>	<u>Capital Improvement Water/Wastewater</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Taxes	\$ 12,546,110	\$ -	\$ -	\$ -	\$ 1,240,294	\$ 13,786,404
Fees and fines	413,805	-	-	-	-	413,805
Licenses and permits	131,722	-	-	-	-	131,722
Intergovernmental	1,417,415	41,929	-	10,553	897,096	2,366,993
Charges for services	1,029,211	-	-	109,475	7,223	1,145,909
Investment earnings	28,908	12,787	92	9,456	11,220	62,463
Miscellaneous	156,110	-	-	-	33,164	189,274
Total revenues	<u>15,723,281</u>	<u>54,716</u>	<u>92</u>	<u>129,484</u>	<u>2,188,997</u>	<u>18,096,570</u>
<b>EXPENDITURES</b>						
Current:						
General government	778,817	-	-	-	-	778,817
Planning and zoning	103,903	-	-	-	-	103,903
Financial administration	654,358	-	-	-	-	654,358
Public safety	7,071,741	-	-	-	-	7,071,741
Highways and streets	648,994	-	-	-	-	648,994
Health and welfare	51,572	-	-	-	-	51,572
Culture and recreation	919,003	-	-	-	-	919,003
Community and economic development	153,805	-	-	-	187,290	341,095
Facilities management and fleet maintenance	454,319	-	-	-	-	454,319
Water	-	-	14,989	-	-	14,989
Debt Service:						
Principal	58,068	-	-	-	450,000	508,068
Interest and other charges	10,809	-	-	-	222,510	233,319
Capital Outlay	123,313	1,209,473	208,912	1,920,391	1,635,038	5,097,127
Total expenditures	<u>11,028,702</u>	<u>1,209,473</u>	<u>223,901</u>	<u>1,920,391</u>	<u>2,494,838</u>	<u>16,877,305</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,694,579</u>	<u>(1,154,757)</u>	<u>(223,809)</u>	<u>(1,790,907)</u>	<u>(305,841)</u>	<u>1,219,265</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from long-term debt	-	-	-	-	2,540,000	2,540,000
Payment to refunding/escrow account	-	-	-	-	(3,015,967)	(3,015,967)
Transfers in	1,452,991	1,592,407	645,462	2,884,814	2,280,853	8,856,527
Transfers out	(5,453,253)	-	-	(649,730)	(204,883)	(6,307,866)
Total other financing sources and uses	<u>(4,000,262)</u>	<u>1,592,407</u>	<u>645,462</u>	<u>2,235,084</u>	<u>1,600,003</u>	<u>2,072,694</u>
Net change in fund balances	694,317	437,650	421,653	444,177	1,294,162	3,291,959
Fund balances - beginning	4,130,946	5,627,494	(697,538)	4,166,615	5,204,639	18,432,156
Fund balances - ending	<u>\$ 4,825,263</u>	<u>\$ 6,065,144</u>	<u>\$ (275,885)</u>	<u>\$ 4,610,792</u>	<u>\$ 6,498,801</u>	<u>\$ 21,724,115</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, 2012**

Net change in fund balances - total governmental funds: \$ 3,291,959

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

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

Capital asset purchases capitalized	1,253,250
Capital assets transferred from business-type activities	3,204
Depreciation expense	(1,859,835)

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

(4,843)

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.

582

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

Capital lease obligation principal payments	58,068
General obligation bond principal payments	450,000
General obligation bond proceeds	(2,540,000)
Payments to escrow agent	2,941,356
Bond issue cost	74,611

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

Accrued interest	14,334
Amortization expense	(12,010)
Accrued compensated absences	(73,126)
Post employment benefit obligation	(85,667)

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	(444,177)
SSMA Capital Fund	10,450
Airport CIP Fund	(843)
Stormwater CIP Fund	(315,805)
DWSRF AMR Program	(421,653)
Golf Course CIP Fund	39,953

Change in net assets of governmental activities	\$ 2,379,808
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See accompanying notes to the Basic Financial Statements.



**City of Sand Springs, Oklahoma**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	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	\$ 2,164,199	\$ 1,590,328	\$ 1,022,268	\$ 63,092	\$ 43,545	\$ 200,031	\$ 5,083,463
Restricted cash and cash equivalents	139,206	324,246	-	-	-	-	463,452
Investments	895,791	46,074	177,599	-	-	-	1,119,464
Interest receivable	700	-	449	-	-	-	1,149
Accounts receivable, net	929,591	313,347	173,444	19,247	31,663	74,326	1,541,618
Due from other funds	2,437	-	-	-	-	-	2,437
Inventories	161,400	-	-	23,902	-	-	185,302
Prepaid expenses	27	-	-	-	-	-	27
Total current assets	<u>4,293,351</u>	<u>2,273,995</u>	<u>1,373,760</u>	<u>106,241</u>	<u>75,208</u>	<u>274,357</u>	<u>8,396,912</u>
Noncurrent assets:							
Restricted cash and cash equivalents	-	309,044	-	-	-	-	309,044
Restricted investments	312,265	-	-	-	-	-	312,265
Due from other funds - long-term	177,982	-	-	-	-	-	177,982
Capital assets, nondepreciable	12,781,776	267,554	-	420,227	393,923	16,679	13,880,159
Other capital assets, net	21,333,611	18,782,850	463,478	2,929,194	1,133,366	5,459,470	50,101,969
Unamortized note issuance costs	123,461	216,825	-	-	-	-	340,286
Total noncurrent assets	<u>34,729,095</u>	<u>19,576,273</u>	<u>463,478</u>	<u>3,349,421</u>	<u>1,527,289</u>	<u>5,476,149</u>	<u>65,121,705</u>
Total assets	<u>39,022,446</u>	<u>21,850,268</u>	<u>1,837,238</u>	<u>3,455,662</u>	<u>1,602,497</u>	<u>5,750,506</u>	<u>73,518,617</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	109,941	21,515	18,149	6,341	19,279	3,362	178,587
Accrued payroll liabilities	49,718	20,571	10,322	1,473	-	-	82,084
Accrued interest payable	67,703	60,248	298	-	60	-	128,309
Payable to other governments	-	3,416	-	-	-	-	3,416
Other accrued expenses	-	-	3,273	-	32,951	-	36,224
Unearned revenue	-	-	-	-	1,313	-	1,313
Current portion of:							
Compensated absences	31,949	9,629	8,600	912	-	-	51,090
Deposits subject to refund	139,206	-	-	-	-	-	139,206
Notes payable	643,473	482,505	57,959	-	56,644	-	1,240,581
Total current liabilities	<u>1,041,990</u>	<u>597,884</u>	<u>98,601</u>	<u>8,726</u>	<u>110,247</u>	<u>3,362</u>	<u>1,860,810</u>
Noncurrent liabilities:							
Compensated absences	127,797	38,516	34,402	8,206	-	-	208,921
Deposits subject to refund	312,265	-	-	-	-	-	312,265
Other postemployment benefit obligation	90,278	36,429	19,567	2,377	2,016	2,242	152,909
Notes payable	4,823,292	6,694,725	19,925	-	89,278	-	11,627,220
Total non-current liabilities	<u>5,353,632</u>	<u>6,769,670</u>	<u>73,894</u>	<u>10,583</u>	<u>91,294</u>	<u>2,242</u>	<u>12,301,315</u>
Total liabilities	<u>6,395,622</u>	<u>7,367,554</u>	<u>172,495</u>	<u>19,309</u>	<u>201,541</u>	<u>5,604</u>	<u>14,162,125</u>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	28,648,622	11,873,174	385,594	3,349,421	1,381,367	5,476,149	51,114,327
Restricted for debt service	-	573,042	-	-	-	-	573,042
Unrestricted	3,978,202	2,036,498	1,279,149	86,932	19,589	268,753	7,669,123
Total net assets	<u>\$ 32,626,824</u>	<u>\$ 14,482,714</u>	<u>\$ 1,664,743</u>	<u>\$ 3,436,353</u>	<u>\$ 1,400,956</u>	<u>\$ 5,744,902</u>	<u>59,356,492</u>

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

The assets and liabilities of certain capital project governmental funds are included in the business-type

activities in the Statement of Net Assets:

Water and wastewater CIP	4,610,792
SSMA Capital Fund	35,927
Airport CIP Fund	150,361
Stormwater CIP Fund	1,841,863
DWSRF AMR Program	(275,885)
Golf Course CIP Fund	1,253
Total net assets per Government-Wide financial statements	<u>\$ 65,720,803</u>

See accompanying notes to the Basic Financial Statements.

**City of Sand Springs, Oklahoma**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	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	\$ 7,272,262	\$ 2,912,453	\$ 1,618,310	\$ 112,910	\$ 217,279	\$ 695,235	\$ 12,828,449
Miscellaneous	-	-	-	231,819	-	-	231,819
Total operating revenues	<u>7,272,262</u>	<u>2,912,453</u>	<u>1,618,310</u>	<u>344,729</u>	<u>217,279</u>	<u>695,235</u>	<u>13,060,268</u>
<b>OPERATING EXPENSES</b>							
Personal services	1,777,881	865,800	507,263	69,904	655	25,835	3,247,338
Operations and maintenance	1,870,109	952,031	688,353	324,680	355,636	122,840	4,313,649
Amortization	31,257	18,620	-	-	-	-	49,877
Depreciation	1,161,676	962,826	111,917	250,497	174,026	142,163	2,803,105
Total operating expenses	<u>4,840,923</u>	<u>2,799,277</u>	<u>1,307,533</u>	<u>645,081</u>	<u>530,317</u>	<u>290,838</u>	<u>10,413,969</u>
Operating income (loss)	<u>2,431,339</u>	<u>113,176</u>	<u>310,777</u>	<u>(300,352)</u>	<u>(313,038)</u>	<u>404,397</u>	<u>2,646,299</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Interest and investment revenue	11,044	1,052	1,450	82	50	95	13,773
Miscellaneous revenue	26,052	-	25,100	100	3,844	-	55,096
Loss on transfer of capital asset to governmental fund	(3,204)	-	-	-	(1,523)	-	(4,727)
Interest expense	(234,973)	(238,526)	(4,828)	-	(6,180)	-	(484,507)
Total non-operating revenue (expenses)	<u>(201,081)</u>	<u>(237,474)</u>	<u>21,722</u>	<u>182</u>	<u>(3,809)</u>	<u>95</u>	<u>(420,365)</u>
Income (loss) before contributions and transfers	2,230,258	(124,298)	332,499	(300,170)	(316,847)	404,492	2,225,934
Capital contributions	556,717	306,904	-	118,412	101,675	11,895	1,095,603
Transfers in	3,534,544	-	-	60,000	170,000	-	3,764,544
Transfers out	(5,551,911)	(40,000)	(350,000)	-	(21,294)	(350,000)	(6,313,205)
Change in net assets	769,608	142,606	(17,501)	(121,758)	(66,466)	66,387	772,876
Total net assets - beginning	31,857,216	14,340,108	1,682,244	3,558,111	1,467,422	5,678,515	58,583,616
Total net assets - ending	<u>\$ 32,626,824</u>	<u>\$ 14,482,714</u>	<u>\$ 1,664,743</u>	<u>\$ 3,436,353</u>	<u>\$ 1,400,956</u>	<u>\$ 5,744,902</u>	<u>\$ 59,356,492</u>

Change in net assets, per above \$ 772,876

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	444,177
SSMA Capital Fund	(10,450)
Airport CIP Fund	843
Stormwater CIP Fund	315,805
DWSRF AMR Program	421,653
Golf Course CIP Fund	(39,953)

Change in Business-Type Activities in Net Assets per Government-Wide Financial Statements \$ 1,904,951

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, 2012**

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Airport Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total Proprietary Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 7,272,008	\$ 2,906,213	\$ 1,639,861	\$ 342,561	\$ 216,631	\$ 685,704	\$ 13,062,978
Receipts (payments) from (to) other funds	(156,814)	755	-	-	-	-	(156,059)
Payments to suppliers	(1,840,414)	(953,118)	(688,109)	(329,252)	(327,080)	(119,683)	(4,257,656)
Payments to employees	(1,774,988)	(878,904)	(510,886)	(70,006)	(655)	(31,734)	(3,267,173)
Receipts of customer meter deposits	147,921	-	-	-	-	-	147,921
Refunds of customer meter deposits	(131,075)	-	-	-	-	-	(131,075)
Net Cash Provided by (Used in) Operating Activities	<u>3,516,638</u>	<u>1,074,946</u>	<u>440,866</u>	<u>(56,697)</u>	<u>(111,104)</u>	<u>534,287</u>	<u>5,398,936</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers from other funds	3,534,544	-	-	60,000	170,000	-	3,764,544
Transfers to other funds	(5,551,911)	(40,000)	(350,000)	-	(21,294)	(350,000)	(6,313,205)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(2,017,367)</u>	<u>(40,000)</u>	<u>(350,000)</u>	<u>60,000</u>	<u>148,706</u>	<u>(350,000)</u>	<u>(2,548,661)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from capital debt	645,463	-	-	-	146,175	-	791,638
Principal paid on capital debt	(1,300,819)	(483,184)	(55,011)	-	(45,825)	-	(1,884,839)
Interest paid on capital debt	(235,030)	(241,877)	(5,039)	-	(6,228)	-	(488,174)
Purchase of capital assets	-	-	-	-	(147,724)	-	(147,724)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(890,386)</u>	<u>(725,061)</u>	<u>(60,050)</u>	<u>-</u>	<u>(53,602)</u>	<u>-</u>	<u>(1,729,099)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Sale (Purchase) of investments	(8,056)	(6)	-	-	-	-	(8,062)
Interest and dividends	10,519	1,052	1,000	82	50	95	12,798
Net Cash Provided by (Used in) Investing Activities	<u>2,463</u>	<u>1,046</u>	<u>1,000</u>	<u>82</u>	<u>50</u>	<u>95</u>	<u>4,736</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>611,348</u>	<u>310,931</u>	<u>31,816</u>	<u>3,385</u>	<u>(15,950)</u>	<u>184,382</u>	<u>1,125,912</u>
<b>Balances - beginning of the year</b>	<u>1,692,057</u>	<u>1,912,687</u>	<u>990,452</u>	<u>59,707</u>	<u>59,495</u>	<u>15,649</u>	<u>4,730,047</u>
<b>Balances - end of the year</b>	<u>\$ 2,303,405</u>	<u>\$ 2,223,618</u>	<u>\$ 1,022,268</u>	<u>\$ 63,092</u>	<u>\$ 43,545</u>	<u>\$ 200,031</u>	<u>\$ 5,855,959</u>
<b>Reconciliation to Statement of Net Assets:</b>							
Cash and cash equivalents	\$ 2,164,199	\$ 1,590,328	\$ 1,022,268	\$ 63,092	\$ 43,545	\$ 200,031	\$ 5,083,463
Restricted cash and cash equivalents	139,206	324,246	-	-	-	-	463,452
Noncurrent restricted cash and cash equivalents	309,044	309,044	-	-	-	-	309,044
	<u>\$ 2,303,405</u>	<u>\$ 2,223,618</u>	<u>\$ 1,022,268</u>	<u>\$ 63,092</u>	<u>\$ 43,545</u>	<u>\$ 200,031</u>	<u>\$ 5,855,959</u>

See accompanying notes to the Basic Financial Statements.

(Continued)

**City of Sand Springs, Oklahoma**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Airport Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total Proprietary Funds
	\$ 2,431,339	\$ 113,176	\$ 310,777	\$ (300,352)	\$ (313,038)	\$ 404,397	\$ 2,646,299
Operating income (loss)	1,161,676	962,826	111,917	250,497	174,026	142,163	2,803,105
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	26,052	-	25,100	100	3,844	-	55,096
Depreciation expense	31,257	18,620	-	-	-	-	49,877
Other non-operating revenues (expenses)	(26,306)	(6,240)	(3,549)	(2,268)	(1,466)	(9,531)	(49,360)
Amortization expense	19,467	-	-	(6,823)	-	-	12,644
Change in assets and liabilities:	-	-	-	-	(3,026)	-	(3,026)
Receivables, net	-	-	-	-	(4,770)	-	(4,733)
Inventory	37	-	-	-	-	-	37
Deferred revenue	(156,814)	755	(3,029)	2,252	33,326	3,157	(156,059)
Prepaid expenses	10,191	(1,368)	-	-	-	-	8,823
Due from other funds	16,846	-	-	-	-	-	16,846
Accounts payables	-	281	-	-	-	-	281
Customer meter deposits payable	-	-	3,273	-	-	-	3,273
Payable to other governments	24,477	9,841	5,425	630	-	126	40,499
Other accrued expenses	(35,709)	(16,424)	(8,585)	(1,332)	-	(2,980)	(65,030)
Other post-employment benefit obligation	14,125	(6,521)	(463)	599	-	(3,045)	4,695
Accrued payroll liabilities	-	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	\$ 3,516,638	\$ 1,074,946	\$ 440,866	\$ (56,697)	\$ (111,104)	\$ 534,287	\$ 5,398,936
<b>Noncash activities:</b>							
Contributed capital assets - from governmental funds	\$ 420,218	\$ 275,004	\$ -	\$ 118,412	\$ 101,675	\$ 11,895	\$ 927,204
Contributed capital assets - from donor contributions	136,499	31,900	-	-	-	-	168,399
Transfer capital assets to governmental funds	(13,928)	-	-	-	-	-	(13,928)
Total Noncash Activities	\$ 542,789	\$ 306,904	\$ -	\$ 118,412	\$ 101,675	\$ 11,895	\$ 1,081,675

(Continued)

**Reconciliation of operating income (loss) to net cash provided by operating activities:**

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

**Net Cash Provided by (Used in) Operating Activities**

<b>Noncash activities:</b>	
Contributed capital assets - from governmental funds	
Contributed capital assets - from donor contributions	
Transfer capital assets to governmental funds	
Total Noncash Activities	

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012**

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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, LIABILITIES AND EQUITY
- E. REVENUES, EXPENDITURES AND EXPENSES
- F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES
- G. USE OF ESTIMATES

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

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

NOTE 4. OTHER NOTES

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012**

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

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

**1.A. FINANCIAL REPORTING ENTITY**

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

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

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

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

**BLENDED COMPONENT UNITS**

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012**

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

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

**DISCRETELY PRESENTED COMPONENT UNITS**

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

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

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

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

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RELATED ORGANIZATIONS

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

Sand Springs Development Authority	An Authority created on February 14, 1983, pursuant to Title 11 of Oklahoma Statutes, Sections 38-101, regarding urban renewal through private and public resources. This authority was created to formulate a workable program of urban renewal. The City appoints a voting majority of the organization's governing body; however, the City does not have the ability to impose its will on the governing body, nor does a financial benefit or burden relationship exist between the two. Of the governing body appointed, no member shall hold any other public office under the City.
Tulsa County Criminal Justice Authority	An Authority created on September 1, 1995, pursuant to Title 11 of Oklahoma Statutes, Sections 38-101, by the Board of Commissioners of Tulsa County, Oklahoma. This authority was created for the express purpose of administering sales tax funds relating to the construction and operation of a county jail and/or other detention facilities. The organization's governing body is comprised of three Tulsa County Commissioners, the Mayor of the City of Tulsa, and the Mayors of three additional cities within the county. The City does not have the ability to impose its will on the governing body, nor does a financial benefit or burden relationship exist between the two.

**1.B. BASIS OF PRESENTATION**

*Government-Wide Financial Statements:*

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

*Fund Financial Statements:*

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



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

The funds of the financial reporting entity are described below.

**GOVERNMENTAL FUNDS**

**General Fund**

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

**Special Revenue Funds**

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

CDBG Home Investment Partnership Fund

**Debt Service Fund**

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

**Capital Project Funds**

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
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**PROPRIETARY FUNDS**

**Enterprise Funds**

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

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

**COMPONENT UNITS**

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

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

**Major and Non-Major Funds**

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
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Enterprise Funds, (Continued):

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

***Non-Major:***

Special Revenue Funds

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

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

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

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

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

Receivables

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

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

Inventories and Prepays

The City has chosen to record consumable materials and supplies as inventory in the governmental funds at the time of purchase and expense when consumed. In addition, 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  
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Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations and similar discretely presented component unit operations or proprietary fund operations and similar discretely presented component unit operations and whether they are reported in the government-wide or fund financial statements. The City's capitalization threshold for the year ended June 30, 2012 was \$5,000.

*Government-Wide Statements*

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

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

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

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

*Fund Financial Statements*

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

Restricted Assets

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

Long-Term Debt

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

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

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Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

All regular and part-time employees are granted vacation benefits in amounts from 10 to 20 days depending upon tenure with the City. These benefits accumulate pro rata by pay period. Accumulated vacation leave vests and the City is obligated to make payment even if the employee terminates. After a probationary period, police officers receive vacation ranging from 168 to 248 hours per year depending upon years of service. Members of the Fire Department receive vacation ranging from 4 to 15 shifts per year, after a probationary period, depending upon years of service. Employees may accrue ten days of sick leave per year up to a maximum of 100 days accrued. Employees with accrued sick leave in excess of 100 days on or about December 15 of each year are paid for the excess accrual at the rate of one day's pay for each three days of accumulated sick leave. The City did not have a liability for this excess leave at June 30, 2012. However, any employee leaving the service of the City after a period of 10 years are paid at the rate of one day's pay for each four days of accumulated leave and the City reports a liability for this leave type.

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

Equity Classifications

*Government-Wide Financial Statements:*

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

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

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

*Fund Financial Statements:*

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance.
- d. Assigned – includes amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted or committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

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

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

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

Sales Tax

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

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

Property Tax

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

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

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



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For the year ended June 30, 2012, the City's net assessed valuation of taxable property was \$119,939,380. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2013 was \$9.55.

Program Revenues

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

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

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

Pledge of Future Revenues

*Sales Tax and Utility Net Revenues Pledge* - The City has pledged one cent (or 28.5%) of future sales tax revenues to repay \$23,119,806 of the Series 2001 Revenue Bonds and the OWRB Notes Payable Series 2003, 2004, 2005, 2006 and 2009. Proceeds from the bonds and notes provided financing for capital assets. The bonds and notes are payable from pledged sales tax revenues and further secured by net water and wastewater revenues. The bonds and notes are payable through 2012, 2023, 2024, 2026, 2027 and 2030 respectively. If the net utility revenues are sufficient to service the debt, the pledged sales taxes are transferred to the Capital Improvement Water and Wastewater Fund to be used for capital purchases. The total principal and interest payable for the remainder of the life of these bonds and notes is \$12,690,190. Pledged sales taxes received in the current year were \$2,884,814 and the net utility revenues were \$4,718,894. Debt service payments of \$1,605,717 for the current fiscal year were 55.7% of the pledged sales taxes and 21.1% of both pledged sales taxes and utility revenues.

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

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

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

*Fund Financial Statements:*

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

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

*Government-Wide Financial Statements:*

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

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

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

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

**1.G. USE OF ESTIMATES**

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

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

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

**2.A. FUND ACCOUNTING REQUIREMENTS**

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

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

**2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS**

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at no more than market value. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, surety bonds, or certain letters of credit. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., the City's uninsured deposits were sufficiently collateralized in accordance with these provisions for the year ended June 30, 2012.

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.

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- 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, 2012, the City and its public trusts complied, in all material respects, with these investment restrictions.

**2.C. REVENUE RESTRICTIONS**

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

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

For the year ended June 30, 2012, 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, 2012, 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, 2012, no such debt was incurred by the City.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
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Revenue Bond and Note Payable Debt

The bond indenture and note agreements relating to the long-term debt issues of the Sand Springs Municipal Authority contains a number of restrictions or covenants that are financial related. These include covenants such as a required flow of funds through special accounts, required reserve account balances, and debt service coverage requirements. The following schedule presents a brief summary of the most significant requirements and the Authority's level of compliance thereon as of June 30, 2012.

<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	
b. Reserve Account Requirement:	
2003 OWRB Promissory Note:	
Required balance is \$166,227.	Balance in Reserve Account at June 30, 2012 is \$166,227.
2004 OWRB Promissory Note:	
Required balance is \$142,983	Balance in Reserve Account at June 30, 2012 is \$142,817.
c. 2003, 2004 2005, 2006, and 2009 Series OWRB Notes:	
Net revenues of the Authority plus transferred sales tax should be at least 125% of maximum annual principal and interest requirements on this note and any senior debt.	For the year ended June 30, 2012, net revenues plus sales tax amounted to \$7,603,708 maximum annual principal and interest requirements was \$1,794,578. Actual coverage was 424%.

**2.E. FUND EQUITY / NET ASSET RESTRICTIONS**

Deficit Prohibition

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund. At June 30, 2012, the City reported a fund balance deficit in the following fund:

DWSRF AMR Program	(\$275,885)
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**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012**

**2.F. BUDGETARY COMPLIANCE**

Budget Law

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

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

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

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

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

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

Budgetary Compliance

For the year ended June 30, 2012, the City complied, in all material respects, with the applicable budget laws with the following noted exceptions of expenditures exceeding final budget:

General Fund – Other Financing Uses	(339,916)
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**NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS**

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012**

**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, 2012:

	<u>Carrying Value</u>		<u>Maturity Dates 0 - 13 Months</u>
<b>Deposits:</b>			
Demand deposits	\$ 19,065,774		\$ 19,065,774
Time deposits	8,431,432		8,431,432
<b>Total deposits</b>	<u>27,497,206</u>		<u>27,497,206</u>
	<u>Fair Value</u>	<u>Credit Rating</u>	
<b>Investments:</b>			
J P Morgan U S Treasury Plus Money Market	633,290	Aaa	633,290
Money Market Funds	58,043	Aaa	58,043
<b>Total investments</b>	<u>691,333</u>		<u>691,333</u>
<b>Total deposits and investments</b>	<u>\$ 28,188,539</u>		<u>\$ 28,188,539</u>
<b>Reconciliation to Statement of Net Assets:</b>			
Cash and cash equivalents	\$ 19,757,107		
Investments	8,431,432		
	<u>\$ 28,188,539</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, 2012, the City was not exposed to custodial credit risk as defined above.

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

As noted in the schedule of deposits and investments above, at June 30, 2012, all of the City’s investments in debt securities were rated Aaa by Moody’s Investor Service.

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012**

*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, 2012, 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, 2012, is as follows:

	Governmental Activities	Business- Type Activities	Total
Service receivables	\$ 71,951	\$ 2,184,243	\$ 2,256,194
Other receivable	50,382	85,736	136,118
Municipal court fines receivable	1,466,011	-	1,466,011
Allowance for uncollectible accounts	(1,060,715)	(728,361)	(1,789,076)
Net accounts receivable	<u>\$ 527,629</u>	<u>\$ 1,541,618</u>	<u>\$ 2,069,247</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, 2012 were as follows:



**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012**

<u>Types of Restricted Assets</u>	<u>Current Cash and Cash Equivalents</u>	<u>Noncurrent Cash and Cash Equivalents</u>	<u>Noncurrent Investments</u>
<b>ENTERPRISE FUND:</b>			
Trustee Accounts:			
2003 OWRB Notes:			
Bond Fund Account	\$ 91,456	\$ -	\$ -
Reserve Fund Account	-	166,227	-
2004 OWRB Notes:			
Bond Fund Account	77,179	-	-
Project Account	155,611	-	-
Reserve Fund Account	-	142,817	-
Deposits held for refund	<u>139,206</u>	<u>-</u>	<u>312,265</u>
Total	<u>\$ 463,452</u>	<u>\$ 309,044</u>	<u>\$ 312,265</u>

**3.D. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Balance at July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	<u>Balance at June 30, 2012</u>
<b>PRIMARY GOVERNMENT:</b>					
<i>Governmental Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 11,385,964	\$ 66,932	\$ -	\$ -	\$ 11,452,896
Construction-in-progress	2,529,208	755,071	-	(871,167)	2,413,112
Total capital assets not being depreciated	<u>13,915,172</u>	<u>822,003</u>	<u>-</u>	<u>(871,167)</u>	<u>13,866,008</u>
Other capital assets:					
Buildings	8,303,223	-	-	-	8,303,223
Other improvements	3,020,823	-	-	871,167	3,891,990
Machinery and equipment	7,802,716	390,385	288,475	17,132	7,921,758
Infrastructure	35,056,135	40,862	-	-	35,096,997
Total other capital assets at historical cost	<u>54,182,897</u>	<u>431,247</u>	<u>288,475</u>	<u>888,299</u>	<u>55,213,968</u>
Less accumulated depreciation for:					
Buildings	1,604,601	171,409	-	-	1,776,010
Other improvements	950,622	121,366	-	-	1,071,988
Machinery and equipment	5,018,094	665,140	283,632	13,928	5,413,530
Infrastructure	22,384,885	901,920	-	-	23,286,805
Total accumulated depreciation	<u>29,958,202</u>	<u>1,859,835</u>	<u>283,632</u>	<u>13,928</u>	<u>31,548,333</u>
Other capital assets, net	<u>24,224,695</u>	<u>(1,428,588)</u>	<u>4,843</u>	<u>874,371</u>	<u>23,665,635</u>
Governmental activities capital assets, net	<u>\$ 38,139,867</u>	<u>\$ (606,585)</u>	<u>\$ 4,843</u>	<u>\$ 3,204</u>	<u>\$ 37,531,643</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	4,740,853	587,824	-	(320,388)	5,008,289
Total capital assets not being depreciated	<u>13,612,723</u>	<u>587,824</u>	<u>-</u>	<u>(320,388)</u>	<u>13,880,159</u>
Other capital assets:					
Buildings	21,977,814	39,822	-	-	22,017,636
Improvements other than buildings	26,359,466	31,438	3,834	253,074	26,640,144
Machinery and equipment	4,425,692	294,598	256,563	(17,132)	4,446,595
Infrastructure	54,676,424	289,648	-	67,314	55,033,386
Total other capital assets at historical cost	<u>107,439,396</u>	<u>655,506</u>	<u>260,397</u>	<u>303,256</u>	<u>108,137,761</u>
Less accumulated depreciation for:					
Buildings	8,324,193	448,980	-	-	8,773,173
Improvements other than buildings	11,503,450	849,449	3,834	-	12,349,065
Machinery and equipment	2,961,635	303,385	255,040	(13,928)	2,996,052
Infrastructure	32,716,211	1,201,291	-	-	33,917,502
Total accumulated depreciation	<u>55,505,489</u>	<u>2,803,105</u>	<u>258,874</u>	<u>(13,928)</u>	<u>58,035,792</u>
Other capital assets, net	<u>51,933,907</u>	<u>(2,147,599)</u>	<u>1,523</u>	<u>317,184</u>	<u>50,101,969</u>
Business-type activities capital assets, net	<u>\$ 65,546,630</u>	<u>\$ (1,559,775)</u>	<u>\$ 1,523</u>	<u>\$ (3,204)</u>	<u>\$ 63,982,128</u>

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012**

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

Primary Government:	
Governmental Activities:	
General Government	\$ 190,565
Planning and Zoning	18
Financial Administration	985
Public Safety	508,656
Highways and Streets	992,230
Health and Welfare	4,027
Culture and Recreation	161,664
Economic Development	1,690
Total depreciation expense for governmental activities	<u>\$ 1,859,835</u>
Business-Type Activities:	
Water	1,161,676
Wastewater	962,826
Solid Waste	111,917
Storm Water	142,163
Airport	250,497
Golf	174,026
Total depreciation expense for business-type activities	<u>\$ 2,803,105</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, 2012, the governmental activities long-term debt consisted of the following:

General Obligation Bonds:	
\$6,360,000 General Obligation Bonds of 2006, used for streets, Community Center, and public safety equipment, due in annual installments of \$450,000, final payment due March 1, 2021, with interest rates of 3.7% to 5.0%	\$4,110,000
\$1,510,000 General Obligation Refunding Bonds of 2012 A, used for advanced refunding of the 2002, due in annual installments varying from \$155,000 to \$210,000, final payment due June 1, 2018, with interest rates of 1.2% to 9.5%	1,510,000
\$1,030,000 General Obligation Refunding Bonds of 2012 B, used for advanced Refunding of 2003, due in annual installments varying from \$285,000 to \$320,000, final payment due June 1, 2017, with interest rates of 3.15% to 3.85%	<u>1,030,000</u>
Total General Obligation Bonds	\$6,650,000
Less: Unamortized loss on refunding	<u>(73,302)</u>
Net General Obligation Bonds	<u>\$6,576,698</u>

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
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Current portion	\$930,000
Non-current portion	<u>5,646,698</u>
Total General Obligation Bonds	<u>\$6,576,698</u>
Capital Leases Payable:	
\$408,047 capital lease with American Heritage Bank for fire pumper, due in annual installments of \$68,887, final payment due November 14, 2014, with interest rate of 4.35%	<u>\$190,017</u>
Total Capital Leases Payable	<u>\$190,017</u>
Current portion	\$ 60,572
Non-current portion	<u>129,445</u>
Total Capital Leases Payable	<u>\$190,017</u>
Accrued Compensated Absences:	
Current portion	\$135,343
Non-current portion	<u>541,372</u>
Total Accrued Compensated Absences	<u>\$676,715</u>
<u>Business-Type Activities:</u>	
As of June 30, 2012, the long-term debt payable from business-type activities resources consisted of the following:	
Notes Payable:	
2003A OWRB SRF Note Payable dated January 1, 2003, original amount of \$1,200,000 with an annual administration fee of 0.5%, semiannual installments of principal and interest, final installment September 15, 2022, used for sewer improvements.	\$630,000
2003B OWRB Note Payable dated January 1, 2003, original amount of \$2,095,000 with annual interest rates from 1.345% to 5.145%, semiannual installments of principal and interest, final installment September 15, 2022, used for sewer improvements.	1,355,000
2004A OWRB Note Payable dated April 1, 2004, original amount of \$950,806, with an annual interest rate of 0% plus 0.5% admin fee, installments due semiannually, final installment March 8, 2024, used for sewer improvements.	570,484
2004B OWRB Note Payable dated April 1, 2004, original amount of \$1,860,000 with a variable interest rate ranging from 1.145% to 4.495%, semiannual installments of principal and interest, final installment September 15, 2023, used for sewer improvements.	1,275,000
Note Payable with Department of the Army dated November 1, 1992, original amount of \$1,900,190, with an annual interest rate of 4.012%, annual payments of \$90,672, final installment due November 1, 2033, used to purchase water rights.	1,308,804

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
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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.	1,714,065
2006 OWRB Note Payable dated August 30, 2005, original amount of \$2,250,000 with an interest rate of 2.60% plus a .5% admin fee, with semi-annual payments, final payment due March 15, 2026, used for sewer improvements.	1,632,681
2009 OWRB SRF Note Payable dated December 9, 2009, original amount of \$5,631,709 with an interest rate of 3.11% with semi-annual payments, final payment due September 15, 2030, used for water improvements; remaining funds left to draw are \$2,702,459.	2,098,657
Note Payable with Department of the Army dated April 15, 2006, original amount of \$4,802,475, with an annual interest rate of 4.012%, annual payments of \$462,731, final installment due April 15, 2017, used to purchase water rights.	2,059,304
Notes Payable with American Heritage Bank dated October 2, 2006, original amount of \$360,000, with an annual interest rate of 4.65%, annual payments of \$60,358, final installment due October 2, 2013, used for refuse trucks.	77,884
Notes Payable with BancFirst dated August 14, 2008, original amount of \$99,000, with an annual interest rate of 4.3%, monthly payments of \$1,837, final installment due March 22, 2011, used for golf equipment.	25,154
Notes Payable with Yamaha dated September 23, 2011, original amount of \$146,175, with an annual interest rate of 4.79%, monthly payments of \$3,339, final installment due October 1, 2015, used for golf cars.	<u>120,768</u>
Total Notes Payable	<u>\$12,867,801</u>
Current portion	\$1,240,581
Non-current portion	<u>11,627,220</u>
Total Notes Payable	<u>\$12,867,801</u>
Accrued Compensated Absences:	
Current portion	\$51,090
Non-current portion	<u>208,921</u>
Total Accrued Compensated Absences	<u>\$260,011</u>
Deposits Subject to Refund:	
Current portion	\$139,206
Non-current portion	<u>312,265</u>
Total Deposits Subject to Refund	<u>\$451,471</u>

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
JUNE 30, 2012**

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2012:

<u>Type of Debt</u>	Balance <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2012</u>	Amounts Due Within <u>One Year</u>
<u>Primary Government</u>					
Governmental Activities:					
General Obligation Bonds	\$ 7,425,000	\$ 2,540,000	\$ 3,315,000	\$ 6,650,000	\$ 930,000
Capital Leases Payable	248,085	-	58,068	190,017	60,572
Accrued Compensated Absences	<u>603,589</u>	<u>489,303</u>	<u>416,177</u>	<u>676,715</u>	<u>135,343</u>
Total Governmental Activities	<u>\$ 8,276,674</u>	<u>\$ 3,029,303</u>	<u>\$ 3,789,245</u>	7,516,732	<u>\$ 1,125,915</u>
Plus: OPEB obligation (See Note 4A)				322,574	
Less: Loss on refunding of bonds (See Note 3E)				<u>(73,302)</u>	
				<u>\$ 7,766,004</u>	
Reconciliation to Statement of Net Assets:					
Due in one year				\$ 1,125,915	
Due in more than one year				<u>6,640,089</u>	
				<u>\$ 7,766,004</u>	
Business-Type Activities:					
Capital Leases Payable	\$ 12,279	\$ -	\$ 12,279	\$ -	\$ -
Notes Payable	13,328,723	791,638	1,252,560	12,867,801	1,240,581
Revenue Bonds Payable	620,000	-	620,000	-	-
Accrued Compensated Absences	255,316	202,671	197,976	260,011	51,090
Deposits Subject to Refund	<u>434,625</u>	<u>147,921</u>	<u>131,075</u>	<u>451,471</u>	<u>139,206</u>
Total Business-Type Activities	<u>\$ 14,650,943</u>	<u>\$ 1,142,230</u>	<u>\$ 2,213,890</u>	13,579,283	<u>\$ 1,430,877</u>
Plus: OPEB obligation (See Note 4A)				<u>152,909</u>	
				<u>\$ 13,732,192</u>	
Reconciliation to Statement of Net Assets:					
Due in one year				\$ 1,430,877	
Due in more than one year				<u>12,301,315</u>	
				<u>\$ 13,732,192</u>	

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
CITY OF SAND SPRINGS, OKLAHOMA  
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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, 2012 are as follows:

<u>Year Ending June 30,</u>	Governmental Activities			
	<u>General Obligation Bonds</u>		<u>Capital Leases Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 930,000	\$ 170,077	\$ 60,572	\$ 8,306
2014	920,000	149,338	63,229	5,648
2015	910,000	131,003	66,216	2,268
2016	895,000	112,037	-	-
2017	925,000	92,277	-	-
2018-2021	2,070,000	177,900	-	-
Totals	\$ 6,650,000	\$ 832,632	\$ 190,017	\$ 16,222

<u>Year Ending June 30,</u>	Business-Type Activities	
	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,240,581	\$ 507,148
2014	1,219,312	466,459
2015	1,220,917	426,988
2016	1,226,678	386,749
2017	1,252,128	346,187
2018-2022	4,319,549	1,257,075
2023-2027	3,124,005	629,483
2028-2032	1,498,989	299,236
2033-2034	468,101	48,877
Totals	\$ 15,570,260	\$ 4,368,202
Remaining loan proceeds to be drawn	(2,702,459)	\$ 12,867,801

Advanced Refunding

On April 1, 2012 the City issued \$1,510,000 and \$1,030,000 General Obligation Refunding Bonds Series 2012A and 2012B, respectively, with interest rates ranging from 1.20% to 9.5% to advance refund \$1,725,000 and \$1,140,000 General Obligation Bonds Series 2002 and 2003, respectively. The net proceeds of \$2,465,389 plus an additional \$475,000 taken from the original GO Bonds reserves were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the 2002 and 2003 Series Bonds. The 2002 and 2003 Series Bonds were paid in full by June 30, 2012.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$76,356. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2017 using the straight line method. The City completed the advance refunding to reduce its total debt service payments over the next five years by \$838,743 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$629,576.

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

Interfund receivable and payable balances reported in the fund financial statements at June 30, 2012 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>	
SSMA Water	DWSRF AMR Program	\$ 2,437	AMR Payroll Expense	
General	DWSRF AMR Program	2,704	AMR Payroll Expense	
SSMA Water	CDBG - EDIF	17,272	Grant matching costs	
SSMA Water	ODOC - EECBG	160,710	Grant matching costs	
		<u>\$ 183,123</u>		
			<u>Due From</u>	<u>Due To</u>
			<u>Other Funds</u>	<u>Other Funds</u>
			<u>Reclass of</u>	<u>Net Activity/</u>
			<u>DWSRF Fund</u>	<u>Internal</u>
			<u>as Bus-Type</u>	<u>Balances</u>
Reconciliation to Fund				
Financial Statements:				
Governmental Funds	\$ 2,704	\$ (183,123)	\$ 5,141	\$ (175,278)
Enterprise Funds	180,419	-	(5,141)	175,278
Total Interfund Balances	<u>\$ 183,123</u>	<u>\$ (183,123)</u>	<u>\$ -</u>	<u>\$ -</u>

Interfund transfers reported in the fund financial statements for the year ended June 30, 2012 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>	
Short-term Capital Improvement	* General Fund	\$ 53,300	B	E911 wireless system
Sinking Fund	* General Fund	1,583	B	Interest earnings
* SSMA Water Fund	* General Fund	980,000		Operating subsidy
* SSMA Solid Waste Utility Fund	* General Fund	350,000		Operating subsidy
2006 G.O. Bond Fund	* Street Improvement Fund	150,000	B	Capital asset purchases
* General Fund	Capital Improvement Fund	587,000	A	Capital asset purchases
* SSMA Water Fund	Capital Improvement Fund	380,000	A	Capital asset purchases
* SSMA Wastewater Utility Fund	Capital Improvement Fund	40,000	A	Capital asset purchases
* General Fund	* Street Improvement Fund	1,442,407		Sales tax transfer
* General Fund	Special Program Fund	68,108		Operating subsidy
* General Fund	Short-Term Capital Improvement	253,634	A	Capital asset purchases
* General Fund	T.I.D. #1 Cimarron Center Fund	187,290	A	Grant match
* General Fund	ODOC - EECBG Fund	30,000	A	Capital asset purchases
* SSMA Water Fund	ODOC - EECBG Fund	5,635	A	Capital asset purchases
* SSMA Golf Course Fund	Golf Course Capital Improvement	21,294	A	Capital asset purchases
* SSMA Water Fund	* Capital Improvement W&WW Fund	2,884,814		Sales tax transfer
* General Fund	* SSMA Water Fund	2,884,814		Sales tax transfer
* SSMA Water Fund	Short-term Capital Improvement	331,000	A	Capital asset purchases
* Capital Improvement W&WW Fund	* SSMA Water Fund	649,730		Fund portion of debt service
* SSMA Stormwater Fund	Stormwater Capital Improvement	350,000	A	Operating subsidy
* SSMA Water Fund	* SSMA Airport Fund	60,000		Operating subsidy
* SSMA Water Fund	* SSMA Golf Course Fund	170,000		Operating subsidy
* SSMA Water Fund	* DWSRF AMR Program Fund	645,462		Loan proceeds for capital purchases
* SSMA Water Fund	SSMA Short-term Capital Improvement	95,000	A	Capital asset purchases
		<u>\$ 12,621,071</u>		
* - Denotes major fund				
	Sub-total of Nonmajor Governmental Fund Transfers In	2,280,853	Sum of A	
	Sub-total of Nonmajor Governmental Fund Transfers Out	(204,883)	Sum of B	
	<u>Transfers</u>	<u>Transfers</u>	<u>Net Transfers</u>	
	<u>In</u>	<u>Out</u>		
Reconciliation to Fund				
Financial Statements:				
Governmental Funds	\$ 8,856,527	\$ (6,307,866)	\$	2,548,661
Enterprise Funds	3,764,544	(6,313,205)		(2,548,661)
Total Transfers	<u>\$ 12,621,071</u>	<u>\$ (12,621,071)</u>	<u>\$</u>	<u>-</u>
Reconciliation to Statement of Activities:				
Net Transfers Governmental Funds			\$	2,548,661
Net transfer for Capital project funds reported as business type activities				(3,346,840)
Capital outlay for governmental capital project funds reported as transfers to business-type activities				2,481,648
Capital assets transferred to governmental activities				3,204
Contributed capital from governmental funds				(927,204)
Governmental activities transfer of non-capitalized business type activities expenses				(1,595,996)
Net Transfers/Internal Activity			<u>\$</u>	<u>(836,527)</u>

**NOTES TO BASIC FINANCIAL STATEMENTS  
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**3.G. FUND EQUITY**

**Fund Balance and Fund Net Assets:**

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

General Fund	Major Capital Project Funds			Other Governmental Funds	TOTAL
	Street Improvement	DWSRF AMR Program	Capital Improvement Water & Wastewater		
Fund Balances:					
Nonspendable:					
Inventory	\$ 22,597	\$ -	\$ -	\$ -	\$ 22,597
Sub-total Nonspendable	22,597	-	-	-	22,597
Restricted for:					
Animal Sterilization	21,148	-	-	-	21,148
Jail Reserves	60,134	-	-	-	60,134
Substance Abuse	50,343	-	-	-	50,343
Juvenile Programs	60,727	-	-	-	60,727
Economic Development	126,742	-	-	-	126,742
Streets	-	6,026,149	-	212,572	6,238,721
Housing Rehabilitation	-	-	-	51,454	51,454
Capital Improvements	-	-	-	61,945	61,945
Energy Efficiency Projects	-	-	-	8,264	8,264
Airport	-	-	-	149,914	149,914
Utility Capital Projects	-	-	697,538	4,364,070	5,061,608
Debt Service	-	-	-	1,138,705	1,138,705
Public Safety	-	-	-	180,088	180,088
Culture and Recreation	-	-	-	116,235	116,235
Arbitrage Rebate	-	-	-	34,233	34,233
Sub-total Restricted	319,094	6,026,149	697,538	1,953,410	13,360,261
Committed to:					
E911	-	-	-	43,086	43,086
Culture and Recreation	-	-	-	450	450
Sub-total Committed	-	-	-	43,536	43,536
Assigned to:					
Subsequent Year Budget	946,763	-	-	-	946,763
Community Center	264,493	-	-	-	264,493
Police	106,858	-	-	-	106,858
Fire	4,314	-	-	-	4,314
Streets	-	38,995	-	-	38,995
Capital Improvements	-	-	-	2,300,461	2,300,461
Parks	-	-	-	215,075	215,075
Energy Efficiency Projects	-	-	-	38	38
River City Crossing	-	-	-	95,709	95,709
South Side Park	-	-	-	10,750	10,750
Airport	-	-	-	447	447
Stormwater Projects	-	-	-	1,841,863	1,841,863
Utility Capital Projects	-	-	-	35,927	282,649
Golf Course	-	-	-	1,253	1,253
Debt Service	-	-	-	332	332
Sub-total Assigned	1,322,428	38,995	-	4,501,855	6,110,000
Unassigned:	3,161,144	-	(973,423)	-	2,187,721
<b>TOTAL FUND BALANCES</b>	<b>\$ 4,825,263</b>	<b>\$ 6,065,144</b>	<b>\$ (275,885)</b>	<b>\$ 4,610,792</b>	<b>\$ 21,724,115</b>



**NOTES TO BASIC FINANCIAL STATEMENTS  
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<b>Enterprise Funds:</b>	
Restrsicted For Debt Service	
Cash and investments	\$ 633,290
Less: accrued interest payable	(60,248)
<b>Total Enterprise Fund Restrictions</b>	<b>\$ 573,042</b>

**Restricted Net Assets – Governmental Activities**

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

Fund	Restricted By	Amount
General Fund	Statutory requirements	\$ 192,352
		192,352
2002 General Obligation Bonds Fund	External contracts	233,496
2006 General Obligation Bonds Fund	External contracts	348,539
Park and Recreation Fund	External contracts	7,320
ODOC EECGB Fund	External contracts	8,264
CDBG EDIF Fund	External contracts	15,917
CDBG Home Investment Partnership Fund	External contracts	51,454
Street Improvement Fund	External contracts	6,030,045
Debt Service Fund	External contracts	1,199,363
General Fund	External contracts	126,742
		8,021,140
<b>TOTAL RESTRICTED NET ASSETS - GOVERNMENTAL ACTIVITIES</b>		<b>\$ 8,213,492</b>
Reconciliation to Statement of Net Assets - Governmental Activities:		
Capital Projects		\$ 6,620,344
Public Safety		171,204
Debt Service		1,199,363
Economic Development		142,659
Culture and Recreation		7,320
Other Projects		72,602
<b>TOTAL RESTRICTED NET ASSETS - GOVERNMENTAL ACTIVITIES</b>		<b>\$ 8,213,492</b>

**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

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

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

A. Eligibility Factors, Contributions Methods, and Benefit Provisions

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

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

**B. Trend Information**

The state made on-behalf payments for the police pension system of \$148,357 and for the fire pension system of \$435,775. These on-behalf payments were recognized as revenue and expenditures in the current fiscal year. City contributions required by State statute:

Fiscal Year	<u>Oklahoma Police Pension and Retirement System</u>		<u>Oklahoma Firefighter's Pension and Retirement System</u>	
	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2010	160,009	100%	196,060	100%
2011	160,873	100%	198,620	100%
2012	173,089	100%	212,973	100%

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

**C. Related Party Investments**

As of June 30, 2012, the Systems held no related-party investments of the City or of its related entities.

**NOTES TO BASIC FINANCIAL STATEMENTS  
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Defined Contribution Plan - OMRF

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

For the year ended June 30, 2012, the following amounts related to the defined contribution plan:

Employee contributions made	\$183,915
Employer (City) contributions made	\$344,715

Defined Contribution Plan – OMRF - CMO Plan

The City has also provided a defined contribution plan in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). The defined contribution plan is available to any person who is in the position of City Manager as of August 14, 2006. Employees are eligible on the employee's employment commencement date. The City has elected the variable funding option. The City intends to make a contribution to the Plan for the benefit of the participants on a monthly basis. The contribution may be varied from year to year by the City. The City's contributions for each employee (and interest allocated to the employee's account) are vested at 100% immediately upon the participation date. Benefits depend solely on amounts contributed to the plan plus investment earnings. The authority to establish and amend the provisions of the plan rests with the City Council. The City contributes 13% to the plan and the employee does not contribute to the plan. The total contributions by the City for fiscal year 2012 were \$8,995 which is 100% of the required contribution.

Other Post-Employment Benefits

*Plan Description:* The City provides post-retirement benefit options for health care, prescription drug, dental and vision benefits for retired employees and their dependents that elect to make required contributions. The benefits are provided in accordance with State law, police and firefighter's union contracts and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The relationship for these benefits is not formalized in a contract or plan document, only a few sentences in the administrative policy. These benefits are considered for accounting purposes to be provided in accordance with a single employer substantive plan. A substantive plan is one in which the plan terms are understood by the city and plan members. This understanding is based on communications between the employers and plan member and the historical pattern of practice with regard to the sharing of benefit costs. Substantially all of the government's employees may become eligible for those post-retirement benefits if they reach normal retirement age while working for the City. As of June 30, 2012, approximately 7 retired employees are receiving benefits under this plan. The Plan does not have a separate, audited financial report prepared.

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*Funding Policy.* The contribution requirement of the City is an implicit subsidy. The implicit subsidy is not a direct payment from the employer on behalf of the member but rather stems from retiree contribution levels that are less than the claims cost at retiree ages. Since claims experience for employees and non-Medicare eligible retirees are pooled when determining premiums, these retired members pay a premium based on a pool of members that, on average, are younger and healthier. There is an implicit subsidy from the employee group since the premiums paid by the retirees are lower than they would have been if the retirees were insured separately. The subsidies are valued using the difference between the age-based claims costs and the premium paid by the retiree. The amount required to fund the implicit rate is based on projected pay-as-you-go financing requirements. For fiscal year 2012, the City contributed \$29,952 to the plan. Plan members receiving benefits contributed \$29,952, or approximately 100 percent of the total premiums, through their required contribution of \$487.87 per month for retiree-only coverage and \$987.58 for retiree and spouse medical/dental coverage.

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year ended June 30, 2012:

Annual required contribution	\$166,655
Interest on net OPEB obligation	10,600
Adjustment to annual required contribution	(21,137)
Annual OPEB cost (expense)	156,118
Contributions made	(29,952)
Increase in net OPEB obligation	126,166
Net OPEB obligation—beginning of year	349,317
Net OPEB obligation—end of year	\$475,483
Governmental Activities	\$322,574
Business-Type Activities	152,909
	\$475,483

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 was as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/10	\$133,329	18.0%	\$219,587
6/30/11	\$156,119	19.0%	\$349,317
6/30/12	\$156,118	19.0%	\$475,483

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

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

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

In the September 9, 2011, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.75 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7 percent initially, reduced by decrements to an ultimate rate of 5.5 percent in 2014, based upon dependent rates. There were no assets to determine the actuarial value of assets. Projected salary increases are assumed at 4%. The inflation rate assumed is 3% and the post-retirement benefit increases are included in the healthcare cost trend rate. The UAAL is being amortized over a closed 30 year period as level payments. The remaining amortization period at June 30, 2012, was twenty-seven years.

**4.B. RISK MANAGEMENT**

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

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
a. General Liability: - Torts - Errors and omissions - Police liability - Vehicle	Purchased commercial insurance.	None
b. Physical Property: - Theft - Damage to assets - Natural disasters	All physical property except vehicles is insured through commercial insurance with deductible of \$1,000.  Vehicle damage is not covered by insurance.	All physical property except vehicles - None  Vehicles - entire risk of loss retained through fund incurring the loss.

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

OMAG Worker's Compensation

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

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

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

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

**4.C. COMMITMENTS AND CONTINGENCIES**

Contingencies:

Grant Program Involvement

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

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Litigation

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

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

Commitments:

Construction Projects

At June 30, 2012, the City had several construction projects ongoing. The material projects are noted below:

Project	Total Contract	Remaining Contract	Funding Source
Main Street Improvements	\$ 664,478	\$ 185,859	Street Improvement Fund
AMR Construction Contract	4,372,547	685,213	DWSRF-OWRB Note

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 2012, the City remitted sales tax from the District totaling \$187,290. Ad valorem assessments on the District will not begin until fiscal 2013.

**4.D. NEW ACCOUNTING PRONOUNCEMENTS**

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

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* – GASB 60 addresses issues related to service concession arrangements (SCA's), which are a type of public-private or public-public partnership. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. Management is still evaluating the effect this Statement will have on the City's financial statements. The Statement is effective for fiscal years ended June 30, 2013.



**NOTES TO BASIC FINANCIAL STATEMENTS**  
**CITY OF SAND SPRINGS, OKLAHOMA**  
**JUNE 30, 2012**

Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*. GASB No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity and also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. Earlier application is encouraged. The City does not believe that the adoption of GASB No. 61 will have a significant impact on its financial statement presentation. The Statement is effective for fiscal years ended June 30, 2013.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB No. 62 is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. The City does not believe that the adoption GASB No. 62 will have a significant impact on its financial position, activities or cash flows, or its financial statement presentation. The Statement is effective for fiscal years ended June 30, 2013.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Adoption of this statement will require the City to make changes in its financial statement presentation. The Statement is effective for fiscal years ended June 30, 2013.

Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources (expenses) or inflows of resources (revenues), certain items that were previously recognized as assets and liabilities. The City has not quantified the effects of adoption of GASB No. 65 on its net position. The Statement is effective for fiscal years ended June 30, 2014.

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

## ***REQUIRED SUPPLEMENTARY INFORMATION***

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

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



**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the fiscal year ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$3,047,672	\$3,945,404	\$3,945,401	(3)
<b>Resources (Inflows):</b>				
<b>TAXES:</b>				
Sales tax	9,195,734	9,326,734	10,096,850	770,116
Use tax	265,000	365,000	396,615	31,615
Hotel/Motel tax	91,000	91,000	98,154	7,154
Franchise tax	901,000	901,000	817,700	(83,300)
Video Provider Fee	1,800	1,800	4,222	2,422
Emergency telephone tax	58,000	58,000	53,786	(4,214)
Abatement fees	18,000	18,000	37,959	19,959
Payment in lieu of taxes	976,342	976,342	1,045,046	68,704
<b>Total Taxes</b>	<u>11,506,876</u>	<u>11,737,876</u>	<u>12,550,332</u>	<u>812,456</u>
<b>INTERGOVERNMENTAL:</b>				
Taxes	193,200	193,200	194,390	1,190
Cigarette tax	129,000	129,000	144,032	15,032
Grants	115,008	811,124	328,860	(482,264)
<b>Total Intergovernmental</b>	<u>437,208</u>	<u>1,133,324</u>	<u>667,282</u>	<u>(466,042)</u>
<b>CHARGES FOR SERVICES:</b>				
Court costs	215,200	185,000	176,280	(8,720)
Zoning and inspection fees	80,500	80,500	136,920	56,420
Park and recreation fees	48,600	48,600	77,768	29,168
Fire run fees	7,000	7,000	17,014	10,014
Fire protection fee	144,000	144,000	143,830	(170)
First responder runs	31,000	31,000	12,192	(18,808)
First responder fees	174,000	174,000	172,697	(1,303)
EMSA fees	267,000	267,000	262,760	(4,240)
Other fees	28,330	28,330	29,750	1,420
<b>Total Charges for Services</b>	<u>995,630</u>	<u>965,430</u>	<u>1,029,211</u>	<u>63,781</u>
<b>FINES AND FORFEITURES</b>	<u>267,800</u>	<u>298,000</u>	<u>413,805</u>	<u>115,805</u>
<b>LICENSES AND PERMITS:</b>				
Licenses	84,660	84,660	82,889	(1,771)
Permits	47,850	47,850	48,833	983
<b>Total Licenses and Permits</b>	<u>132,510</u>	<u>132,510</u>	<u>131,722</u>	<u>(788)</u>
<b>OTHER:</b>				
Transfers from other funds	1,388,100	1,456,208	1,452,991	(3,217)
Interest on taxes	10,000	10,000	11,223	1,223
Interest	13,000	13,000	17,564	4,564
Other	142,076	142,076	358,639	216,563
<b>Total Other</b>	<u>1,553,176</u>	<u>1,621,284</u>	<u>1,840,417</u>	<u>219,133</u>
<b>Total Resources (Inflows)</b>	<u>14,893,200</u>	<u>15,888,424</u>	<u>16,632,769</u>	<u>744,345</u>
<b>Amounts available for appropriation</b>	<u>17,940,872</u>	<u>19,833,828</u>	<u>20,578,170</u>	<u>744,342</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the fiscal year ended June 30, 2012  
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Charges to Appropriations (Outflows):</b>				
<b>GENERAL GOVERNMENT:</b>				
General Administration:				
Materials and supplies	\$ 6,956	\$ 9,726	\$ 7,419	\$ 2,307
Other services and charges	117,212	106,190	97,145	9,045
Total General Administration	<u>124,168</u>	<u>115,916</u>	<u>104,564</u>	<u>11,352</u>
Municipal Court:				
Personal services	145,181	154,360	130,747	23,613
Materials and supplies	3,103	5,833	5,662	171
Other services and charges	26,203	26,537	17,557	8,980
Total Municipal Court	<u>174,487</u>	<u>186,730</u>	<u>153,966</u>	<u>32,764</u>
City Manager:				
Personal services	322,617	349,104	345,872	3,232
Materials and supplies	6,292	7,062	6,564	498
Other services and charges	22,597	23,187	22,057	1,130
Total City Manager	<u>351,506</u>	<u>379,353</u>	<u>374,493</u>	<u>4,860</u>
Information Services:				
Personal services	132,147	139,572	116,254	23,318
Materials and supplies	929	1,959	1,869	90
Other services and charges	37,428	36,914	27,671	9,243
Capital outlay	10,000	10,000	7,734	2,266
Total Information Services	<u>180,504</u>	<u>188,445</u>	<u>153,528</u>	<u>34,917</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>830,665</u>	<u>870,444</u>	<u>786,551</u>	<u>83,893</u>
<b>PLANNING AND ZONING:</b>				
Planning and Development:				
Personal services	58,866	63,436	61,551	1,885
Materials and supplies	1,967	1,952	697	1,255
Other services and charges	66,534	65,122	41,655	23,467
<b>TOTAL PLANNING AND ZONING</b>	<u>127,367</u>	<u>130,510</u>	<u>103,903</u>	<u>26,607</u>
<b>FINANCIAL ADMINISTRATION:</b>				
Human Resources:				
Personal services	93,937	114,394	114,336	58
Materials and supplies	4,038	6,089	5,338	751
Other services and charges	23,096	74,069	33,260	40,809
Total Human Resources	<u>121,071</u>	<u>194,552</u>	<u>152,934</u>	<u>41,618</u>
Finance:				
Personal services	462,815	376,649	287,483	89,166
Materials and supplies	7,712	13,392	12,468	924
Other services and charges	96,743	159,502	116,643	42,859
Total Finance	<u>567,270</u>	<u>549,543</u>	<u>416,594</u>	<u>132,949</u>
City Attorney:				
Personal services	20,198	20,608	20,082	526
Materials and supplies	405	605	248	357
Other services and charges	74,331	74,329	64,500	9,829
Total City Attorney	<u>94,934</u>	<u>95,542</u>	<u>84,830</u>	<u>10,712</u>
<b>TOTAL FINANCIAL ADMINISTRATION</b>	<u>783,275</u>	<u>839,637</u>	<u>654,358</u>	<u>185,279</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the fiscal year ended June 30, 2012**  
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>PUBLIC SAFETY:</b>				
Police:				
Personal services	\$ 2,589,228	\$ 2,690,875	\$ 2,432,659	\$ 258,216
Materials and supplies	195,395	191,275	153,552	37,723
Other services and charges	121,491	113,144	73,970	39,174
Capital outlay	-	74,907	7,200	67,707
Total Police	<u>2,906,114</u>	<u>3,070,201</u>	<u>2,667,381</u>	<u>402,820</u>
Emergency Management:				
Personal services	36,149	46,322	37,094	9,228
Materials and supplies	12,431	17,431	12,744	4,687
Other services and charges	35,639	35,464	25,318	10,146
Capital outlay	3,500	3,500	2,871	629
Total Emergency Management	<u>87,719</u>	<u>102,717</u>	<u>78,027</u>	<u>24,690</u>
Animal Control:				
Personal services	-	84,239	77,592	6,647
Materials and supplies	-	15,837	13,644	2,193
Other services and charges	-	11,269	8,927	2,342
Capital outlay	-	-	-	-
Total Animal Control	<u>-</u>	<u>111,345</u>	<u>100,163</u>	<u>11,182</u>
Communications:				
Personal services	360,859	374,505	372,501	2,004
Materials and supplies	23,715	23,165	20,150	3,015
Other services and charges	169,645	212,992	136,264	76,728
Total Communications	<u>554,219</u>	<u>610,662</u>	<u>528,915</u>	<u>81,747</u>
Fire:				
Personal services	2,495,967	2,500,370	2,499,892	478
Materials and supplies	94,331	110,658	107,436	3,222
Other services and charges	292,198	279,444	278,468	976
Capital outlay	12,800	281,000	92,732	188,268
Total Fire	<u>2,895,296</u>	<u>3,171,472</u>	<u>2,978,528</u>	<u>192,944</u>
Neighborhood Services:				
Personal services	167,921	162,441	153,387	9,054
Materials and supplies	12,009	12,729	8,979	3,750
Other services and charges	36,520	46,721	41,289	5,432
Total Neighborhood Services	<u>216,450</u>	<u>221,891</u>	<u>203,655</u>	<u>18,236</u>
TOTAL PUBLIC SAFETY	<u>6,659,798</u>	<u>7,288,288</u>	<u>6,556,669</u>	<u>731,619</u>
<b>HIGHWAYS AND STREETS:</b>				
Street and Alley:				
Personal services	454,187	454,283	344,115	110,168
Materials and supplies	204,050	204,050	110,176	93,874
Other services and charges	259,142	259,142	194,703	64,439
Capital outlay	7,700	7,700	-	7,700
TOTAL HIGHWAYS AND STREETS	<u>925,079</u>	<u>925,175</u>	<u>648,994</u>	<u>276,181</u>
<b>HEALTH AND WELFARE:</b>				
Senior Citizens:				
Personal services	19,477	20,718	19,871	847
Materials and supplies	14,522	14,232	9,989	4,243
Other services and charges	25,629	24,679	21,712	2,967
Capital outlay	2,500	2,500	-	2,500
TOTAL HEALTH AND WELFARE	<u>62,128</u>	<u>62,129</u>	<u>51,572</u>	<u>10,557</u>

(Continued)

**CITY OF SAND SPRINGS, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the fiscal year ended June 30, 2012  
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CULTURE AND RECREATION:</b>				
Parks and Recreation:				
Personal services	\$ 415,496	\$ 411,562	\$ 401,766	\$ 9,796
Materials and supplies	127,592	117,422	106,949	10,473
Other services and charges	333,081	394,698	359,199	35,499
Capital outlay	-	8,500	8,376	124
Total Parks and Recreation	<u>876,169</u>	<u>932,182</u>	<u>876,290</u>	<u>55,892</u>
Museum:				
Personal services	8,348	8,447	8,233	214
Materials and supplies	12,530	8,130	7,896	234
Other services and charges	29,662	37,162	34,960	2,202
Total Museum	<u>50,540</u>	<u>53,739</u>	<u>51,089</u>	<u>2,650</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>926,709</u>	<u>985,921</u>	<u>927,379</u>	<u>58,542</u>
<b>ECONOMIC DEVELOPMENT:</b>				
Economic Development:				
Personal services	89,981	93,051	90,765	2,286
Materials and supplies	1,191	2,751	2,172	579
Other services and charges	46,019	71,885	60,868	11,017
Capital outlay	-	8,000	-	8,000
TOTAL ECONOMIC DEVELOPMENT	<u>137,191</u>	<u>175,687</u>	<u>153,805</u>	<u>21,882</u>
<b>FACILITIES MANAGEMENT AND FLEET MAINTENANCE:</b>				
Facilities Management:				
Personal services	234,563	242,114	222,527	19,587
Materials and supplies	67,047	56,167	28,051	28,116
Other services and charges	36,814	36,294	11,626	24,668
Total Facilities Management	<u>338,424</u>	<u>334,575</u>	<u>262,204</u>	<u>72,371</u>
Fleet Maintenance:				
Personal services	213,384	212,585	135,399	77,186
Materials and supplies	15,522	16,662	8,250	8,412
Other services and charges	50,484	49,684	48,466	1,218
Capital outlay	-	4,400	4,400	-
Total Fleet Maintenance	<u>279,390</u>	<u>283,331</u>	<u>196,515</u>	<u>86,816</u>
<b>TOTAL FACILITIES MANAGEMENT AND FLEET MAINTENANCE</b>	<u>617,814</u>	<u>617,906</u>	<u>458,719</u>	<u>159,187</u>
<b>OTHER FINANCING USES:</b>				
Transfers to other funds	4,473,229	5,045,229	5,385,145	(339,916)
Debt service:				
Capital lease principal	58,068	57,968	57,967	1
Capital lease interest	10,798	10,918	10,910	8
Total Other Financing Uses	<u>4,542,095</u>	<u>5,114,115</u>	<u>5,454,022</u>	<u>(339,907)</u>
<b>Total Charges to Appropriations</b>	15,612,121	17,009,812	15,795,972	1,213,840
<b>Ending Budgetary Fund Balance</b>	<u>\$ 2,328,751</u>	<u>\$ 2,824,016</u>	4,782,198	<u>\$ 1,958,182</u>
<b>Less:</b>				
Encumbrances			(58,601)	
<b>Ending Unobligated Budgetary Fund Balance</b>			<u>\$ 4,723,597</u>	
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance:				
Total Resources per Budgetary Comparison Schedule			\$ 16,564,661	
Add State Fire and Police pension on-behalf payments			584,132	
Add Special Programs Fund revenues			27,479	
Less transfer in			(1,452,991)	
Total Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>\$ 15,723,281</u>	
Total Charges to Appropriations per Budgetary Comparison Schedule				
Add State Fire and Police pension on-behalf payments			\$ 15,795,972	
Add Special Programs Fund expenditures			584,132	
Less transfer out			33,743	
Total Expenditures per Statement of Revenues, Expenditures, and Changes in Fund Balance			<u>(5,385,145)</u>	
			<u>\$ 11,028,702</u>	

**CITY OF SAND SPRINGS**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF OPEB STATUS AND FUNDING PROGRESS**

**JUNE 30, 2012**

***Required Supplementary Information***

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

	<b><u>July 1, 2008</u></b>
Actuarial accrued liability - AAL (a)	\$1,051,239
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability – UAAL (funding excess) (a) – (b)	\$1,051,239
Funded ratio (b)/(a)	0%
Covered payroll (c)	\$7,261,000
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	14%

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

	<b><u>July 1, 2011</u></b>
Actuarial accrued liability - AAL (a)	\$1,452,442
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability – UAAL (funding excess) (a) – (b)	\$1,452,442
Funded ratio (b)/(a)	0%
Covered payroll (c)	\$6,878,569
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	21.1%

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



**CITY OF SAND SPRINGS, OKLAHOMA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the fiscal year ended June 30, 2012**

Budgetary Accounting

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

## ***OTHER SUPPLEMENTARY INFORMATION***

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

Such statements and schedules include:

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



**City of Sand Springs, Oklahoma  
Combining Balance Sheet  
General Fund Accounts  
June 30, 2012**

	<u>General Fund</u>	<u>Special Programs</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,164,105	\$ 119,579	\$ 2,283,684
Investments	1,252,975	-	1,252,975
Accrued interest receivable	3,050	-	3,050
Taxes receivable, net	143,001	-	143,001
Due from other funds	2,704	-	2,704
Receivable from other governments	1,530,428	-	1,530,428
Court fines receivable, net	405,296	-	405,296
Other receivables	122,333	-	122,333
Inventories	22,597	-	22,597
Prepaid expenses	1,408	-	1,408
Total assets	<u>\$ 5,647,897</u>	<u>\$ 119,579</u>	<u>\$ 5,767,476</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 241,491	\$ 115	\$ 241,606
Payable to other governments	29,721	-	29,721
Deferred revenue	423,979	-	423,979
Other accrued expenses	183,007	-	183,007
Amounts held in escrow	41,166	-	41,166
Other payables	14,443	8,291	22,734
Total liabilities	<u>933,807</u>	<u>8,406</u>	<u>942,213</u>
 Fund balances:			
Non-spendable	22,597	-	22,597
Restricted	319,094	-	319,094
Committed	-	-	-
Assigned	1,211,255	111,173	1,322,428
Unassigned	3,161,144	-	3,161,144
Total fund balances	<u>4,714,090</u>	<u>111,173</u>	<u>4,825,263</u>
Total liabilities and fund balances	<u>\$ 5,647,897</u>	<u>\$ 119,579</u>	<u>\$ 5,767,476</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, 2012**

	<u>General Fund</u>	<u>Special Programs</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 12,546,110	\$ -	\$ 12,546,110
Fees and fines	413,805	-	413,805
Licenses and permits	131,722	-	131,722
Intergovernmental	1,417,415	-	1,417,415
Charges for services	1,029,211	-	1,029,211
Investment earnings	28,787	121	28,908
Miscellaneous	128,752	27,358	156,110
Total revenues	<u>15,695,802</u>	<u>27,479</u>	<u>15,723,281</u>
<b>EXPENDITURES</b>			
Current:			
General government	778,817	-	778,817
Planning and zoning	103,903	-	103,903
Financial administration	654,358	-	654,358
Public Safety	7,037,998	33,743	7,071,741
Highways and streets	648,994	-	648,994
Health and welfare	51,572	-	51,572
Culture and recreation	919,003	-	919,003
Community and economic development	153,805	-	153,805
Facilities management and fleet maintenance	454,319	-	454,319
Debt Service:			
Principal	58,068	-	58,068
Interest and other charges	10,809	-	10,809
Capital Outlay	123,313	-	123,313
Total expenditures	<u>10,994,959</u>	<u>33,743</u>	<u>11,028,702</u>
Excess (deficiency) of revenues over expenditures	<u>4,700,843</u>	<u>(6,264)</u>	<u>4,694,579</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,452,991	-	1,452,991
Transfers out	(5,385,145)	(68,108)	(5,453,253)
Total other financing sources and uses	<u>(3,932,154)</u>	<u>(68,108)</u>	<u>(4,000,262)</u>
Net change in fund balances	768,689	(74,372)	694,317
Fund balances - beginning	3,945,401	185,545	4,130,946
Fund balances - ending	<u>\$ 4,714,090</u>	<u>\$ 111,173</u>	<u>\$ 4,825,263</u>

City of Sand Springs, Oklahoma  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

Special Revenue Fund	CAPITAL PROJECT FUNDS						
	Short-Term Capital Improvements	Community Development Block Grant-EDIF	I.I.D. #1 Cimarron Center	Park and Recreation	ODOC EECBG	Capital Improvement	Airport Construction
<b>ASSETS</b>							
Cash and cash equivalents	\$ 51,454	\$ -	\$ 13,912	\$ 222,845	\$ -	\$ 1,056,639	\$ 140,598
Investments	-	-	-	-	-	775,000	-
Accrued interest receivable	-	-	-	-	-	199	-
Receivable from other governments	-	44,302	-	-	182,417	-	21,616
Other receivables	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 51,454</b>	<b>\$ 44,302</b>	<b>\$ 13,912</b>	<b>\$ 222,845</b>	<b>\$ 182,417</b>	<b>\$ 1,831,838</b>	<b>\$ 162,214</b>
	\$ -	\$ 11,113	\$ 13,912	\$ -	\$ 13,405	\$ -	\$ 11,853
Accounts payable	-	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-	-
Due to other funds	-	17,272	-	-	160,710	-	-
Deferred revenue	-	-	-	-	-	199	-
<b>Total liabilities</b>	<b>-</b>	<b>28,385</b>	<b>13,912</b>	<b>-</b>	<b>174,115</b>	<b>199</b>	<b>11,853</b>
Fund balances:							
Restricted	51,454	15,917	-	7,320	8,264	-	149,914
Committed	-	-	-	450	-	-	-
Assigned	-	-	-	215,075	38	1,831,639	447
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>51,454</b>	<b>15,917</b>	<b>-</b>	<b>222,845</b>	<b>8,302</b>	<b>1,831,639</b>	<b>150,361</b>
<b>Total liabilities and fund balances</b>	<b>\$ 51,454</b>	<b>\$ 44,302</b>	<b>\$ 13,912</b>	<b>\$ 222,845</b>	<b>\$ 182,417</b>	<b>\$ 1,831,838</b>	<b>\$ 162,214</b>

(Continued)

City of Sand Springs, Oklahoma  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

	CAPITAL PROJECT FUNDS				DEBT SERVICE FUND		Total Other Governmental Funds
	Stormwater Capital Improvement	2002 General Obligation Bond Fund	2006 General Obligation Bond Fund	Golf Course Capital Improvement	Debt Service Fund		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,525,963	\$ 89,663	\$ 81,811	\$ 1,253	\$ 1,022,947	\$ 4,843,809	
Investments	315,000	151,047	275,545	-	100,000	1,616,592	
Accrued interest receivable	900	196	963	-	963	3,221	
Receivable from other governments	-	-	-	-	75,785	327,534	
Other receivables	-	-	-	-	-	-	
Total assets	\$ 1,841,863	\$ 240,906	\$ 358,319	\$ 1,253	\$ 1,199,695	\$ 6,791,156	
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ -	\$ 1,825	\$ -	\$ -	\$ -	\$ 53,126	
Retainage payable	-	-	-	-	-	-	
Due to other funds	-	-	-	-	-	177,982	
Deferred revenue	-	196	194	-	60,658	61,247	
Total liabilities	-	2,021	194	-	60,658	292,355	
Fund balances:							
Restricted	-	233,496	348,340	-	1,138,705	1,953,410	
Committed	-	-	-	-	-	43,536	
Assigned	1,841,863	5,389	9,785	1,253	332	4,501,855	
Unassigned	-	-	-	-	-	-	
Total fund balances	1,841,863	238,885	358,125	1,253	1,139,037	6,498,801	
Total liabilities and fund balances	\$ 1,841,863	\$ 240,906	\$ 358,319	\$ 1,253	\$ 1,199,695	\$ 6,791,156	

**City of Sand Springs, Oklahoma**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2012**

	CAPITAL PROJECT FUNDS								
	Special Revenue Fund	CDBG Home Investment Partnership	Short-Term Capital Improvements	Community Development Block Grant-EDJF	T.I.D. #1 Cimarron Center	Park and Recreation	ODOC EECBG	Capital Improvement	Airport Construction
<b>REVENUES</b>									
Taxes		\$ -	\$ 86,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental		-	2,566	231,980	-	-	414,535	112,023	135,992
Charges for services		-	-	-	-	7,223	-	-	-
Investment earnings	52	-	253	-	-	97	35	1,390	160
Miscellaneous		-	-	-	-	-	-	33,164	-
Total revenues	52	-	89,019	231,980	-	7,320	414,570	146,577	136,152
<b>EXPENDITURES</b>									
Current:									
Community development		-	-	-	187,290	-	-	-	-
Debt Service:									
Principal		-	-	-	-	-	-	-	-
Interest and other charges		-	-	-	-	-	-	-	-
Capital Outlay		-	254,240	243,094	-	-	449,415	336,370	135,309
Total expenditures		-	254,240	243,094	187,290	-	449,415	336,370	135,309
Excess (deficiency) of revenues over expenditures	52	-	(165,221)	(11,114)	(187,290)	7,320	(34,845)	(189,793)	843
<b>OTHER FINANCING SOURCES (USES)</b>									
Proceeds from long-term debt		-	-	-	-	-	-	-	-
Payment to refunding/escrow account		-	-	-	-	-	-	-	-
Transfers in		-	584,634	-	187,290	-	35,635	1,007,000	-
Transfers out		-	(53,300)	-	-	-	-	-	-
Total other financing sources and uses		-	531,334	-	187,290	-	35,635	1,007,000	-
Net change in fund balances	52	-	366,113	(11,114)	-	7,320	790	817,207	843
Fund balances - beginning		51,402	237,080	27,031	-	215,525	7,512	1,014,432	149,518
Fund balances - ending		\$ 51,454	\$ 603,193	\$ 15,917	\$ -	\$ 222,845	\$ 8,302	\$ 1,831,639	\$ 150,361

(Continued)



**City of Sand Springs**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2012**

	CAPITAL PROJECT FUNDS				DEBT SERVICE FUND	
	Stormwater Capital Improvement	SSMA Capital	2002 General Obligation Bond Fund	2006 General Obligation Bond Fund	Golf Course Capital Improvement	Debt Service Fund
<b>REVENUES</b>						
Taxes	-	\$ -	-	\$ -	-	\$ 1,154,094
Intergovernmental	-	-	-	-	-	897,096
Charges for services	-	-	-	-	-	7,223
Investment earnings	2,819	39	1,807	1,931	26	11,220
Miscellaneous	-	-	-	-	-	33,164
Total revenues	2,819	39	1,807	1,931	26	2,188,997
<b>EXPENDITURES</b>						
Current:						
Community development	-	-	-	-	-	187,290
Debt Service:						
Principal	-	-	-	-	-	450,000
Interest and other charges	-	-	-	-	-	222,510
Capital Outlay	37,014	105,489	12,834	-	61,273	1,635,038
Total expenditures	37,014	105,489	12,834	-	61,273	2,494,838
Excess (deficiency) of revenues over expenditures	(34,195)	(105,450)	(11,027)	1,931	(61,247)	(305,841)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from long-term debt	-	-	-	-	-	2,540,000
Payment to refunding/escrow account	-	-	-	-	-	(3,015,967)
Transfers in	350,000	95,000	-	-	21,294	2,280,853
Transfers out	-	-	-	(150,000)	(1,583)	(204,883)
Total other financing sources and uses	350,000	95,000	-	(150,000)	(1,583)	1,600,003
Net change in fund balances	315,805	(10,450)	(11,027)	(148,069)	(39,953)	1,294,162
Fund balances - beginning	1,526,058	46,377	249,912	506,194	41,206	5,204,639
Fund balances - ending	\$ 1,841,863	\$ 35,927	\$ 238,885	\$ 358,125	\$ 1,253	\$ 6,498,801

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2012

	SPECIAL REVENUE - COMMUNITY DEVELOPMENT BLOCK GRANT HOME INVESTMENT PARTNERSHIP				CAPITAL PROJECT - SHORT-TERM CAPITAL IMPROVEMENTS			
	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 83,000	\$ 83,000	\$ 86,200	\$ 3,200
Intergovernmental	-	-	-	-	-	2,566	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	75	75	52	(23)	300	300	253	(47)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	75	75	52	(23)	83,300	85,866	89,019	3,153
Expenditures:								
Economic Development:								
Capital outlay	-	-	-	-	-	-	-	-
Information Services:								
Capital outlay	-	-	-	-	49,500	161,616	21,263	140,353
Communications:								
Capital outlay	-	-	-	-	-	12,247	6,338	5,909
Parks and Recreation:								
Materials and Supplies	-	-	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	34,000	34,000	17,193	16,807
Capital outlay	-	-	-	-	34,000	34,000	17,193	16,807
Neighborhood Services:								
Capital outlay	-	-	-	-	-	-	-	-
Police:								
Materials and Supplies	-	-	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	114,380	114,380	112,879	1,501
Capital outlay	-	-	-	-	-	-	-	-
Total Police	-	-	-	-	114,380	114,380	112,879	1,501
Facilities Management:								
Capital outlay	-	-	-	-	32,000	32,000	29,828	2,172
Fire:								
Materials and Supplies	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	12,000	63,452	63,317	135
Total Fire	-	-	-	-	12,000	63,452	63,317	135
Emergency Management:								
Capital outlay	-	-	-	-	-	149,600	3,422	146,178
Streets:								
Capital outlay	-	-	-	-	89,928	-	-	-
Total Expenditures	75	75	52	(23)	331,808	567,295	254,240	313,055
Revenues over (under) expenditures	-	-	-	-	(248,508)	(481,429)	(165,221)	316,208
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	356,200	594,634	594,634	-
Transfers out	-	-	-	-	(53,300)	(53,300)	(53,300)	-
Total Other Financing Sources (Uses)	-	-	-	-	302,900	531,334	531,334	-
Revenues and other sources over (under) expenditures and other uses	75	75	52	(23)	54,392	49,905	366,113	316,208
Fund Balance - beginning of year	98	51,402	51,402	-	147,497	237,081	237,080	(1)
Fund Balance - end of year	173	51,477	51,454	(23)	201,889	286,986	603,193	316,207

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2012

	COMMUNITY DEVELOPMENT BLOCK GRANT - EDIF				CAPITAL PROJECT - PARK AND RECREATION			
	Budgeted Original	Budgeted Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Original	Budgeted Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	-	-	\$ -	\$ -	-	-	\$ -	\$ -
Intergovernmental	-	323,741	231,980	(91,761)	-	-	-	-
Charges for services	-	-	-	-	7,200	7,200	7,223	23
Investment income	-	-	-	-	120	120	97	(23)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	-	323,741	231,980	(91,761)	7,320	7,320	7,320	-
Expenditures:								
Parks and Recreation:								
Capital outlay	-	-	-	-	-	12,401	-	12,401
Administration:								
Other services & charges	-	-	-	-	-	-	-	-
Public Improvements:								
Capital outlay	-	323,741	243,094	80,647	-	-	-	-
Total Expenditures	-	323,741	243,094	80,647	-	12,401	-	12,401
Revenues over (under) expenditures	-	-	(11,114)	(11,114)	7,320	(5,081)	7,320	12,401
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	-	(11,114)	(11,114)	7,320	(5,081)	7,320	12,401
Fund Balance - beginning of year	26,162	27,031	27,031	-	192,088	215,525	215,525	-
Fund Balance - end of year	\$ 26,162	\$ 27,031	\$ 15,917	\$ (11,114)	\$ 199,408	\$ 210,444	\$ 222,845	\$ 12,401

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2012

	CAPITAL PROJECT - T.I.D. #1 CIMARRON CENTER					CAPITAL PROJECT - ODOC EECBG					
	Budgeted Amounts		Actual Amounts	Variance with Final Budget		Budgeted Amounts		Actual Amounts	Variance with Final Budget		
	Original	Final		Positive	(Negative)	Original	Final		Positive	(Negative)	
Revenues:											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	(45,690)
Investment income	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	35	-	-	35
Total Revenues	-	-	-	-	-	-	460,225	414,535	-	-	(45,690)
Expenditures:											
Current:											
Emergency Management:	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Public Improvements:	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Parks and Recreation:	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Public Works:	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Economic Development:	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Community Development:	-	-	187,290	43,710	-	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-	-	-	-	-	-
Facilities Management:	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	486,993	449,415	-	-	37,578
Street:	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	(231,000)	187,290	43,710	-	-	486,993	449,415	-	-	37,578
Revenues over (under) expenditures	-	(231,000)	(187,290)	43,710	-	-	(26,768)	(34,845)	-	-	(8,077)
Other Financing Sources (Uses):											
Transfers in	-	-	187,290	(43,710)	-	-	35,635	35,635	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	187,290	(43,710)	-	-	35,635	35,635	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	-	-	-	-	-	8,867	790	-	-	(8,077)
Fund Balance - beginning of year	-	-	-	-	-	-	7,512	7,512	-	-	-
Fund Balance - end of year	-	-	-	-	-	-	\$ 16,379	\$ 8,302	-	-	\$ (8,077)

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2012

	CAPITAL PROJECT - CAPITAL IMPROVEMENT				CAPITAL PROJECT - AIRPORT CONSTRUCTION			
	Budgeted Amounts	Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	-	\$ 218,023	\$ 112,023	\$(106,000)	-	\$ 135,992	\$ 135,992	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	6,600	1,390	(5,210)	-	220	160	(60)
Investment income	6,600	22,881	33,164	10,283	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	6,600	247,904	146,577	(100,927)	220	136,212	136,152	(60)
Expenditures:								
Current:								
Emergency Management:								
Capital Outlay	-	4,660	-	4,660	-	-	-	-
Economic Development:								
Capital Outlay	-	24,670	51,031	(26,361)	-	-	-	-
Parks and Recreation:								
Capital Outlay	107,000	357,607	167,348	190,259	-	-	-	-
Public Works:								
Capital Outlay	358,732	511,351	108,854	402,497	-	-	-	-
Airport:								
Capital Outlay	-	-	-	-	9,794	145,482	135,309	10,183
Facilities Management:								
Capital Outlay	-	103,336	-	103,336	-	-	-	-
Fleet Maintenance:								
Capital Outlay	2,800	710,442	-	710,442	-	-	-	-
Street:								
Capital Outlay	480,000	483,887	9,137	484,750	-	-	-	-
Total Expenditures	948,532	2,205,953	336,370	1,869,583	9,794	145,492	135,309	10,183
Revenues over (under) expenditures	(941,932)	(1,958,449)	(189,793)	1,768,656	(9,574)	(9,280)	843	10,123
Other Financing Sources (Uses):								
Transfers in	927,000	1,057,000	1,007,000	(50,000)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	927,000	1,057,000	1,007,000	(50,000)	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(14,932)	(901,449)	817,207	1,718,656	(9,574)	(9,280)	843	10,123
Fund Balance - beginning of year	160,354	1,014,432	1,014,432	-	158,707	149,518	149,518	-
Fund Balance - end of year	145,422	112,983	1,831,639	1,718,656	149,133	140,238	150,361	10,123

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2012

	CAPITAL PROJECT - STORMWATER CAPITAL IMPROVEMENT				CAPITAL PROJECT - SSMA CAPITAL			
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	-	-	\$ -	\$ -	-	-	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	3,500	3,500	2,819	(681)	70	70	39	(31)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	3,500	3,500	2,819	(681)	70	70	39	(31)
Expenditures:								
Current:								
Storm Water:								
Capital Outlay	334,972	1,837,458	37,014	1,800,444	-	-	-	-
Park and Recreation:								
Capital Outlay	-	-	-	-	-	-	-	-
Public Works:								
Capital Outlay	-	-	-	-	138,400	138,400	105,489	32,911
Economic Development:								
Capital Outlay	-	-	-	-	-	-	-	-
Airport:								
Capital Outlay	-	-	-	-	-	-	-	-
Facilities Management:								
Capital Outlay	-	-	-	-	-	-	-	-
Fleet Maintenance:								
Capital Outlay	-	-	-	-	-	-	-	-
Street:								
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	334,972	1,837,458	37,014	1,800,444	138,400	138,400	105,489	32,911
Revenues over (under) expenditures	(331,472)	(1,833,958)	(34,195)	1,799,763	(138,330)	(138,330)	(105,450)	32,880
Other Financing Sources (Uses):								
Transfers in	350,000	350,000	350,000	-	95,000	95,000	95,000	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	350,000	350,000	350,000	-	95,000	95,000	95,000	-
Revenues and other sources over (under) expenditures and other uses	18,528	(1,483,958)	315,805	1,799,763	(43,330)	(43,330)	(10,450)	32,880
Fund Balance - beginning of year	24,943	1,526,058	1,526,058	-	46,305	46,377	46,377	-
Fund Balance - end of year	43,471	42,100	1,841,863	1,799,763	2,975	3,047	35,927	32,880

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2012

	CAPITAL PROJECT - 2002 G.O. BOND				CAPITAL PROJECT - 2006 GENERAL OBLIGATION BOND FUND			
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	-	-	\$ -	\$ -	-	-	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	500	500	1,807	1,307	3,200	3,200	1,931	(1,269)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	500	500	1,807	1,307	3,200	3,200	1,931	(1,269)
Expenditures:								
Park and Recreation:								
Capital Outlay	-	11	-	11	-	108,915	-	108,915
Fire:								
Capital Outlay	-	89	-	89	-	180,000	-	180,000
Street:								
Capital Outlay	-	228,905	12,834	216,071	-	-	-	-
Golf Course:								
Capital Outlay	-	-	-	-	-	-	-	-
Wastewater:								
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	229,005	12,834	216,171	-	288,915	-	288,915
Revenues over (under) expenditures	500	(228,505)	(11,027)	217,478	3,200	(285,715)	1,931	287,646
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	-
Total Other Financing Sources (Uses)	-	-	-	-	(150,000)	(150,000)	(150,000)	-
Revenues and other sources over (under) expenditures and other uses	500	(228,505)	(11,027)	217,478	(146,800)	(435,715)	(148,069)	287,646
Fund Balance - beginning of year	20,924	249,912	249,912	-	319,103	506,194	506,194	-
Fund Balance - end of year	\$ 21,424	\$ 21,407	\$ 238,885	\$ 217,478	\$ 172,303	\$ 70,479	\$ 358,125	\$ 287,646

(Continued)

CITY OF SAND SPRINGS, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2012

	CAPITAL PROJECT - GOLF COURSE CAPITAL IMPROVEMENT				DEBT SERVICE FUND			
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	-	-	\$ -	\$ -	1,207,555	1,207,555	\$ 1,154,094	\$(53,461)
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	60	60	26	(34)	4,900	4,900	2,611	(2,189)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	60	60	26	(34)	1,212,355	1,212,355	1,156,705	\$(55,650)
Expenditures:								
Public Safety:								
Capital Outlay	-	-	-	-	-	-	-	-
Street:								
Capital Outlay	-	-	-	-	-	-	-	-
Golf Course:								
Capital Outlay	20,089	61,273	61,273	-	-	-	-	-
Finance:								
Capital Outlay	-	-	-	-	-	-	-	-
Wastewater:								
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	1,165,975	1,165,975	672,510	493,465
Total Expenditures	20,089	61,273	61,273	-	1,165,975	1,165,975	672,510	493,465
Revenues over (under) expenditures	(20,029)	(61,213)	(61,247)	(34)	46,380	46,380	484,195	437,815
Other Financing Sources (Uses):								
Long-term debt proceeds	-	-	-	-	-	-	2,540,000	2,540,000
Payment to refunding/crow account	-	-	-	-	-	-	(3,015,967)	(3,015,967)
Transfers in	20,089	20,089	21,294	1,205	-	-	-	-
Transfers out	-	-	-	-	(4,800)	(4,800)	(1,583)	3,217
Total Other Financing Sources (Uses)	20,089	20,089	21,294	1,205	(4,800)	(4,800)	(477,550)	(472,750)
Revenues and other sources over (under) expenditures and other uses	60	(41,124)	(39,953)	1,171	41,580	41,580	6,645	(34,935)
Fund Balance - beginning of year	20	41,206	41,206	-	1,148,630	1,132,392	1,132,392	-
Fund Balance - end of year	80	82	1,253	1,171	1,190,410	1,173,972	1,139,037	(34,935)



**CITY OF SAND SPRINGS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR GOVERNMENTAL FUNDS (CAPITAL PROJECT FUNDS)**  
For the fiscal year ended June 30, 2012

	CAPITAL PROJECT - STREET IMPROVEMENT				CAPITAL PROJECT - DWSRF AMR PROGRAM			
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	3,630,183	41,929	(3,588,254)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	17,000	17,000	12,787	(4,213)	-	-	92	92
Miscellaneous	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>17,000</b>	<b>3,647,183</b>	<b>54,716</b>	<b>(3,592,467)</b>	<b>-</b>	<b>-</b>	<b>92</b>	<b>92</b>
Expenditures:								
Water:								
Personal Services	-	-	-	-	-	270,249	-	270,249
Materials and Supplies	-	-	-	-	-	163,868	13,260	150,608
Other Services and Charges	-	-	-	-	-	75,945	1,729	74,216
Capital Outlay	-	-	-	-	-	938,319	208,912	729,407
<b>Total Water</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,448,381</b>	<b>223,901</b>	<b>1,224,480</b>
Street:								
Capital Outlay	1,742,490	10,405,186	1,209,473	9,195,713	-	-	-	-
<b>Total Expenditures</b>	<b>1,742,490</b>	<b>10,405,186</b>	<b>1,209,473</b>	<b>9,195,713</b>	<b>-</b>	<b>1,448,381</b>	<b>223,901</b>	<b>1,224,480</b>
Revenues over (under) expenditures	(1,725,490)	(6,758,003)	(1,154,757)	5,603,246	-	(1,448,381)	(223,809)	1,224,572
Other Financing Sources (Uses):								
Transfers in	1,463,676	1,463,676	1,592,407	128,731	-	679,694	645,462	(34,232)
Transfers out	-	-	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,463,676</b>	<b>1,463,676</b>	<b>1,592,407</b>	<b>128,731</b>	<b>-</b>	<b>679,694</b>	<b>645,462</b>	<b>(34,232)</b>
Revenues and other sources over (under) expenditures and other uses	(261,814)	(5,294,327)	437,650	5,731,977	-	(768,687)	421,653	1,190,340
Fund Balance - beginning of year	267,222	5,627,492	5,627,494	2	-	768,687	(697,538)	(1,466,225)
Fund Balance - end of year	\$ 5,408	\$ 333,165	\$ 6,065,144	\$ 5,731,979	\$ -	\$ -	\$ (275,885)	\$ (275,885)

**CITY OF SAND SPRINGS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE**  
**MAJOR GOVERNMENTAL FUNDS (CAPITAL PROJECT FUNDS)**  
For the fiscal year ended June 30, 2012

CAPITAL PROJECT - CAPITAL IMPROVEMENT WATER/WASTEWATER				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	32,748	10,553	(22,195)
Charges for services	103,000	103,000	109,475	6,475
Investment income	9,500	9,500	9,456	(44)
Miscellaneous	-	-	-	-
Total Revenues	<u>112,500</u>	<u>145,248</u>	<u>129,484</u>	<u>(15,764)</u>
Expenditures:				
Water:				
Personal Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Services and Charges	-	-	-	-
Capital Outlay	1,234,038	2,874,917	709,248	2,165,669
Total Water	<u>1,234,038</u>	<u>2,874,917</u>	<u>709,248</u>	<u>2,165,669</u>
Wastewater:				
Capital Outlay	1,418,886	3,027,895	1,211,143	1,816,752
Total Expenditures	<u>2,652,924</u>	<u>5,902,812</u>	<u>1,920,391</u>	<u>3,982,421</u>
Revenues over (under) expenditures	<u>(2,540,424)</u>	<u>(5,757,564)</u>	<u>(1,790,907)</u>	<u>3,966,657</u>
Other Financing Sources (Uses):				
Transfers in	2,627,353	2,627,353	2,884,814	257,461
Transfers out	(649,730)	(649,730)	(649,730)	-
Loan proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,977,623</u>	<u>1,977,623</u>	<u>2,235,084</u>	<u>257,461</u>
Revenues and other sources over (under) expenditures and other uses	<u>(562,801)</u>	<u>(3,779,941)</u>	<u>444,177</u>	<u>4,224,118</u>
Fund Balance - beginning of year	792,232	4,166,615	4,166,615	-
Fund Balance - end of year	<u>\$ 229,431</u>	<u>\$ 386,674</u>	<u>\$ 4,610,792</u>	<u>\$ 4,224,118</u>
Fund Balance - end of year				

**CITY OF SAND SPRINGS, OKLAHOMA  
STATEMENT OF CASH FLOWS  
DISCRETELY PRESENTED COMPONENT UNITS  
For the fiscal year ended June 30, 2012**

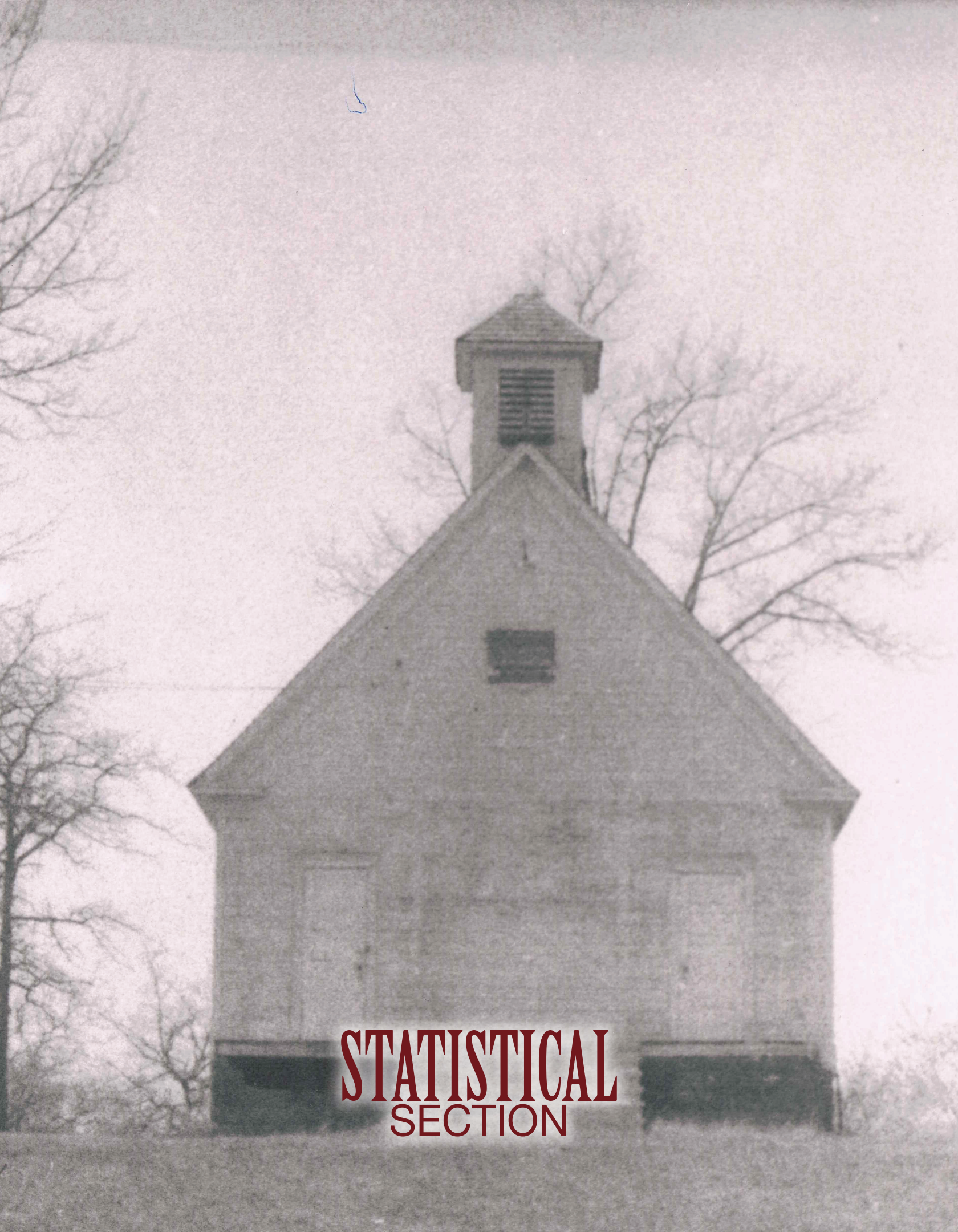
	<u>Museum Trust Authority</u>	<u>Economic Development Authority</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 34,972	\$ -
Payments to suppliers	(10,248)	(29,017)
Net Cash Provided by (Used in) Operating Activities	<u>24,724</u>	<u>(29,017)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITY</b>		
Proceeds from sale of capital assets	-	-
Net Cash Provided by Capital and Related Financing Activity	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investments	-	29,513
Interest and dividends	157	57
Net Cash Provided by Investing Activities	<u>157</u>	<u>29,570</u>
Net Increase (Decrease) in Cash and Cash Equivalents	24,881	553
Balances - beginning of the year	<u>99,604</u>	<u>7,536</u>
Balances - end of the year	<u>\$ 124,485</u>	<u>\$ 8,089</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	\$ 24,567	\$ (29,017)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	-	-
Change in assets and liabilities:		
Accounts receivable	-	-
Due to other governmental agencies	157	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 24,724</u>	<u>\$ (29,017)</u>

**CITY OF SAND SPRINGS, OKLAHOMA  
SCHEDULE OF DEBT COVERAGE  
For the fiscal year ended June 30, 2012**

	<b>Series 2003, 2004, 2005, 2006, &amp; 2009 <u>OWRB Notes</u></b>
Gross Revenue Available for Debt Service:	
Charges for services:	
Water charges	\$ 7,272,262
Wastewater charges	2,912,453
Sales tax pledged and transferred	<u>2,884,814</u>
Total Gross Revenues Available	<u>13,069,529</u>
 Operating Expenses:	
Water	3,647,990
Wastewater	<u>1,817,831</u>
Total Operating Expenses	<u>5,465,821</u>
 Net Revenues Available for Debt Service	 <u><u>\$ 7,603,708</u></u>
Debt Service Requirements:	
Maximum annual debt service - 2003, 2004, 2005, 2006 and 2009 OWRB Notes	<u>1,794,578</u>
Total Debt Service Requirements	<u><u>\$ 1,794,578</u></u>
 Computed Coverage	 <u><u>424%</u></u>
 Coverage Requirement	 <u><u>125%</u></u>

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





**STATISTICAL  
SECTION**



## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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





# **FINANCIAL TRENDS**



CITY OF SAND SPRINGS, OKLAHOMA  
NET ASSETS BY COMPONENT  
Last Ten Fiscal Years  
June 30, 2012  
TABLE 1

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
Invested in capital assets, net of related dept	\$ 18,761,897	\$ 22,148,489	\$ 24,024,489	\$ 23,252,650	\$ 25,487,774	\$ 26,609,943	\$ 27,381,827	\$ 28,851,218	\$ 30,526,321	\$ 30,816,820
Restricted	6,858,458	6,022,792	3,943,385	3,818,431	4,678,135	6,438,915	7,083,138	7,722,731	8,138,469	8,213,492
Unrestricted	1,059,742	1,837,371	1,666,040	2,698,874	3,460,471	3,735,791	3,938,052	4,256,358	4,635,252	6,649,538
Total governmental activities net assets	<u>\$ 26,680,097</u>	<u>\$ 30,008,662</u>	<u>\$ 29,633,894</u>	<u>\$ 29,769,955</u>	<u>\$ 33,626,380</u>	<u>\$ 36,784,649</u>	<u>\$ 38,403,017</u>	<u>\$ 40,830,307</u>	<u>\$ 43,300,042</u>	<u>\$ 45,679,850</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related dept	\$ 32,158,108	\$ 34,906,256	\$ 36,881,714	\$ 41,409,074	\$ 42,403,325	\$ 48,620,995	\$ 49,632,325	\$ 49,617,735	\$ 51,590,911	\$ 51,114,327
Restricted	4,660,608	2,754,577	480,590	590,477	593,305	605,905	612,159	623,522	602,187	573,042
Unrestricted	5,758,198	6,014,320	7,589,172	8,496,370	9,710,518	8,616,261	8,881,754	10,182,084	11,623,672	14,033,434
Total business-type activities net assets	<u>\$ 42,576,914</u>	<u>\$ 43,675,153</u>	<u>\$ 44,951,476</u>	<u>\$ 50,495,921</u>	<u>\$ 52,707,148</u>	<u>\$ 57,843,161</u>	<u>\$ 59,126,238</u>	<u>\$ 60,423,341</u>	<u>\$ 63,816,770</u>	<u>\$ 65,720,803</u>
<b>Primary government</b>										
Invested in capital assets, net of related dept	\$ 50,920,005	\$ 57,054,755	\$ 60,906,183	\$ 64,661,724	\$ 67,891,099	\$ 75,230,938	\$ 77,014,152	\$ 78,468,953	\$ 82,117,232	\$ 81,931,147
Restricted	11,519,066	8,777,369	4,423,975	4,408,908	5,271,440	7,044,820	7,695,297	8,346,253	8,740,656	8,786,534
Unrestricted	6,817,940	7,851,691	9,255,212	11,195,244	13,170,989	12,352,052	12,819,806	14,438,442	16,258,924	20,682,972
Total primary government net assets	<u>\$ 69,257,011</u>	<u>\$ 73,683,815</u>	<u>\$ 74,585,370</u>	<u>\$ 80,265,876</u>	<u>\$ 86,333,528</u>	<u>\$ 94,627,810</u>	<u>\$ 97,529,255</u>	<u>\$ 101,253,648</u>	<u>\$ 107,116,812</u>	<u>\$ 111,400,653</u>

**CITY OF SAND SPRINGS, OKLAHOMA**  
**CHANGES IN NET ASSETS**  
 Last Ten Fiscal Years  
 June 30, 2012  
**TABLE 2**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Government activities:										
Government government	\$ 667,171	\$ 520,895	\$ 642,118	\$ 667,541	\$ 660,936	\$ 947,343	\$ 965,662	\$ 945,967	\$ 1,082,775	\$ 1,433,226
Planning and zoning	127,831	147,260	127,914	141,563	166,669	224,498	167,527	155,859	156,231	107,071
Financial administration	838,254	759,124	772,277	838,949	826,693	797,290	768,416	635,064	677,511	655,916
Public Safety	4,732,676	4,644,967	5,171,418	5,538,637	6,611,563	8,446,033	7,357,456	7,183,822	7,184,873	7,824,047
Highways and streets	1,921,694	2,434,859	2,692,442	2,256,629	2,738,366	3,244,249	2,662,136	2,110,331	2,136,980	2,562,148
Health and Welfare	59,257	62,558	59,631	65,113	65,755	69,808	67,528	78,942	220,668	55,807
Culture and recreation	811,610	751,407	791,694	1,020,867	1,085,249	1,190,069	1,232,443	988,987	712,249	1,103,527
Economic development	82,834	83,492	1,342,743	990,335	245,110	201,337	177,654	169,517	186,419	346,436
Facilities Mgmt & Fleet Maint	696,118	681,147	804,804	929,562	666,365	582,302	531,806	523,629	486,409	453,988
Interest on long-term debt	368,838	365,608	326,850	383,282	413,384	453,445	404,049	352,741	316,308	222,039
Total governmental activities expenses	<u>10,306,283</u>	<u>10,451,317</u>	<u>12,731,891</u>	<u>12,834,468</u>	<u>13,480,090</u>	<u>16,156,374</u>	<u>14,334,677</u>	<u>13,144,869</u>	<u>13,160,423</u>	<u>14,764,205</u>
Business-type activities:										
Water	4,181,185	4,374,287	4,745,200	5,330,339	5,958,896	5,977,518	5,551,089	5,710,896	5,468,136	5,643,653
Wastewater	2,553,816	2,871,977	2,678,715	2,984,607	2,938,901	3,135,457	3,680,021	3,267,638	3,111,019	4,082,209
Solid Waste	1,004,683	926,054	1,040,217	1,129,805	1,206,394	1,252,313	1,248,133	1,264,220	1,286,736	1,316,341
Stormwater	-	-	9,604	328,427	285,620	336,197	312,960	344,514	341,465	324,183
Airport	533,446	564,096	583,366	607,593	672,050	645,473	580,753	523,944	547,780	645,081
Golf course	748,436	707,255	813,667	899,084	843,319	872,651	768,141	806,336	797,618	832,127
Total business-type activities expenses	<u>9,021,566</u>	<u>9,443,669</u>	<u>9,870,769</u>	<u>11,279,855</u>	<u>11,885,180</u>	<u>12,219,609</u>	<u>12,141,097</u>	<u>11,917,548</u>	<u>11,552,754</u>	<u>12,843,594</u>
Total primary government expenses	<u>\$ 19,327,849</u>	<u>\$ 19,894,986</u>	<u>\$ 22,602,660</u>	<u>\$ 24,114,323</u>	<u>\$ 25,365,270</u>	<u>\$ 28,375,983</u>	<u>\$ 26,475,774</u>	<u>\$ 25,062,417</u>	<u>\$ 24,713,177</u>	<u>\$ 27,607,799</u>
<b>Program Revenues</b>										
Government activities:										
Charges for services:	\$ 237,568	\$ 195,260	\$ 264,023	\$ 347,297	\$ 231,003	\$ 257,035	\$ 319,310	\$ 214,752	\$ 258,705	\$ 276,483
General government	3,399	3,622	8,532	17,511	11,248	11,131	9,758	10,206	8,424	10,033
Planning and zoning	242,458	327,040	329,770	295,596	308,505	920,555	1,033,857	1,262,554	1,127,012	1,217,555
Public safety	160	780	1,490	1,875	1,625	1,155	1,275	1,545	1,180	1,475
Highways and streets	24,139	24,357	23,037	105,868	39,197	29,641	59,683	59,997	71,802	84,991
Culture and recreation	395,471	427,172	222,089	507,885	1,058,660	1,937,238	927,006	967,138	1,231,916	1,650,439
Operating grants and contributions	1,016,575	2,413,400	1,451,202	3,298,710	1,918,152	3,033,260	500,299	821,415	182,110	395,186
Capital grants and contributions	1,919,770	3,391,631	2,300,143	4,574,742	3,568,390	6,190,015	2,851,188	3,337,607	2,881,149	3,636,162
Total governmental activities program revenues										

TABLE 2

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Business-type activities:</b>										
Charges for services:										
Water	4,617,733	4,796,729	4,994,849	6,437,709	6,472,253	6,447,181	6,548,363	6,383,640	6,743,572	7,444,684
Wastewater	1,862,089	1,912,489	1,941,250	2,314,500	2,570,584	2,611,393	2,663,316	2,615,660	2,783,389	2,928,048
Solid Waste	1,081,232	1,128,957	1,139,353	1,210,312	1,289,409	1,332,182	1,409,823	1,519,914	1,575,918	1,622,290
Stormwater	-	-	287,752	415,852	423,312	430,029	435,950	495,067	575,355	701,081
Airport	245,610	261,178	256,390	271,488	271,488	234,067	229,342	222,551	242,640	344,829
Golf course	545,267	453,603	476,422	530,862	452,656	410,977	444,065	414,739	470,994	512,909
Operating grants and contributions	-	-	-	-	-	-	-	-	167,252	25,100
Capital grants and contributions	198,989	294,456	343,398	484,814	1,448,481	3,857,066	184,335	1,399,517	1,428,524	304,391
Total business-type activities program revenues	8,550,920	8,847,412	9,439,414	11,665,537	12,878,963	15,322,895	11,915,194	13,051,088	13,987,644	13,883,332
Total primary government program revenues	\$ 10,470,690	\$ 12,239,043	\$ 11,739,557	\$ 16,240,279	\$ 16,447,353	\$ 21,512,910	\$ 14,766,382	\$ 16,388,695	\$ 16,868,793	\$ 17,519,494
<b>Net (Expense)/Revenue</b>										
Government activities:	\$ (8,386,513)	\$ (7,059,686)	\$ (10,431,748)	\$ (8,259,726)	\$ (9,911,700)	\$ (9,966,359)	\$ (11,483,489)	\$ (9,807,262)	\$ (10,279,274)	\$ (11,128,043)
Business-type activities:	(470,646)	(596,257)	(431,355)	385,682	993,783	3,103,286	(225,903)	1,133,540	2,434,890	1,039,738
Total primary government net expense	\$ (8,857,159)	\$ (7,655,943)	\$ (10,863,103)	\$ (7,874,044)	\$ (8,917,917)	\$ (6,863,073)	\$ (11,709,392)	\$ (8,673,722)	\$ (7,844,384)	\$ (10,088,305)
<b>General Revenues and Other Changes in Net Assets</b>										
Government activities:										
Taxes:										
Sales and use taxes	\$ 7,227,014	\$ 8,627,953	\$ 8,399,591	\$ 9,372,801	\$ 9,923,881	\$ 10,236,749	\$ 10,109,396	\$ 9,238,802	\$ 9,595,485	\$ 10,493,465
Property taxes	524,544	823,993	1,001,052	790,268	1,366,579	1,227,930	1,243,884	1,246,910	1,207,441	1,145,387
Franchise and public service taxes	891,951	964,905	967,991	1,188,717	1,092,544	1,118,390	1,188,713	850,678	845,865	817,700
Other taxes	772,528	774,604	862,475	1,062,708	1,178,664	1,168,310	1,195,425	1,156,779	1,213,471	1,321,145
Unrestricted grants and contributions	33,796	27,918	87,865	176,343	164,064	282,188	282,315	328,756	337,019	306,994
Investment earnings	265,325	191,963	225,670	293,501	655,958	535,617	303,822	181,840	187,952	221,243
Miscellaneous	18,967	174,602	55,273	362,490	103,704	301,570	13,425	28,495	277,837	38,446
Special item	-	-	-	-	-	-	-	296,703	-	-
Transfers	(1,464,555)	(1,230,583)	(1,542,937)	(4,808,212)	(717,269)	(1,746,122)	(1,235,120)	(1,094,411)	(916,062)	(836,527)
Total governmental activities	8,269,570	10,355,355	10,056,980	8,438,616	13,768,125	13,124,632	13,101,860	12,234,552	12,749,008	13,507,853
Business-type activities:										
Investment earnings	172,088	186,840	154,394	239,179	493,795	282,182	256,198	120,158	40,910	26,365
Special item	-	-	-	-	-	-	-	-	-	(1,523)
Miscellaneous	6,140	11,640	10,347	7,553	6,380	4,426	17,662	873	1,567	3,844
Transfers	1,464,555	1,230,583	1,542,937	4,808,212	717,269	1,746,122	1,235,120	1,094,411	916,062	836,213
Total business-type activities	1,642,783	1,429,063	1,707,678	5,054,944	1,217,444	2,032,730	1,508,980	1,215,442	958,539	864,899
Total primary government	\$ 9,912,353	\$ 11,784,418	\$ 11,764,658	\$ 13,493,560	\$ 14,985,569	\$ 15,157,362	\$ 14,610,840	\$ 13,449,994	\$ 13,707,547	\$ 14,372,752
<b>Change in Net Assets</b>										
Government activities	\$ (116,943)	\$ 3,295,669	\$ (374,768)	\$ 178,890	\$ 3,856,425	\$ 3,158,273	\$ 1,618,371	\$ 2,427,290	\$ 2,469,734	\$ 2,379,810
Business-type activities	1,172,137	832,806	1,276,323	5,440,626	2,211,227	5,136,016	1,283,077	2,348,982	3,393,429	1,904,637
Total primary government	\$ 1,055,194	\$ 4,128,475	\$ 901,555	\$ 5,619,516	\$ 6,067,652	\$ 8,294,289	\$ 2,901,448	\$ 4,776,272	\$ 5,863,163	\$ 4,284,447

CITY OF SAND SPRINGS, OKLAHOMA  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 Last Ten Fiscal Years  
 June 30, 2012  
 TABLE 3

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund	\$ 279,368	\$ 168,001	\$ 611,433	\$ 560,968	\$ 1,045,543	\$ 882,736	\$ 430,283	\$ 484,790	\$ -	\$ -
Reserved	162,691	828,283	284,551	1,467,262	1,570,957	2,224,572	3,032,268	2,645,547	-	-
Unreserved	-	-	-	-	-	-	-	-	23,616	22,597
Nonspendable	-	-	-	-	-	-	-	-	269,763	319,094
Restricted	-	-	-	-	-	-	-	-	1,052,274	1,322,428
Assigned	-	-	-	-	-	-	-	-	2,785,293	3,161,144
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	\$ 442,059	\$ 996,284	\$ 895,984	\$ 2,028,230	\$ 2,616,500	\$ 3,107,308	\$ 3,462,551	\$ 3,130,337	\$ 4,130,946	\$ 4,825,263
All Other Governmental Funds										
Reserved	\$ 1,364,767	\$ 2,873,351	\$ 1,106,333	\$ 2,180,538	\$ 5,131,179	\$ 1,260,303	\$ 1,426,121	\$ 4,198,748	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	262,101	702,552	273,822	310,769	545,923	390,572	562,483	599,264	-	-
Debt service funds	1,035,359	1,218,159	1,240,925	944,628	1,263,778	1,139,456	1,102,825	1,080,982	-	-
Capital project funds	9,985,386	4,711,583	4,443,999	11,822,362	9,247,365	8,735,442	8,923,255	7,832,523	-	-
Restricted	-	-	-	-	-	-	-	-	11,987,586	13,041,167
Committed	-	-	-	-	-	-	-	-	26,000	43,536
Assigned	-	-	-	-	-	-	-	-	2,985,162	4,787,572
Unassigned	-	-	-	-	-	-	-	-	(697,538)	(973,423)
Total all other governmental funds	\$ 12,647,613	\$ 9,505,645	\$ 7,065,079	\$ 15,258,297	\$ 16,188,245	\$ 11,525,773	\$ 12,014,684	\$ 13,711,517	\$ 14,301,210	\$ 16,898,852
GRAND TOTAL	\$ 13,089,672	\$ 10,501,929	\$ 7,961,063	\$ 17,286,527	\$ 18,804,745	\$ 14,633,081	\$ 15,477,235	\$ 16,841,854	\$ 18,432,156	\$ 21,724,115

**CITY OF SAND SPRINGS, OKLAHOMA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 June 30, 2012  
**TABLE 4**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 9,416,484	\$ 11,133,184	\$ 11,256,765	\$ 12,425,501	\$ 13,521,336	\$ 13,771,835	\$ 13,728,301	\$ 12,444,830	\$ 12,909,683	\$ 13,786,404
Intergovernmental	379,101	1,418,316	1,896,387	1,062,720	1,424,660	2,484,795	1,572,496	302,569	371,277	413,805
Charges for services	673,915	356,203	423,774	618,219	458,241	1,061,311	1,046,901	115,303	147,557	131,722
Fines and forfeitures	154,000	209,014	161,258	179,071	154,594	205,494	252,006	1,769,104	1,675,578	2,356,440
Licenses and permits	120,640	96,462	187,579	158,422	128,184	114,291	132,115	1,023,287	1,069,579	1,145,909
Investment income	345,014	289,132	269,842	346,977	817,798	768,500	480,644	230,813	112,131	62,465
Miscellaneous	65,448	266,680	119,286	401,760	216,008	402,072	166,948	591,137	465,838	199,627
<b>Total Revenues</b>	<b>\$ 11,094,602</b>	<b>\$ 13,768,991</b>	<b>\$ 14,264,891</b>	<b>\$ 15,194,670</b>	<b>\$ 16,720,821</b>	<b>\$ 18,808,298</b>	<b>\$ 17,349,411</b>	<b>\$ 16,497,043</b>	<b>\$ 16,751,843</b>	<b>\$ 18,096,572</b>
<b>Expenditures:</b>										
General government	\$ 484,960	\$ 494,209	\$ 529,199	\$ 568,731	\$ 566,298	\$ 758,973	\$ 752,642	\$ 756,851	\$ 671,627	\$ 778,817
Planning and zoning	125,902	146,863	127,326	139,898	164,969	223,746	167,431	156,007	154,985	103,903
Financial administration	683,695	643,995	714,275	763,923	774,229	787,438	763,468	643,633	571,438	654,358
Public safety	4,471,381	4,378,294	4,789,446	5,044,309	6,283,029	7,992,580	6,908,601	6,798,342	6,750,855	7,071,741
Highways and streets	653,807	645,162	740,427	841,810	918,413	896,688	904,388	853,007	827,665	648,994
Health and welfare	49,179	53,649	54,292	60,496	60,978	65,526	62,815	71,857	51,842	51,572
Culture and recreation	654,149	628,784	738,411	877,632	985,803	1,069,565	1,021,500	845,083	700,856	919,003
Economic development	83,835	82,546	1,342,620	990,498	244,891	215,964	160,612	143,509	137,435	341,095
Facilities Mgmt & Fleet Maint	640,667	668,927	739,463	797,062	560,109	578,014	527,770	523,870	478,511	454,319
Water	-	-	-	-	-	-	-	-	42,221	14,989
Capital outlay	4,520,441	7,524,329	5,976,400	3,004,735	5,325,002	9,717,407	5,220,108	5,055,225	6,649,063	5,097,127
Debt service	590,911	1,327,166	1,390,192	1,394,400	1,408,531	1,374,779	946,003	946,030	943,896	507,967
Principal	377,953	409,062	350,281	298,499	486,287	440,853	402,579	361,914	325,066	233,420
Interest	13,336,880	17,003,986	17,492,332	14,781,993	17,780,539	24,111,533	17,837,907	17,155,328	18,305,460	16,877,905
<b>Total Expenditures</b>	<b>\$ (2,242,278)</b>	<b>\$ (3,234,995)</b>	<b>\$ (3,227,441)</b>	<b>\$ 412,677</b>	<b>\$ (1,059,718)</b>	<b>\$ (5,303,235)</b>	<b>\$ (488,496)</b>	<b>\$ (658,285)</b>	<b>\$ (1,553,617)</b>	<b>\$ 1,219,267</b>
Excess of revenues over/(under) expenditures	\$ 5,398,687	\$ 6,786,651	\$ 6,805,861	\$ 9,157,723	\$ 12,142	\$ 408,047	\$ 6,723,405	\$ 7,922,227	\$ 8,608,201	\$ 8,856,527
<b>Other financing sources(uses)</b>	<b>\$ (4,847,969)</b>	<b>\$ (6,166,027)</b>	<b>\$ (6,119,286)</b>	<b>\$ (6,503,411)</b>	<b>\$ (6,416,316)</b>	<b>\$ (8,000,529)</b>	<b>\$ (5,390,750)</b>	<b>\$ (5,899,323)</b>	<b>\$ (5,464,282)</b>	<b>\$ (6,307,866)</b>
Issuance of debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	2,225,000	3,705,000	-	6,392,361	-	-	-	-	-	2,540,000
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	135,107	-	-	-	-	-	-	-	-
Premium on bonds sold	-	(106,291)	-	(92,388)	-	-	-	-	-	(74,611)
Payment of issue costs	-	(3,740,084)	-	-	-	-	-	-	-	(2,941,356)
Transfer to bond escrow	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources(uses)</b>	<b>\$ 2,775,728</b>	<b>\$ 614,356</b>	<b>\$ 686,575</b>	<b>\$ 8,954,285</b>	<b>\$ 2,601,479</b>	<b>\$ 1,131,576</b>	<b>\$ 1,332,655</b>	<b>\$ 2,022,904</b>	<b>\$ 3,143,919</b>	<b>\$ 2,072,694</b>
<b>Net change in fund balances</b>	<b>\$ 533,450</b>	<b>\$ (2,620,639)</b>	<b>\$ (2,540,866)</b>	<b>\$ 9,366,962</b>	<b>\$ 1,541,761</b>	<b>\$ (4,171,659)</b>	<b>\$ 844,159</b>	<b>\$ 1,364,619</b>	<b>\$ 1,590,302</b>	<b>\$ 3,291,961</b>
Debt service as a percentage of noncapital expenditures	11.0%	18.3%	15.1%	14.4%	15.2%	12.6%	8.2%	8.6%	7.8%	4.7%



**CITY OF SAND SPRINGS, OKLAHOMA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
 Last Ten Fiscal Years  
 June 30, 2012  
**TABLE 5**

Fiscal Year	Ad Valorem Tax	Sales Tax	Franchise Tax	Hotel/Motel Tax	Use Tax	Emergency Telephone Tax	Payment in Lieu of Taxes	Abatement Tax	Incremental Property Tax (1)	Totals
2003	524,544	7,016,585	891,951	84,637	210,429	87,511	600,380	12,605	-	8,883,362
2004	817,554	8,387,039	964,905	85,355	240,914	85,497	603,752	5,973	6,439	9,428,642
2005	688,013	8,188,750	967,991	98,914	210,841	84,583	678,978	13,610	313,039	11,197,428
2006	484,824	9,145,675	1,188,717	114,303	227,126	100,827	847,578	16,882	305,444	11,244,719
2007	1,355,511	9,631,280	1,092,544	124,960	292,601	149,711	903,993	11,068	-	12,431,376
2008	1,227,930	9,953,972	1,118,390	129,021	282,777	139,899	884,807	14,583	-	13,561,668
2009	1,243,884	9,801,602	1,188,713	112,617	307,794	146,920	912,146	23,742	-	13,751,379
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

**Note:**  
 1. The tax incremental financing was closed in fiscal year 2007.

# **REVENUE CAPACITY**



**CITY OF SAND SPRINGS OKLAHOMA**  
**SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS**  
 Last Ten Fiscal Years  
 June 30, 2012  
**TABLE 6**

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund Operations	2.000 %	1.918 %	1.926 %	1.877 %	1.980 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %
TIF District (Economic Development)	-	0.160	0.232	0.221	0.036	-	-	-	-	-
Water & Wastewater Improvements	1.000	0.948	0.895	0.935	0.989	1.000	1.000	1.000	1.000	1.000
Street Improvements	0.500	0.474	0.447	0.467	0.495	0.500	0.500	0.500	0.500	0.500
Sand Springs Total	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %
Osage County	1.000	1.000	1.000	1.000	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %
Tulsa County	0.417	1.017	1.017	1.017	1.017	1.017	1.017	1.017	1.017	0.850
State of Oklahoma	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %
Total (Osage County)	9.000	9.000	9.000	9.000	9.250	9.250	9.250	9.250	9.250	9.250
Total (Tulsa County)	8.417 %	9.017 %	9.017 %	9.017 %	9.017 %	9.017 %	9.017 %	9.017 %	9.017 %	8.850 %

**Source:**

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

**Note:**

1. City sales tax increases must be approved by vot

**CITY OF SAND SPRINGS OKLAHOMA**  
**TAXABLE SALES BY CATEGORY**  
 Last Ten Fiscal Years  
 June 30, 2012  
**TABLE 7**

Category	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Manufacturing	\$ 4,089,482	\$ 5,625,042	\$ 2,766,428	\$ 4,659,527	\$ 6,190,383	\$ 5,953,722	\$ 5,821,246	\$ 4,579,167	\$ 4,865,836	\$ 6,474,226
Telecommunications & Other	8,015,419	8,266,155	8,659,129	8,616,794	9,528,113	9,885,585	10,297,993	10,484,868	10,386,773	11,683,916
Public Utilities	13,754,129	14,938,404	15,551,311	18,025,443	20,948,925	19,909,178	19,411,239	11,989,841	17,945,755	18,032,682
Wholesale trade	9,036,903	10,159,340	10,240,026	13,359,064	12,742,978	12,861,982	11,221,153	8,751,312	10,278,070	17,835,578
Retail - Building Materials	7,987,435	8,431,173	7,064,604	9,086,537	9,741,230	8,970,644	8,588,221	7,407,764	6,342,063	8,787,999
Retail - General Merchandise	56,557,302	93,772,475	105,897,003	114,890,248	114,331,070	118,663,516	120,144,526	112,456,892	106,016,119	109,547,834
Retail - Food	41,106,082	32,122,767	27,263,715	24,164,289	25,096,753	26,301,397	26,984,740	26,092,097	27,023,835	28,800,036
Retail - Automotive	7,120,567	7,684,617	7,330,604	7,652,488	8,242,938	8,708,689	9,161,857	9,084,846	9,753,355	9,667,077
Retail - Apparel	3,012,748	2,985,683	2,976,349	3,233,677	3,583,126	3,424,991	2,966,055	2,784,830	2,937,195	3,043,655
Retail - Furniture & Accessories	5,579,681	6,093,327	6,588,417	8,041,895	7,363,451	8,673,964	8,855,436	8,025,192	7,776,746	6,990,153
Retail - Restaurants	22,165,992	24,133,080	26,785,161	28,579,894	29,871,371	32,536,241	31,440,715	30,529,296	33,419,129	38,597,334
Retail - Miscellaneous	11,872,621	12,105,090	12,491,546	9,351,907	15,070,351	15,218,655	14,385,069	13,908,037	14,647,439	16,173,648
Retail - Hotel	1,771,320	1,802,625	1,916,921	1,848,719	2,480,909	2,578,607	2,242,911	1,853,185	1,917,219	1,923,991
Services - Business	3,842,783	4,342,479	3,834,961	4,905,357	6,426,879	3,983,746	4,518,959	1,509,937	1,432,019	1,335,123
Services - Other	6,055,006	5,731,898	6,379,944	5,772,404	5,814,532	6,729,053	6,484,679	8,785,053	8,660,226	10,557,317
All Other Categories	307,444	346,162	269,469	1,201,410	728,657	1,956,101	1,194,079	1,469,187	1,494,020	1,363,093
<b>Total</b>	<b>\$202,274,914</b>	<b>\$238,540,317</b>	<b>\$246,015,588</b>	<b>\$263,389,651</b>	<b>\$278,161,666</b>	<b>\$286,356,071</b>	<b>\$283,718,878</b>	<b>\$259,691,506</b>	<b>\$264,895,799</b>	<b>\$290,813,662</b>

**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, 2012**  
**TABLE 8**

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Assessed Value	Homestead Exemption	Net Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value
2003	64,521,953	20,449,159	6,020,730	90,991,842	4,342,168	86,649,674	6.36	827,198,564
2004	68,396,346	18,827,956	6,555,673	93,779,975	4,417,750	89,362,225	8.70	852,545,227
2005	71,179,763	16,549,935	7,011,950	94,741,648	4,445,326	90,296,322	7.92	861,287,709
2006	74,318,446	16,177,751	7,460,217	97,956,414	4,442,804	93,513,610	5.03	890,512,855
2007	78,205,350	18,076,819	7,488,210	103,770,379	4,227,931	99,542,448	13.41	943,367,082
2008	86,263,297	20,591,649	7,110,571	113,965,517	4,295,289	109,670,228	11.25	1,036,050,155
2009	90,627,821	22,683,328	3,490,138	116,801,287	4,291,332	112,509,955	10.74	1,061,829,882
2010	94,163,935	25,551,946	8,459,397	128,175,278	4,238,669	123,936,609	10.06	1,165,229,800
2011	96,715,793	18,912,594	8,387,535	124,015,922	4,247,420	119,768,502	10.08	1,127,417,473
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

**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, 2012  
**TABLE 9**

Fiscal Year	City Direct Rate	(2) Overlapping Rates					Total Sand Springs City Resident
		Debt Service Fund	Sand Springs School District	Tulsa County	Tulsa Community College	Tulsa Technology Center	
2003	6.36	71.16	23.83	8.31	13.33	122.99	
2004	8.70	69.07	18.89	8.28	13.33	118.27	
2005	7.92	72.39	22.61	7.21	13.33	123.46	
2006	5.03	73.24	22.59	7.21	13.33	121.40	
2007	13.41	73.45	22.21	7.21	13.33	129.61	
2008	11.25	71.81	22.21	7.21	13.33	125.81	
2009	10.74	68.35	22.21	7.21	13.33	121.84	
2010	10.06	69.71	22.21	7.21	13.33	122.52	
2011	10.08	73.92	22.21	7.21	13.33	126.75	
2012	9.55	73.42	22.24	7.21	13.33	125.75	
2013	9.52	72.83	22.24	7.21	13.33	125.13	

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

**Source:**  
 1. Tulsa County Excise Board

**Note:**

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

**CITY OF SAND SPRINGS, OKLAHOMA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Current Year And Nine Years Ago**  
**June 30, 2012**  
**TABLE 10**

	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Net Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Net Total Assessed Value
Public Service Co of Okla	4,100,492	1	3.40%	\$ 2,217,096	3	2.53%
Chemlink Inc/Baker Petrolite	3,943,495	2	3.27%	1,990,116	4	2.27%
Webco Industries	3,410,624	3	2.83%	2,918,448	2	3.33%
Gerdau Ameristeel	2,060,117	4	1.71%	6,655,170	1	7.58%
Sand Springs Home	1,800,325	5	1.49%	—	—	—
Daniel Kamin Sand Springs	1,492,579	6	1.24%	—	—	—
AT&T	1,319,254	7	1.09%	1,908,394	5	2.17%
Highland Crossing	1,238,066	8	1.03%	—	—	—
Oklahoma Natural Gas	1,015,583	9	0.84%	675,308	9	0.77%
Cust-O-Fab	961,250	10	0.80%	—	—	—
Wal-Mart	954,920	11	0.79%	741,485	8	0.84%
4402 South 129th Avenue West LLC	802,021	12	0.66%	—	—	—
Fiberglass Systems LP	783,763	13	0.65%	—	—	—
Cox Communications	681,421	14	0.56%	—	—	—
Parker Plastics	555,781	15	0.46%	—	—	—
Totals	\$ 25,119,691		20.82%	\$ 17,106,017		19.49%

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



**CITY OF SAND SPRINGS, OKLAHOMA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years  
 June 30, 2012  
 TABLE 11

Fiscal Year	Actual Levy Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Collected to Total Levy	Net Assessed Value	Mill Levy
2003	2002	549,996	523,750	95%	1,241	524,991	95%	86,649,674	6.36
2004	2003	777,503	732,478	94%	26,805	759,283	98%	89,362,225	8.70
2005	2004	715,182	680,985	95%	32,684	713,669	100%	90,296,322	7.92
2006	2005	469,940	465,188	99%	13,761	478,949	102%	93,513,610	5.03
2007	2006	1,335,081	1,311,419	98%	9,510	1,320,929	99%	99,542,448	13.41
2008	2007	1,234,615	1,208,401	98%	41,784	1,250,185	101%	109,670,228	11.25
2009	2008	1,243,871	1,205,963	97%	20,900	1,226,863	99%	112,509,955	10.74
2010	2009	1,246,887	1,202,135	96%	23,103	1,225,238	98%	123,936,609	10.06
2011	2010	1,207,455	1,184,282	98%	63,032	1,247,314	103%	119,768,502	10.08
2012	2011	1,145,387	1,111,816	97%	42,278	1,154,094	101%	119,939,380	9.55

# **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, 2012  
**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>
2003	17,695	86,649,674	10,480,000	1,035,359	9,444,641	10.90%	534
2004	17,700	89,362,225	9,260,000	1,218,159	8,041,841	9.00%	454
2005	17,640	90,296,322	7,875,000	1,240,925	6,634,075	7.35%	376
2006	17,765	93,513,610	12,851,029	939,136	11,911,893	12.74%	671
2007	17,877	99,542,448	11,445,000	1,245,860	10,199,140	10.25%	571
2008	18,450	109,670,228	10,080,000	1,250,185	8,829,815	8.05%	479
2009	18,489	112,509,955	9,195,000	1,225,985	7,969,015	7.08%	431
2010	18,868	123,936,609	8,310,000	1,225,238	7,084,762	5.72%	375
2011	18,906	119,768,502	7,425,000	1,132,394	6,292,606	5.25%	333
2012	19,140	119,939,380	6,650,000	1,139,037	5,510,963	4.59%	288

**Note:**  
 1. Represents outstanding general obligation bonds financed through ad valorem and sales tax.

**CITY OF SAND SPRINGS, OKLAHOMA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**June 30, 2012**  
**TABLE 13**

<b>Jurisdiction</b>	<b>Net (1) Debt Outstanding</b>	<b>Percentage (2) Applicable to City of Sand Springs</b>	<b>Amount Applicable to City of Sand Springs</b>
City of Sand Springs	\$5,510,963	100.00%	\$5,510,963
Sand Springs School District	14,007,234	75.22%	10,536,281
Berryhill School District	1,802,103	27.16%	489,414
Tulsa County	0	2.40%	0
Tulsa Community College	0	2.45%	0
Total	<u>\$21,320,300</u>		<u>\$16,536,658</u>

**Source:**

1. Tulsa & Osage County Assessors Office

**Note:**

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

CITY OF SAND SPRINGS, OKLAHOMA  
LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years  
June 30, 2012  
TABLE 14

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 8,664,967	\$ 8,936,223	\$ 9,029,632	\$ 9,351,361	\$ 9,954,245	\$ 10,967,023	\$ 11,579,257	\$ 12,393,661	\$ 11,976,850	\$ 11,993,938
Total net debt applicable to limit	<u>3,626,000</u>	<u>3,988,000</u>	<u>3,690,692</u>	<u>7,945,207</u>	<u>7,682,782</u>	<u>7,064,879</u>	<u>6,447,018</u>	<u>5,829,158</u>	<u>5,211,297</u>	<u>4,668,269</u>
Legal debt margin	\$ 5,038,967	\$ 4,948,223	\$ 5,338,940	\$ 1,406,154	\$ 2,271,463	\$ 3,902,144	\$ 5,132,239	\$ 6,564,503	\$ 6,765,553	\$ 7,325,669
Total net debt applicable to the limit as a percentage of debt limit	41.85%	44.63%	40.87%	84.96%	77.18%	64.42%	55.68%	47.03%	43.51%	38.92%
Legal Debt Margin Calculation for Fiscal Year 2012										
Net assessed valuation										\$ 119,939,380
Debt limit (10% of total assessed value)										\$ 11,993,938
Debt applicable to limit:										
General obligation bonds										\$ 6,650,000
Less: Street bonds outstanding										<u>1,981,731</u>
Total net debt applicable to limit										<u>4,668,269</u>
Legal debt margin										<u>\$ 7,325,669</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, 2012  
TABLE 15

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Average Annual Debt Service (1)	Debt Service Coverage
2003	8,348,538	4,390,935	3,957,603	1,001,369 (2)	3.95
2004	8,786,415	4,811,606	3,974,809	1,184,771	3.35
2005	8,810,534	4,833,031	3,977,503	785,719	5.06
2006	10,918,580	(3)	5,362,886	898,125	6.19
2007	11,510,750	5,571,560	5,939,190	898,125	6.61
2008	11,668,999	6,006,857	5,662,142	898,125	6.30
2009	11,883,093	5,773,039	6,110,054	898,125	6.80
2010	11,387,089	5,250,446	6,136,643	779,905	7.87
2011	12,028,674	5,292,914	6,735,760	779,905	8.64
2012	13,069,529	5,465,821	7,603,708	0	N/A

**Note:**

1. Average annual debt service includes principal, interest and fee payments to fiscal agents for revenue bonds payable secured by or for which debt service is paid from trust revenue.
2. Beginning in fiscal year 2003, the SSMA issued OWRB Notes Payable that contained a coverage requirement based on maximum annual debt service on the OWRB notes and all parity debt. The maximum annual debt service totaled \$1,794,278 with coverage computed at 3.42
3. In fiscal year 2006 a 5-year utility rate plan was implemented.

**CITY OF SAND SPRINGS, OKLAHOMA**  
**RATIO FOR OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**  
**June 30, 2012**  
**TABLE 16**

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases Payable	Revenue Bonds Payable	Notes Payable	Capital Leases Payable			
2003	10,480,000	11,025	5,885,000	6,034,229	116,710	22,526,964	4%	1,273
2004	9,260,000	5,192	5,315,000	8,168,023	74,374	22,822,589	4%	1,289
2005	7,875,000	-	4,725,000	12,070,030	30,337	24,700,367	4%	1,400
2006	12,845,000	27,961	4,120,000	14,860,010	50,222	31,903,193	5%	1,796
2007	11,445,000	31,572	3,475,000	15,937,925	131,078	31,020,575	5%	1,735
2008	10,080,000	429,840	2,815,000	14,839,240	139,430	28,303,510	4%	1,534
2009	9,195,000	368,838	2,120,000	13,916,658	91,328	25,691,824	4%	1,390
2010	8,310,000	307,769	1,390,000	13,946,941	35,601	23,990,311	3%	1,271
2011	7,425,000	248,085	620,000	13,328,720	12,279	21,634,084	3%	1,144
2012	6,650,000	190,017	-	12,867,801	-	19,707,818	2%	1,030





# **DEMOGRAPHIC AND ECONOMIC INFORMATION**



**CITY OF SAND SPRINGS, OKLAHOMA**  
**BUILDING PERMITS, CONSTRUCTION AND BANK DEPOSITS**  
 Last Ten Calendar Years  
 June 30, 2012  
 TABLE 17

Calendar Year	Number of Building Permits	Construction Values			Total	Estimated Actual Value of Taxable Property	Bank Deposits
		Residential	Commercial				
2002	198	11,047,824	10,134,931		21,182,755	827,198,564	203,616,498
2003	215	12,250,018	12,880,803		25,130,821	852,545,227	251,450,628
2004	201	12,801,411	6,653,632		19,455,043	861,287,709	219,899,302
2005	262	17,937,748	19,754,327		37,692,075	890,512,855	231,672,353
2006	273	14,862,545	11,365,538		26,228,083	943,367,082	248,778,000
2007	214	18,188,885	27,922,578		46,111,463	1,036,050,155	275,757,000
2008	190	15,838,709	14,167,699		30,006,408	1,036,050,155	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

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

**CITY OF SAND SPRINGS, OKLAHOMA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Calendar Years  
 June 30, 2012  
**TABLE 18**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Current Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income (2) (MSA)</b>	<b>Median Age of Population (3)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2002	17,695	541,237	30,587	N/A	4,984	5.7%
2003	17,700	547,072	30,908	N/A	4,940	4.7%
2004	17,640	575,240	32,610	34.5	4,972	4.5%
2005	17,765	602,589	33,920	35.1	5,017	3.9%
2006	17,877	671,532	37,564	34.5	5,315	4.5%
2007	18,450	705,141	38,219	35.1	5,425	4.1%
2008	18,489	763,725	41,307	35.1	5,328	4.9%
2009	18,868	744,192	39,442	35.1	5,327	7.7%
2010	18,906	771,232	40,793	35.2	5,261	7.9%
2011	19,140	808,397	42,236	36.5	5,315	5.3%

**Source:**

1. INCOG
2. Per Capita Personal Income - U.S. Bureau of Economic Analysis (BEA) for the Tulsa metropolitan area (information for Sand Springs unavailable)
3. Municipal Net Guide
4. Sand Springs School District
5. Bureau of Labor Statistics, for the Tulsa metropolitan area.

**CITY OF SAND SPRINGS, OKLAHOMA  
PRINCIPAL EMPLOYERS  
Current Year And Nine Years Ago  
June 30, 2012  
TABLE 19**

<u>Employer</u>	<u>2012</u>			<u>2003</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	754	1	12.48%	590	2	9.76%
Webco	499	2	8.26%	393	4	6.50%
Wal Mart	459	3	7.59%	600	1	9.92%
City of Sand Springs	210	4	3.47%	250	6	4.13%
Tulsa Community College	208	5	3.44%	—	—	—
Baker Petrolite	175	6	2.90%	140	8	2.31%
Reasor's	170	7	2.81%	—	—	—
Cust-O-Fab	150	8	2.48%	140	7	2.31%
Osage Million Dollar Elm	149	9	2.47%	—	—	—
Keystone Chevrolet	87	10	1.44%	110	10	1.82%
Fiber Glass Systems*	73	11	1.21%	99	—	1.64%
Big K (K-Mart)	70	12	1.16%	—	—	0.00%
<b>Totals</b>	<b>3,004</b>		<b>49.70%</b>	<b>2,322</b>		<b>38.39%</b>

**Source:**

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

**Note:**

1. 2012 percentage is based on the U S Census Bureau 2010 totals
2. 2003 numbers total 6,044 and 2010 numbers total 6,048
3. \*Fiber Glass Systems previously known as Fibercast



# **OPERATING INFORMATION**





**CITY OF SAND SPRINGS OKLAHOMA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 June 30, 2012  
**TABLE 20**

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government	6	6	6	5	5	7	7	5	5	6
Planning and Zoning	1	1	1	1	1	1	1	1	1	1
Financial Administration	21	20	21	22	22	22	20	18	16	19
Public Safety	85	83	83	83	85	87	84	82	76	76
Highways and Streets	16	14	14	14	14	14	12	12	8	9
Culture and Recreation	13	12	13	13	13	14	14	11	7	6
Economic Development	1	1	1	1	1	1	1	1	1	1
Facilities Management & Maint	10	10	10	10	10	10	10	10	8	9
Water Operations	33	31	33	33	33	33	32	32	31	31
Stormwater					1	1	1	1	1	1
Wastewater Operations	20	20	20	20	20	20	19	19	19	19
Solid Waste Operations	12	10	11	11	11	11	11	11	11	11
Airport Operations	1	1	1	1	1	1	1	1	1	1
Golf Course Operations	10	8	8	8	8	8	8	0	0	0
Total	227	229	217	222	222	225	230	204	185	190

**Source:**  
 1. City Finance Office

**CITY OF SAND SPRINGS OKLAHOMA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 June 30, 2012  
**TABLE 21**

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	29	29	29	29	31	31	33	33	33	38
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Trucks	10	10	10	10	10	11	11	11	13	13
Highways and Streets										
Roadways (arterial lane miles)	170	170	170	170	170	170	170	170	170	172
Streetlights	968	1,009	1,033	1,034	1,074	1,096	1,208	1,209	1,209	1,211
Signalized Intersections	18	18	18	18	18	18	18	18	18	18
Culture and Recreation										
Acreage	262	262	262	262	263	263	263	263	263	263
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Ball diamonds	13	13	13	13	13	13	13	13	13	11
Community Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Water Operations										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Water Mains (miles)	412	417	420	422	426	430	431	448	452	452
Storage capacity (thousands of gallons)	6,550	6,550	6,550	6,550	6,550	7,023	7,023	7,023	7,023	6,523
Wastewater Operations										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (miles)	106	110	111	119	120	122	122	126	126	126
Treatment capacity (thousands of gallons)	2,760	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120
Solid Waste Operations										
Collection Trucks	8	8	8	8	9	8	8	10	10	10
Stormwater Operations										
Storm sewers (miles)	49	49	49	49	50	50	50	50	50	50

**Source:**

1. City Departments

**CITY OF SAND SPRINGS OKLAHOMA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 June 30, 2012  
**TABLE 22**

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Police										
Number of Violations (Citations)	4,637	4,676	3,642	5,529	5,448	6,433	5,031	10,029	8,859	8,810
Fire										
Call Responses	1,859	2,033	2,363	2,648	2,866	3,452	3,054	3,033	3,475	3,959
Highways and Streets										
Streets Resurfacing (miles)	25	-	22	-	-	31	7	7	14	2
Asphalt Repairs (tons)	700	507	952	872	255	98	82	145	258	208
Culture and Recreation										
Community Center Visitors (daily average)	175	169	150	138	119	125	264	348	338	310
Water and Wastewater Operations										
Number of Water Consumers	10,861	10,880	10,890	10,927	11,007	11,059	11,151	11,828	11,774	11,767
Average Daily Water Consumption (thousands of gallons)	3,515	3,454	3,200	3,480	3,446	3,175	3,072	2,844	2,839	3,073
Number of Sewer Consumers	6,610	6,610	6,620	6,658	6,701	6,680	6,731	6,827	6,792	6,780
Solid Waste Operations										
Refuse collected (tons per day)	N/A	51	49.9	51.1	53.3	50.4	48.3	41.3	41.1	38.7
Active Refuse Accounts	6,682	6,700	6,720	6,725	6,703	6,740	6,789	6,883	6,850	6,859
Airport Operations										
Annual Aviation/Jet Fuel Sales <sup>1</sup>	78,334	82,970	67,912	59,739	38,470	34,868	30,944	29,168	30,006	47,481
Golf Operations										
Number of Rounds Played	24,456	22,237	21,693	23,720	20,533	18,269	19,942	19,542	23,880	24,919

**Source:** City Departments

**Note:**

1. FY 2007 city no longer selling jet aviation fuel







1912

1922

1932

1942

1952

**CITY OF SAND SPRINGS, OKLAHOMA**

**SINGLE AUDIT REPORTS  
AND SUPPLEMENTARY SCHEDULES**

**June 30, 2012**



CITY OF SAND SPRINGS, OKLAHOMA

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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*

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sand Springs, Oklahoma (the "City") as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 13, 2012. 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.

**Internal Control Over Financial Reporting**

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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*.

This report is intended solely for the information and use of the Mayor, City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Arledge & Associates, P.C.*

Edmond, Oklahoma  
December 13, 2012



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

**Compliance**

We have audited the City of Sand Springs, Oklahoma's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

**Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a

deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### **Schedule of Expenditure of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2012, and have issued our report thereon dated December 13, 2012, which contained unqualified opinions on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Arledge & Associates, P.C.*

Edmond, Oklahoma  
December 13, 2012

CITY OF SAND SPRINGS, OKLAHOMA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2012

<u>Federal/State Grantor/Pass Through Agency Grantor/Program Title</u>	<u>Federal CFDA#</u>	<u>Grant #</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
<b><u>U. S. DEPARTMENT OF TRANSPORTATION:</u></b>				
FAA Rehab Grant	20.106	3-40-0084-015-2011	\$ 135,992	\$ 135,992
Passed Through Oklahoma Department of Transportation:				
Highway Planning and Construction - Bikeway Safety Enhancement	20.205	STP-172E(382)EH	121,600	112,023
Highway Planning and Construction - 41st Street Sidewalk Project	20.205	41st Street Project	744,447	41,929
Subtotal - CFDA 20.205			<u>866,047</u>	<u>153,952</u>
Passed Through Oklahoma Highway Safety Office:				
State and Community Highway Safety	20.600	AL-12-03-02-09	35,733	29,574
State and Community Highway Safety	20.600	PT-11-03-22-08	25,800	3,659
Trough Tulsa County Sheriff's Office		B-08-UY-40-001	66,264	66,264
Subtotal - CFDA 20.600			<u>61,533</u>	<u>33,233</u>
<b>Total U. S. Department of Transportation</b>			<u><b>1,063,572</b></u>	<u><b>323,177</b></u>
<b><u>U. S. DEPARTMENT OF JUSTICE:</u></b>				
COPS Hiring Program	16.710	2010UMX0261	338,538	102,341
<b>Total Department of Justice</b>			<u><b>338,538</b></u>	<u><b>102,341</b></u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u></b>				
<b>Federal Emergency Management Agency:</b>				
Passed through Oklahoma Civil Emergency Management:				
Hazard Mitigation Planning Grant		FEMA1735	30,000	2,566
Passed through Oklahoma Civil Emergency Management:				
Emergency Management Preparedness Grant	97.042	2011	21,453	6,985
Emergency Management Preparedness Grant	97.042	2010	16,453	12,340
Sub-total CFDA 97.042			<u>37,906</u>	<u>19,325</u>
Assistance to Firefighters Grant	97.044	EMW-2009-FP-01940	58,275	55,854
Assistance to Firefighters Grant	97.044	EMW-2011-FP-04429	183,105	16,200
<b>Total Federal Emergency Management Agency</b>			<u><b>241,380</b></u>	<u><b>72,054</b></u>
			<u><b>279,286</b></u>	<u><b>91,379</b></u>
<b><u>U. S. DEPARTMENT OF ENERGY:</u></b>				
Passed through Oklahoma Department of Commerce:				
Stimulus Energy Efficiency Community Block Grant	81.128 (ARRA)	13979 SEECBG 09	237,500	218,225
State Energy Program	81.041	14918 SEP 11	242,000	196,310
<b>Total U. S. Department of Energy</b>			<u><b>479,500</b></u>	<u><b>414,535</b></u>
<b><u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u></b>				
Passed through Oklahoma Department of Commerce:				
Community Development Block Grant - Non-entitlement	14.228	CDBG 2008	94,133	48,153
Community Development Block Grant - Non-entitlement	14.228	CDBG 2009	96,124	96,124
Community Development Block Grant - Non-entitlement	14.228	CDBG 2010	102,286	87,703
<b>Total U. S. Department of Housing and Urban Development</b>			<u><b>292,543</b></u>	<u><b>231,980</b></u>
<b>TOTAL FEDERAL AWARDS</b>			<u><b>\$ 2,453,439</b></u>	<u><b>\$ 1,163,412</b></u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of the City under programs of the federal government for the year ended June 30, 2012. The information in this schedule is presented in accordance with requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported on the basis of accounting consistent with the definition of federal awards expended in paragraph 205 of OMB Circular A-133.

CITY OF SAND SPRINGS, OKLAHOMA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012

SECTION I – SUMMARY OF AUDITOR'S RESULTS

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:  
Material weakness(es) identified?        yes   X   no  
Significant deficiency(ies) identified  
not considered to be material weaknesses?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal Control over major programs:  
Material weakness(es) identified?        yes   X   no  
Reportable condition(s) identified  
not considered to be material weakness(es)?        yes   X   none reported

Type of auditor's report issued on compliance  
for major programs: Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with  
OMB Circular A-133, Section .510(a)?        yes   X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
81.128 (ARRA)	Stimulus Energy Efficiency Community Block Grant
81.041	State Energy Program

Dollar threshold used to distinguish  
between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee?   X   yes        no

CITY OF SAND SPRINGS, OKLAHOMA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012

SECTION II – FINANCIAL STATEMENT FINDINGS

Compliance Findings

There are no findings requiring reporting under this section.

Internal Control Findings

There are no findings requiring reporting under this section.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Compliance Findings

There are no findings requiring reporting under this section.

Internal Control Findings

There are no findings requiring reporting under this section.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND  
CORRECTIVE ACTION PLAN**

June 30, 2012

The City of Sand Springs, Oklahoma respectfully submits the following summary schedule of prior audit findings and corrective action plan for the year ended June 30, 2012.

Name and address of independent public accounting firm: Arledge and Associates, P.C., 309 N. Bryant Avenue, Edmond, Oklahoma 73034.

Audit period: July 1, 2010 to June 30, 2011.

**Summary Schedule of Prior Audit Findings**

There were no audit findings for the year ended June 30, 2011 that requires preparation of a summary of prior audit findings.

**Corrective Action Plan**

No corrective action plan is required.

Questions regarding this plan should be addressed to Kelly Lamberson at 100 E. Broadway, Sand Springs, Oklahoma or by phone at (918) 246-2518.