



ANNUAL COMPREHENSIVE FINANCIAL REPORT AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CITY OF SAPULPA, OKLAHOMA

ANNUAL COMPREHENSIVE FINANCIAL REPORT AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORTS

> FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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INTRODUCTION SECTION



May 17, 2024

To the Honorable Mayor Craig Henderson, City Councilors, and Citizens:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Sapulpa for the fiscal year ended June 30, 2023. This report was prepared by the Finance Department of the City of Sapulpa to present the financial position of the City and the results of the City's financial operations in accordance with generally accepted accounting principles (GAAP).

City Management is responsible for establishing and maintaining an internal control structure. This internal control structure is designed to ensure the assets of Sapulpa are protected from theft, loss, or misuse. It is also designed to ensure that sufficient accounting data is compiled to allow for preparation of the financial statements in accordance with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects, and all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The Management's Discussion and Analysis provides additional narrative and detailed analysis of the City's financial affairs, and we encourage readers to consider that information in conjunction with the information presented here.

To facilitate the understanding of the City's financial affairs, the ACFR is divided into the following sections:

- Introductory Section -Includes a table of contents, a letter of transmittal, the City's organizational chart, and a list of City Officials.
- Financial Section Consists of the independent auditor's report, management's discussion and analysis, the basic financial statements, required supplementary infom lation, and other supplementary information.



• Statistical Section -Presents unaudited financial, economic, and demographic data and other information relative to the community.

Governmental Structure

The City of Sapulpa, the County seat of Creek County, Oklahoma, is located in the extreme northeast comer of the County, only twelve miles from the City of Tulsa, Oklahoma. The City lies astride Interstate Highway 44 (Turner Turnpike) connecting the cities of Tulsa and Oklahoma City. First incorporated prior to Oklahoma statehood, its fust City Charter was adopted in 1910, with major revisions thereto in 1922, 1970, 2002. 2005, and 2014. Currently operating under a Municipal Charter form of Government pursuant to Oklahoma Statutes 1991, Sect. 13-101, et seq., the city is governed by a Board of Councilors consisting often councilors, two council members from each of five wards. The mayor is chosen from among the council itself. The City Council also serves as trustees of the Sapulpa Municipal Authority and the Sapulpa Development Authority. The Mayor and Council appoint a City Manager, a City Attorney, and a City Treasurer. The responsibility for the day-to-day operations of the City rests with the City operates on a fiscal year basis which begins on July1st and ends the following June 30th. All funds with revenue and expenditures, including the Sapulpa Municipal Authority and the Sapulpa Development Authority, require an annual budget which shall present a complete financial plan for the City. At least thirty (30) days prior to the beginning of the fiscal year this annual budget is submitted to the City Council by the City Manager. A public hearing is held to obtain citizen comments. After the public hearing but no later than June 23rd the budget is adopted by resolution of the City Council.

Economic Conditions and Outlook

The primary measure of local economic activity is sales tax revenue. The City relies on sales tax revenue to fund its governmental operations. Sales tax revenue increased 5.72% over the prior fiscal year and continues to increase slightly.

The other major revenue is the Sapulpa Municipal Authority (SMA) charges for service, which include water, sewer, and refuse revenue. The FY 2022/2023 charges for service increased 3.99% over prior year.

In preparing the FY 2023/2024 budget City officials believe that the overall outlook for the City remains stable. A conservative approach to projecting sales tax resulted in a budget of \$16,469,360, a 4% decrease from FY 2022-2023 actual receipts.

Overall, the economic outlook for the City continues to be positive. The City is experiencing new job growth, housing, industrial growth, and expansion, along with renovations to existing buildings.

The City continues to draw down and spend the 2020 GO Bond funds totaling just over \$40 million. With half of the funds issued, several of the projects are completed or nearing completion. The remaining funds will be pulled down ahead of schedule, between 2024 and 2025, even though the expectation was for the year 2030 for the ability to draw the final amount. This too, shows growth and sustainability of Sapulpa's growing housing market and the valuation of property taxacknowledgements.

The preparation of this report is a combined effort of the staff of the Finance Department with the professional assistance of our consultants, Crawford & Associates, P.C., and our independent auditors, Arledge & Associates, P.C. We would like to express our appreciation to all individuals who assisted in the preparation of this report.

We would also like to thank the Mayor and the members of the City Council for their leadership, encouragement, and support in our effort to provide the citizens with quality services. management, and financial reporting.

Respectfully submitted.

Joan Rilev City Manager

Cela Aus I

Ella Fast Finance Director/Finance Director

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sapulpa Oklahoma

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021 *

Christophen P. Morrill

Executive Director/CEO

* At the time of issuance, GFOA had not reviewed 2022

CITY OF SAPULPA

LIST OF CITY OFFICIALS FOR THE FISCAL YEAR JULY 1, 2022 – JUNE 30, 2023

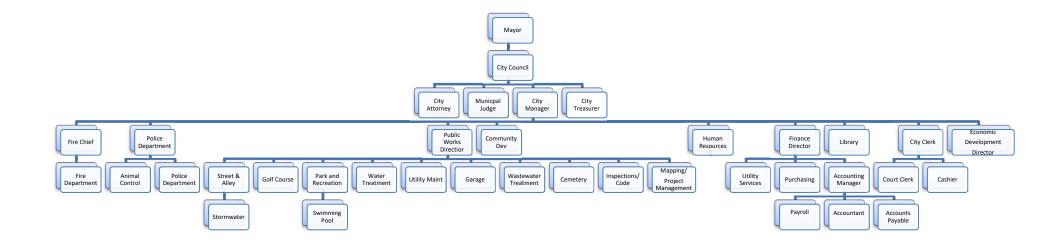
HONORABLE CRAIG HENDERSON, MAYOR HONORABLE CARLA GUNN, VICE-MAYOR

COUNCIL:

MARTY CUMMINS RICHARD HUDSON DAVID MORTAZAVI BRIAN STEPHENS ALEXANDER HAMILTON JEFF MOLINA HUGO NAIFEH ELIZABETH NICOLAS

Joan Riley, City Manager David Widdoes, City Attorney Shirley Burzio, City Clerk Ella Fast, Finance Director

City of Sapulpa Organizational Chart



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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council City of Sapulpa, Oklahoma

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sapulpa, Oklahoma (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, pension exhibits, and other post-employment benefits funding schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents are presented for purposes of additional analysis and are 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2024, 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 solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Edmond, Oklahoma May 17, 2024

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Our discussion and analysis of the City of Sapulpa's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The total net position at the end of fiscal years 2023 and 2022 for governmental activities was \$49.7 million and \$48.5 million respectively.
- The total net position at the end of fiscal years 2023 and 2022 for business-type activities was \$11.0 million and \$9.0 million, respectively.
- During the year, the City's expenses for governmental activities were \$26.8 million and were funded by program revenues of \$3.5 million and further funded with taxes, other general revenues and transfers that totaled \$24.5 million.
- In the City's business-type activities, such as utilities and golf course, total program revenues were under total program expenses by \$0.5 million, while general revenues and transfers totaled \$2.5 million.
- At June 30, 2023, the General Fund reported an unassigned fund balance of \$2 million.
- For budgetary reporting purposes, the General Fund reported revenues and transfers under estimates by \$817 thousand or 2.8%, while expenditures and transfers were less than final appropriations by \$2.4 million or 7.6%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Sapulpa (the "City") and its component units using the integrated approach as prescribed by GASB Statement No. 34. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type. 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. These statements include all assets of the City (including infrastructure capital assets) as well as all liabilities (including all long-term debt), along with any inflows and outflows that are deferred.

Reporting the City as a Whole

Government-wide Statements

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady over the past year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred inflows, liabilities, and deferred outflows using the accrual basis of accounting. All of the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two government-wide statements report the City's net position and changes in them from the prior year. You can think of the City's net position – the difference between assets, deferred inflows, liabilities, and deferred outflows – as one way to measure the City's financial condition, or position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving, deteriorating, or remaining steady.

However, you must consider other nonfinancial 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 and performance of the City.

As mentioned above, in the Statement of Net Position and the Statement of Activities, we divide the City into two kinds 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, wastewater, sanitation, stormwater, and golf course activities are reported here.

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. 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.

Governmental funds -- Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. 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. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position. In fact, the City's enterprise funds are essentially the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Statement of Net Position

The City's total net position as of June 30, 2023 was \$60.7 million, which was \$3.2 million more than the fiscal year ended June 30, 2022. The most significant contributing factors to this change were an increase in capital assets, net of \$8.6 million, a decrease in other non-current assets of \$2.7 million, a decrease in non-current liabilities of \$8.0 million, an increase of \$1.0 million in restricted net position, and an increase in the negative unrestricted net position of \$3.6 million.

Current assets for business-type activities increased by \$1.7 million, mainly due to an increase in cash & cash equivalents of \$1.7 million.

Other-non current assets for governmental activities decreased by \$2.7 million due to a decrease in the net pension asset of \$576 thousand.

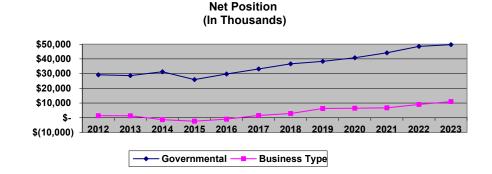
Deferred outflows of resources for governmental activities increased by \$1.8 million due to pension related changes, and deferred outflows of resources for business-type activities decreased by \$1.1 million due to the reduction in the unamortized loss on refunding.

Current liabilities for business-type activities increased by \$3.1 million primarily due to an increase in unearned revenue of \$3.2 million that represents the unspent portion of American Rescue Plan Act (ARPA) grant money.

Deferred inflows of resources for governmental activities decreased by \$7.9 million due to the activity related to the decrease in the net pension asset.

A comparative, condensed presentation of net positions follows.

TABLE 1 NET POSITION (In Thousands) JUNE 30, 2023 AND 2022												
	Governmental Activities				% Inc. (Dec.)	Busine Activ		% Inc. (Dec.)	То	% Inc. (Dec.)		
	2023	2022		2023	2022		2023	2022				
Current assets	\$35,428	\$36,800	-4%	\$ 9,744	\$ 8,018	22%	\$45,172	\$44,818	1%			
Capital assets, net	68,484	61,516	11%	67,521	65,898	2%	136,005	127,414	7%			
Other non-current assets	576	3,294	-83%	-	-	0%	576	3,294	-83%			
Total assets	104,488	101,610	3%	77,265	73,916	5%	181,753	175,526	4%			
Deferred outflows of resources	5,439	3,674	48%	5,156	6,232	-17%	10,595	9,906	7%			
Total assets and deferred outflows of resources	109,927	105,284	4%	82,421	80,148	3%	192,348	185,432	4%			
Current liabilities	7,443	6,808	9%	7,229	4,142	75%	14,672	10,950	34%			
Non-current liabilities	50,508	39,757	27%	63,978	66,758	-4%	114,486	106,515	7%			
Total liabilities	57,951	46,565	24%	71,207	70,900	0%	129,158	117,465	10%			
Deferring inflows of resources	2,265	10,204	-78%	221	241	-8%	2,486	10,445	-76%			
Net position												
Net investment in capital assets	45,238	42,544	6%	12,107	9,075	33%	57,345	51,619	11%			
Restricted	9,939	9,776	2%	2,719	1,839	48%	12,658	11,615	9%			
Unrestricted (deficit)	(5,466)	(3,805)	44%	(3,833)	(1,907)	101%	(9,299)	(5,712)	63%			
Total net position	\$49,711	\$48,515	2%	\$10,993	\$ 9,007	22%	\$60,704	\$57,522	6%			



The following chart is representative of the City's net position as reflected over the past twelve years.

Statement of Activities

The City's total revenues amounted to \$43.0 million and \$40.6 million during the fiscal years ended June 30, 2023 and 2022, respectively. For the year ending June 30, 2023, charges for services made up \$14.1 million or 32.7%, and taxes made up \$26.2 million or 61.0%. For the year ending June 30, 2022, charges for services made up \$13.9 million or 34.2%, and taxes made up \$23.6 million or 58.2%.

The City's total expenses amounted to \$39.8 million and \$33.9 million during the fiscal years ended June 30, 2023 and 2022, respectively. For the year ending June 30, 2023, public safety totaled \$14.4 million or 36.0%, water totaled \$5.1 million or 12.8%, and wastewater totaled \$5.4 million or 14.7%. For the year ending June 30, 2022, public safety totaled \$10.8 million or 31.8%, water totaled \$4.8 million or 14.1%, and wastewater totaled \$5.3 million or 15.7%.

A comparative, condensed presentation of changes in net position follows.

CITY OF SAPULPA, OKLAHOMA MANAGEMENT'S DISCUSSION & ANALYSIS June 30, 2023

	Governmental Activities		% Inc. (Dec.)	Busine	••	% Inc. (Dec.)	T	% Inc. (Dec.)	
	2023	2022		2023	2022		2023	2022	
Revenues									
Charges for service	\$ 1,739	\$ 1,571	11%	\$ 12,328	\$ 12,307	-	\$ 14,067	\$ 13,878	1%
Operating grants and contributions	1,623	1,211	34%	-	1	100%	1,623	1,212	34%
Capital grants and contributions	117	715	-84%	183	-	100%	300	715	-58%
Taxes	26,214	23,643	11%	-	-	-	26,214	23,643	11%
Intergovernmental revenue	341	586	-42%	-	-	-	341	586	-42%
Investment income	206	112	84%	102	14	629%	308	126	144%
Miscellaneous	-	248	-100%	154	183	-16%	154	431	-64%
Total revenues	30,240	28,086	8%	12,767	12,505	2%	43,007	40,591	6%
Expenses									
Administration	1,986	1,594	25%	-	-	-	1,986	1,594	25%
General government	3,990	3,138	27%	-	-	-	3,990	3,138	27%
Legal and judicial	384	359	7%	-	-	-	384	359	7%
Public safety	14,355	10,788	33%	-	-	-	14,355	10,788	33%
Urban development	342	515	-34%	-	-	-	342	515	-34%
Streets	2,856	2,387	20%	-	-	-	2,856	2,387	20%
Culture, parks and recreation	1,870	1,660	13%	-	-	-	1,870	1,660	13%
Interest on long-term debt	974	844	15%	-	-	-	974	844	15%
Water	-	-	-	5,096	4,795	6%	5,096	4,795	6%
Wastewater	-	-	-	5,265	5,320	-1%	5,265	5,320	-1%
Sanitation	-	-	-	1,024	944	8%	1,024	944	8%
Stormwater	-	-	-	763	801	-5%	763	801	-5%
Golf operations			-	920	802	15%	920	802	15%
Total expenses	26,757	21,285	26%	13,068	12,662	3%	39,825	33,947	17%
Excess (deficiency) before	2 482	6 901	409/	(201)	(157)	0.28/	2 192	6 6 4 4	520/
transfers	3,483	6,801	-49%	(301)	(157)	92%	3,182	6,644	-52%
Transfers	(2,287)	(2,429)	6%	2,287	2,429	-6%			
Increase in net position	\$ 1,196	\$ 4,372	-73%	\$ 1,986	\$ 2,272	-13%	\$ 3,182	\$ 6,644	-52%

TABLE 2 CHANGES IN NET POSITION (In Thousands) JUNE 30, 2023 AND 2022

Explanations for the more significant change includes:

Public safety - \$3.6 million or 33% change primarily due to expenses returning to levels comparable to fiscal year 2021 after a significant one-year decline during fiscal year 2022.

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note all taxes are classified as general revenue even if restricted for a specific purpose.

Governmental Activities

The following table compares fiscal year 2023 and 2022 total Governmental Activities expenses and net revenue (expense) of services:

June 50, 2025 and 2022												
		Expense rvices	% Inc. (Dec.)	Net Re (Expe of Ser	% Inc. (Dec.)							
	2023	2022		2023	2022							
Administration	\$ 1,986	\$ 1,594	25%	(\$1,986)	(\$1,594)	25%						
General government	3,990	3,138	27%	(3,268)	(2,506)	30%						
Legal and judicial	384	359	7%	(384)	(359)	7%						
Public safety	14,355	10,788	33%	(12,119)	(8,531)	42%						
Urban development	342	515	-34%	(342)	(515)	-34%						
Streets	2,856	2,387	20%	(2,561)	(2,006)	28%						
Culture and recreation	1,870	1,660	13%	(1,644)	(1,432)	15%						
Interest on long-term debt	974	844	15%	(974)	(844)	15%						
Total	\$26,757	\$21,285	26%	(\$23,278)	(\$17,787)	31%						

TABLE 3Net Revenue (Expense) of Governmental Activities (In Thousands)June 30, 2023 and 2022

Business-type Activities

The following table compares fiscal year 2023 and 2022 total Business-type Activities expenses and net revenue (expense) of services:

Net Revenue (Expense) of Business-Type Activities (In Tho	usands)
June 30, 2023 and 2022	

		Total Expense of Services					Net Revenue% Inc.(Expense)Dec.of Services					
	:	2023		2022		4	2023	2	2022			
Water	\$	5,096	\$	4,795	6%	\$	254	\$	510	-50%		
Wastewater		5,265		5,320	-1%		(808)		(976)	-17%		
Sanitation		1,024		944	8%		383		399	-4%		
Stormwater		763		801	-5%		91		67	36%		
Golf operations		920		802	15%		(477)		(354)	35%		
Total	\$	13,068	\$	12,662	3%	\$	(557)	\$	(354)	57%		

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2023 fiscal year, the governmental funds reported a combined fund balance of \$31.6 million and \$32.7 million in fiscal years 2023 and 2022, respectively. The enterprise funds reported a combined net position of \$8.4 million and \$7.2 million in fiscal years 2023 and 2022, respectively.

FUND BALANCE/NET POSITION (In thousands of dollars) June 30, 2023 and 2022

Gov	vernmental Funds			Enterprise Funds						
	2023		2022			2023		2022		
Nonspendable	\$ 11	0 \$	126	Net Investment in Capital Assets	\$	12,107	\$	9,075		
Restricted	23,68	5	23,774	Restricted for debt service		615		572		
Assigned	5,94	3	6,613	Unrestricted (deficit)		(4,321)		(2,468)		
Unassigned	1,83	3	2,224							
Total Fund Balance	\$ 31,57	<u>'1 \$</u>	32,737	Total Net Position	\$	8,401	\$	7,179		

Other fund highlights include:

- The General Fund's total fund balance declined somewhat between fiscal years 2023 and 2022 as the total net position decreased by \$770 thousand or 13.0%, due primarily to a decrease in cash and cash equivalents of \$755 thousand. The biggest contributing factor to this change was a year-over-year increase in transfers out of \$912,403, which was not offset by increased revenues as expenses increased and transfers in were decreased.
- The G.O. Bond Construction Fund's total fund balance decreased \$1.1 million or 9.3% due to a decrease of \$1.2 million in cash and cash equivalents, an increase of \$299 thousand in investments, and an \$193 thousand increase in accounts payable related to capital outlay expenses.
- The Sapulpa Municipal Authority Utility enterprise fund increased \$0.7 million or 13.7% due primarily to an \$829 thousand increase in cash and cash equivalents that resulted from capital contributions and transfers in outpacing loss before contributions and transfers (net of operating income and non-operating loss) and transfers out.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the General Fund budget various times. The revised budget included an increase in overall revenue projections of 16.2% or approximately \$4 million, mainly related to increased sales tax collections over original estimates of 20.6% or \$3.2 million.

For budgetary reporting purposes, the General Fund reported revenues less than final estimates by \$817 thousand or 2.8%, while expenditures were less than the final appropriations by \$2.4 million or 7.6%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2023, the City had approximately \$136 million invested in capital assets, net of depreciation, including but not limited to police and fire equipment, buildings, park facilities, water and sewer lines, and other improvements. This represents a net increase of \$8.6 million or 6.7% over the prior year.

	Primary Government Capital Assets (In Thousands) (Net of accumulated depreciation) June 30, 2023 and 2022													
		Govern	ment	al		Busine	ss-Ty	pe						
		Activ	ities			Activ	vities			Total				
		2023 2022				2023		2022	2023			2022		
Land	\$	5,813	\$	5,314	\$	71	\$	71	\$	5,884	\$	5,385		
Intangible water rights		-		-		4,915		4,915		4,915		4,915		
Construction in progress		12,336		9,278		4,853		5,481		17,189		14,759		
Buildings		8,909		8,806		2,022		2,065		10,931		10,871		
Other improvements		1,858		1,537		1,039		223		2,897		1,760		
Utility property		-		-		47,404		46,211		47,404		46,211		
Machinery, furniture and equipment		7,958		7,859		2,083		1,688		10,041		9,547		
Infrastructure		31,607		28,718		5,130		5,238		36,737		33,956		
Other assets - leased equipment		3		5		3		5		6		10		
Totals	\$	68,484	\$	61,517	\$	67,520	\$	65,897	\$	136,004	\$	127,414		

TABLE 5
Primary Government Capital Assets (In Thousands
(Net of accumulated depreciation)
June 30, 2023 and 2022

This year's more significant capital asset additions include:

\$1,990,618 – Canyon Road Project \$1,978,007 - Frankoma Road Sewer Extension \$1.054.220 – Ozark Trail \$831,447 – Golf Course Irrigation System

This year's more significant additions to construction in progress include:

\$2,358,275–117th & 49th West Avenue Intersection \$2,019,040- South Basin #4 \$1,171,929 - Fire Station #3

See Note 3.D. to the financial statements for more detail information on the City's capital assets and changes therein.

Long- Term Debt

The City had \$104.9 million and \$104 million in outstanding debt at the end of fiscal years 2023 and 2022, respectively. Governmental Activities increased by \$3.6 million due to the city continuing to make scheduled debt payments and the issuance of \$6.3 million of Series 2022A G.O. Bonds. Businesstype Activities decreased by \$2.8 million due to the regular retirement of debt and not issuing any significant amounts of debt.

The City's changes in long-term debt by type of debt are as follows (excludes unamortized premiums/discounts and deferred amounts on refunding):

TABLE 6 Primary Government Long-Term Debt (In Thousands) June 30, 2023 and 2022

	Governmental <u>Activities</u>				Busine <u>Acti</u>	ess-T vities		Total			
	<u>2023</u> <u>2022</u>		<u>2022</u>	2023			<u>2022</u>	<u>2023</u>		<u>2022</u>	
Accrued absences	\$ 1,998	\$	1,854	\$	228	\$	201	\$	2,226	\$	2,055
Revenue bonds	3,365		3,870		59,945		62,405		63,310		66,275
Due to depositors	-		-		336		337		336		337
Water contract obligations	-		-		564		605		564		605
Notes payable	282		426		5,513		5,815		5,795		6,241
General obligation bonds	 32,640		28,500		-		-		32,640		28,500
Totals	\$ 38,285	\$	34,650	\$	66,586	\$	69,363	\$	104,871	\$	104,013

See Note 3.F. to the financial statements for more detail information on the City's long-term debt and changes therein.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Even though certain impacts related to the COVID-19 pandemic recovery are ongoing, Sapulpa's economic outlook continues to appear stable.

Total sales tax collections, which are the major revenue for the General Fund, had a 5.5% increase from fiscal year 2021-2022 (\$16,615,424) to fiscal year 2022-2023 (\$17,526,105). A conservative approach was used in projecting sales tax for fiscal year 2023-2024, with sales tax budgeted at \$16,469,357 or 6.0% less than the fiscal year 2022-2023 actual. Total assessed valuation of property went up 13.7% from 2022 to 2023.

The Sapulpa Municipal Authority (SMA) charges for service, which include water, sewer, and refuse revenues, shows a minimal increase of 0.0% for fiscal year 2022-2023 (\$10,806,967) from 2021-2022 actual (\$10,798,902). Revenues for these services for fiscal year 2022-2023 were projected down 3.2%, or \$346,781, lower than fiscal year 2022-2023 actual. This slight decrease reflects a presumption of fairly stagnant charges for service revenue during fiscal year 2022-2023 with overall strong collections.

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 Director's office at 425 E. Dewey, P. O. Box 1130, Sapulpa, Oklahoma 74067-1130 or by phone at (918)248-5911.

City of Sapulpa Statement of Net Position June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 17,251,135	\$ 6,487,358	\$ 23,738,493
Investments	12,140,392	1,874,162	14,014,554
Deposits with insurance pool Internal balances	16,760 1,282,000	- (1,282,000)	16,760
Interest receivable	80,075	(1,202,000)	- 97,751
Accounts receivable, net of allowance	100	859,010	859,110
Franchise tax receivable	49,439	-	49,439
Court fines receivable	408,396	-	408,396
Due from other governments	2,673,193	622,297	3,295,490
Other receivables	167,457	791,895	959,352
Lease receivables	1,335,442	-	1,335,442
Inventory	23,267	100,283	123,550
Prepaid expenses	-	273,333	273,333
Net pension asset Capital assets:	575,936	-	575,936
Land and construction in progress	18,148,394	9,839,665	27,988,059
Other capital assets, net of depreciation/amortization	50,336,114	57,680,991	108,017,105
Total assets	104,488,100	77,264,670	181,752,770
	,,	,,	,,
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	24,825	5,099,101	5,123,926
Deferred amounts related to OPEB	56,902	57,032	113,934
Deferred amounts related to pensions	5,357,086		5,357,086
Total deferred outflows	5,438,813	5,156,133	10,594,946
	2 004 470	COO 004	4 5 44 000
Accounts payable	3,901,172	639,921	4,541,093
Accrued payroll liabilities Accrued interest payable	182,712 248,553	98,267 405,090	280,979 653,643
Due to other governments	2,075	-00,000	2,075
Escrow deposits	49,246	-	49,246
Due to bondholders	2,369	-	2,369
Unearned revenue	294,709	3,243,111	3,537,820
Long-term liabilities:			
Due within one year	2,761,940	2,842,696	5,604,636
Due in more than one year	36,484,478	63,746,484	100,230,962
Net pension liabilities- due in more than one year	13,257,411	-	13,257,411
Total OPEB liability - due in more than one year	766,285	231,427	997,712
Total liabilities	57,950,950	71,206,996	129,157,946
DEFERRED INFLOWS OF RESOURCES Deferred amounts related to Leases	1 200 504		1,280,584
Deferred amounts related to OPEB	1,280,584 568,591	- 220,828	789,419
Deferred amounts related to pensions	415,857	- 220,020	415,857
Total deferred inflows	2,265,032	220,828	2,485,860
	_,,		_,,
NET POSITION			
Net investment in capital assets	45,238,292	12,107,022	57,345,314
Restricted for:			
Debt service	1,701,353	614,848	2,316,201
Streets	4,827,842	-	4,827,842
Public safety	680,906	-	680,906 404 076
Grant projects	404,976	-	404,976
Economic development Enabling legislation - pension	1,850,193 474,158	-	1,850,193 474 158
Water capital projects	4/4,100	- 1,156,454	474,158 1,156,454
Sewer capital projects	-	947,203	947,203
Unrestricted (deficit)	(5,466,789)	(3,832,548)	(9,299,337)
Total net position	\$ 49,710,931	\$ 10,992,979	\$ 60,703,910
·	<u> </u>		

City of Sapulpa Statement of Activities For the Year Ended June 30, 2023

									N	let (Expense) R				let Position
					Pro	gram Revenue	e		Primary Government			t		
					C	perating	Ca	pital Grants						
			Cł	narges for	G	rants and		and	Go	vernmental	Bu	siness-type		
Functions/Programs	E	xpenses	5	Services	Co	ntributions	Co	ontributions		Activities		Activities		Total
Primary government														
Governmental activities:														
Administration	\$	1,986,162	\$	-	\$	-	\$	-	\$	(1,986,162)	\$	-	\$	(1,986,162)
General government		3,990,386		672,603		50,000		-		(3,267,783)		-		(3,267,783)
Legal and judicial		384,032		-		-		-		(384,032)		-		(384,032)
Public safety		14,354,444		855,211		1,352,025		27,651		(12,119,557)		-		(12,119,557)
Urban development		342,047		-		-		-		(342,047)		-		(342,047)
Streets		2,855,614		490		206,262		88,148		(2,560,714)		-		(2,560,714)
Culture and recreation		1,870,302		210,901		14,744		997		(1,643,660)		-		(1,643,660)
Interest on long-term debt		974,376		-		-		-		(974,376)		-		(974,376)
Total governmental activities		26,757,363		1,739,205		1,623,031		116,796		(23,278,331)		-		(23,278,331)
Business-type activities														
Water		5,096,122		5,167,352		-		182,579		-		253,809		253,809
Wastewater		5,265,285		4,457,868		-		-		-		(807,417)		(807,417)
Sanitation		1,023,571		1,406,268		-		-		-		382,697		382,697
Stormwater		763,193		854,070		-		-		-		90,877		90,877
Golf operations		919,735		442,399		-		-		-		(477,336)		(477,336)
Total business-type activities	-	13,067,906		12,327,957		-		182,579		-		(557,370)		(557,370)
Total primary government	\$	39,825,269	\$	14,067,162	\$	1,623,031	\$	299,375	\$	(23,278,331)	\$	(557,370)	\$	(23,835,701)
	Gener	ral revenues:												
	Tax	es:												
	S	ales and use t	axes						\$	19,759,929	\$	-	\$	19,759,929
	Р	roperty taxes								2,902,731		-		2,902,731
	F	ranchise and p	oublic	service taxes						864,026		-		864,026
	Р	ayment in lieu	of tax	(242,357		-		242,357
	н	lotel/motel taxe	es							259,770		-		259,770
	Та	ax apportionme	ent rev	venue						1,853,812		-		1,853,812
	E	-911 taxes								331,701		-		331,701
	Inte	ergovernmental	reven	ue not restrict	ed to s	pecific program	าร			341,423		-		341,423
	Inve	estment income	е							205,722		102,250		307,972
	Mis	cellaneous								-		154,134		154,134
	Trans	fers - Internal a	activity	/						(2,287,196)		2,287,196		-
		Total general	reveni	ies and transf	ers					24,474,275		2,543,580		27,017,855
		Change in n								1,195,944		1,986,210		3,182,154
	Net po	Change in n osition - beginr	net pos							1,195,944 48,514,987		1,986,210 9,006,769		3,182,154 57,521,756

City of Sapulpa Balance Sheet Governmental Funds June 30, 2023

	Ge	neral Fund		G.O. Bond onstruction Fund	Go	Other overnmental Funds	Go	Total vernmental Funds
ASSETS	•		•	5 4 40 05 4	•	10.010.100	•	10.070.171
Cash and cash equivalents	\$	986,991	\$	5,142,054	\$	12,849,126	\$	18,978,171
Investments		1,552,433		6,831,064		3,978,214		12,361,711
Deposits with insurance pool		16,760		-		-		16,760
Deposits with fiscal agent		-		-		188		188
Accrued interest receivable		1,903		49,309		31,036		82,248
Due from other funds		1,382,000		-		-		1,382,000
Due from other governments		1,317,006		-		1,944,656		3,261,662
Franchise tax receivable		49,439		-		-		49,439
Court fines receivable		389,036		-		19,360		408,396
Other receivables		140,790		-		31,485		172,275
Lease receivables		1,335,442		-		-		1,335,442
Inventory		-		-		106,314		106,314
Total assets	\$	7,171,800	\$	12,022,427	\$	18,960,379	\$	38,154,606
Accounts payable Accrued payroll liabilities Due to other funds Due to other governments Escrow deposit Refundable court bonds Unearned revenue Total liabilities	\$	241,484 108,988 - 3,473 49,246 2,369 - 405,560	\$	1,271,585 - - - - - - - - - - - - - - - - - -	\$	2,396,884 97,568 150,000 200 - - 271,439 2,916,091	\$	3,909,953 206,556 150,000 3,673 49,246 2,369 271,439 4,593,236
DEFERRED INFLOW OF RESOURCES								
Unavailable revenue		354,096		28,372		327,059		709,527
Leases		1,280,584		-		-		1,280,584
Total deferred inflow of resources		1,634,680		28,372		327,059		1,990,111
Fund balances:						100 701		100 701
Non-spendable		-		-		109,721		109,721
Restricted		-		10,722,470		12,962,630		23,685,100
Assigned		3,106,823		-		2,836,286		5,943,109
Unassigned		2,024,737		-		(191,408)		1,833,329
Total fund balances		5,131,560		10,722,470		15,717,229		31,571,259
Total liabilities, deferred inflows and fund balances	\$	7,171,800	\$	12,022,427	\$	18,960,379	\$	38,154,606

City of Sapulpa Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2023

Fund Balance - Net Position Reconciliation:	\$	31,571,259
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation/amortization of \$36,295,247		68,484,508
Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance costs, to individual funds. The assets and liabilities of these internal service funds are reported in the governmental activities of the Statement of Net Position: Internal service funds' net position	9	52,043
Certain special revenue funds are used by management to perform business-type activities. The assets and liabilities of these special revenue funds are included in business-type activities in the Statement of Net Position:		
Water & sewer sales tax fund		(412,838)
Water resources fund		(1,221,387)
Sewer plant sales tax fund		(958,045)
		(2,592,270)
Other long-term assets and deferred outflows are not available to pay for current period expenditures and therefore are deferred or not reported in the funds:		
Net pension asset		575,936
Pension related deferred outflows of resources		5,357,086
Deferred amount on general obligation bond refunding		24,825
Unavailable revenue		670,002
OPEB related deferred outflows of resources		56,902 6,684,751
		0,004,701
Certain long-term liabilities are not due and payable from current financial resources and they, along		
with certain deferred inflows, are not reported in the funds:		
Accrued interest payable		(234,798)
Capital notes payable obligation		(252,593)
Notes payable		(29,039)
Revenue bonds General obligation bond		(3,365,000) (32,640,000)
Unamortized premium on general obligation bonds		(958,152)
Lease liability		(3,422)
Net pension liability		(13,257,411)
OPEB related deferred inflows of resources		(568,591)
Pension related deferred inflows of resources		(415,857)
Total OPEB liability		(766,285)
Accrued compensated absences		(1,998,212)
		(54,489,360)
Net Position of Governmental Activities in the Statement of Net Position	\$	49,710,931

City of Sapulpa Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2023

	Ge	General Fund		G.O. Bond Construction Fund		Other overnmental Funds	Total Governmental Funds		
REVENUES	•		•		•		•		
Taxes	\$	11,094,423	\$	-	\$	14,810,401	\$	25,904,824	
Intergovernmental		1,804,779		-		254,910		2,059,689	
Charges for services		788,435		-		507,122		1,295,557	
Fines and forfeitures		275,617		-		16,704		292,321	
Licenses and permits		408,979				-		408,979	
Investment income		38,922		74,500		100,896		214,318	
Miscellaneous		322,918		9,132		175,950		508,000	
Total revenues		14,734,073		83,632		15,865,983		30,683,688	
EXPENDITURES									
Current:		0.040.750						0 0 40 750	
Administration		2,242,756		-		-		2,242,756	
General government		926,839		149,170		624,103		1,700,112	
Legal and judicial		355,699		-		-		355,699	
Public safety		12,409,180		-		747,134		13,156,314	
Urban development		156,737		-		205,477		362,214	
Streets				-		1,174,071		1,174,071	
Culture and recreation		568,954		230,400		1,093,735		1,893,089	
Water		-		-		1,408,361		1,408,361	
Wastewater		-				32,518		32,518	
Capital Outlay		142,875		7,109,172		5,977,489		13,229,536	
Debt Service:									
Principal		20,972		-		2,788,397		2,809,369	
Interest		2,284		-		885,000		887,284	
Total expenditures		16,826,296		7,488,742		14,936,285		39,251,323	
Excess (deficiency) of revenues over									
expenditures		(2,092,223)		(7,405,110)		929,698		(8,567,635)	
OTHER FINANCING SOURCES (USES)									
Transfers in		5,771,968		-		3,975,559		9,747,527	
Transfers out		(4,449,273)		-		(4,278,634)		(8,727,907)	
Proceeds from long-term debt		-		6,300,000		-		6,300,000	
Bond premium		-		-		81,895		81,895	
Total other financing sources (uses)		1,322,695		6,300,000		(221,180)		7,401,515	
Net change in fund balances		(769,528)		(1,105,110)		708,518		(1,166,120)	
Fund balances - beginning		5,901,088		11,827,580		15,008,711		32,737,379	
Fund balances - ending	\$	5,131,560	\$	10,722,470	\$	15,717,229	\$	31,571,259	
. and salahood onding	Ψ	5,151,000	Ψ	10,122,410	Ψ	10,111,229	Ψ	01,071,209	

City of Sapulpa

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, 2023

Changes in Fund Balance - Changes in Net Position Reconciliation:	\$	(1,166,120)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		9,700,081
Land acquisitions		378,980
Book value of disposed capital assets		(302,110)
Capital assets transferred to business-type activities Depreciation/amortization expense		(244,881) (2,564,167)
Deprediatoryamonization expense		6,967,903
Governmental funds report bond issuance costs as expenditures while governmental activities report amortization expense to allocate those expenditures over the term of the bonds:		
Amortization expense		(1,685)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Change in unavailable revenue		(47,168)
In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as pension expenditures. This amount represents the difference between pension contributions and calculated pension expense.		14,376
Certain special revenue funds are used by management to perform business-type activities. The net change in fund balances of these special revenue funds are included in business- type activities in the Statement of Net Position:		
Water & Sewer Sales Tax Fund		74,520
Water Resources Fund		(414,739)
Sewer Plant Sales Tax Fund		(423,901) (764,120)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		(101,120)
Principal payment on capital notes payable obligation		115,615
Principal payment on G.O. bonds payable		2,160,000
Principal payment on Revenue bonds payable Principal payment on notes payable		505,000 28,754
Bond refunding amortization		(12,945)
Bond premium amortization		83,318
Bond premium received Proceeds from general obligation bonds		(81,894) (6,300,000)
r roceeds non general obligation bonds		(3,502,152)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Change in accrued interest payable		(157,825)
Change in total OPEB liability Change in accrued compensated absences		949 (144,071)
Change in lease liability		3,343
	_	(297,604)
Internal service fund activity is reported as a proprietary fund in the fund financial statements, but certain net revenues are reported in governmental activities on the Statement of Activities:		
Change in net position for internal service funds		(7,486)
Change in net position of governmental activities	\$	1,195,944

City of Sapulpa Statement of Net Position Proprietary Funds June 30, 2023

		Enternaise Eurode		
		Enterprise Funds Non-major		
		Golf Course		Internal Service
	SMA Utility Fund	Fund	Total	Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,046,570	\$ 572,866	\$ 3,619,436	\$ 51,989
Restricted cash and cash equivalents	1,088,709	-	1,088,709	-
Investments	1,364,922	-	1,364,922	-
Interest receivable	15,503	-	15,503	-
Accounts receivable, net	856,888	2,122	859,010	-
Other receivables	788,721	-	788,721	54
Inventory		17,236	17,236	-
Total current assets	7,161,313	592,224	7,753,537	52,043
Non-current assets:				
Restricted investments	287,921	-	287,921	-
Prepaid bond insurance	273,333	-	273,333	
Capital assets:				
Land and other non-depreciable assets	9,691,365	148,300	9,839,665	-
Other capital assets, net of depreciation	56,182,392	1,495,231	57,677,623	-
Lease assets	3,368	-	3,368	-
Total non-current assets	66,438,379	1,643,531	68,081,910	-
Total assets	73,599,692	2,235,755	75,835,447	52,043
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	52,764	4,268	57,032	-
Deferred amount on refunding	5,099,101	-	5,099,101	-
Total deferred outflows	5,151,865	4,268	5,156,133	-
LIABILITIES				
Current liabilities:				
Accounts payable	532,619	60,589	593,208	_
Accrued payroll liabilities	55,999	20,028	76,027	-
Due to other funds	1,232,000	20,020	1,232,000	-
Accrued interest payable	405,090		405,090	
Unearned revenue	3,236,678	6,433	3,243,111	
Due to depositors	67,168	0,400	67,168	
Notes payable	230,000	_	230,000	_
Capital lease obligation payable	1,658		1,658	
Water contract obligations	41,816	-	41,816	
Revenue bonds payable	2,480,000		2,480,000	
Accrued compensated absences	16,684	5,370	22,054	
Total current liabilities	8,299,712	92,420	8,392,132	
Non-current liabilities:	0,200,112		0,002,102	·
Due to depositors	268,671	-	268,671	
Notes payable	5,282,713		5,282,713	
Water contract obligations	522,496		522,496	
Revenue bonds payable, net	57,465,001		57,465,001	
Lease liability	1,764		1,764	
Accrued compensated absences	157,505	48,334	205,839	
Total OPEB liability	195,427	36,000	231,427	
Total non-current liabilities	63,893,577	84,334	63,977,911	
Total liabilities	72,193,289	176,754	72,370,043	
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB	146,661	74,167	220,828	-
NET POSITION				
Net investment in capital assets	10,463,491	1,643,531	12,107,022	-
Restricted for debt service	614,848		614,848	-
Unrestricted (deficit)	(4,666,732)	345,571	(4,321,161)	52,043
Total net position	\$ 6,411,607	\$ 1,989,102	\$ 8,400,709	\$ 52,043

Amounts reported for business-type activities in the Statement of Net Position are different because:

Certain special revenue funds are used by management to perform business-type activities. The assets and liabilities of certain special revenue funds are included in the business-type activities in the Statement of Net Position.

Net Position of business-type activities

See accompanying notes to the basic financial statements.

2,592,270

10,992,979

\$

City of Sapulpa Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For the Year Ended June 30, 2023

		Enterprise Funds		
		Non-major		
	SMA Utility Fund	Golf Course Fund	Total	Internal Service Fund
REVENUES				
Water charges	\$ 4,799,047	\$ -	\$ 4,799,047	\$-
Sewer charges	4,413,768	Ψ -	4,413,768	φ -
Sanitation	1,274,604	-	1,274,604	-
Water taps	44,500	-	44,500	-
Sewer taps	35,235	-	35,235	-
Late charges	188,789	-	188,789	-
Recycling center	905	-	905	-
Trucked water	130,759	-	130,759	-
Stormwater	854,070	-	854,070	-
Golf course	-	441,120	441,120	-
Self insurance charges	-	-	-	2,822,996
Miscellaneous	135,016	1,279	136,295	-
Total operating revenues	11,876,693	442,399	12,319,092	2,822,996
OPERATING EXPENSES				
General government	226,825	-	226,825	-
Administration	214,185	-	214,185	-
Utility collections	484,915	-	484,915	-
Water treatment plant	2,342,701	-	2,342,701	-
Industrial pretreatment	1,992,680	-	1,992,680	-
Wastewater treatment plant	1,185,576	-	1,185,576	-
Stormwater management	460,148	-	460,148	-
Sanitation	905,134	-	905,134	-
Golf course operations	-	808,351	808,351	-
Depreciation/amortization expense	2,173,732	111,384	2,285,116	-
Claims expense	-	-	-	2,830,786
Total operating expenses Operating income (loss)	9,985,896 1,890,797	919,735 (477,336)	10,905,631 1,413,461	2,830,786 (7,790)
	.,	(111,000)	.,	(1,100)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	88,719	2,478	91,197	304
Miscellaneous	157,283	2,470	157,283	-00
Gain (loss) on disposal of capital assets	(19,154)	(2,791)	(21,945)	-
Transfer capital assets to governmental activities	(63,539)	(_, ,	(63,539)	-
Interest expense and fiscal charges	(2,756,771)	-	(2,756,771)	-
Total non-operating revenue (expenses)	(2,593,462)	(313)	(2,593,775)	304
Income (loss) before contributions and transfers	(702,665)	(477,649)	(1,180,314)	(7,486)
Capital contributions	2,887,803	534,221	3,422,024	-
Transfers in	7,488,036	395,000	7,883,036	-
Transfers out	(8,902,656)	-	(8,902,656)	-
Change in net position	770,518	451,572	1,222,090	(7,486)
Total net position - beginning	5,641,089	1,537,530	7,178,619	59,529
Total net position - ending	\$ 6,411,607	\$ 1,989,102	\$ 8,400,709	\$ 52,043
Change in net position			\$ 1,222,090	
Amounts reported for business-type activities in the different because:	e Statement of Activities	are		
Certain special revenue funds are used by manage	ement to perform			
business-type activities. The activities of these s				
are included in the business-type activities in the				
Water & sewer sales tax fund			(74,520)	
Water resources fund			414.739	

Water & sewer sales tax fund(74,520)Water resources fund414,739Sewer plant sales tax fund423,901Change in net position of the business-type activities\$ 1,986,210

See accompanying notes to the basic financial statements.

City of Sapulpa Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2023

	5	MA Utility Fund	 Golf Course Fund		Total Enterprise Funds		Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$	15,250,492	\$ 446,711	\$	15,697,203	\$	-
Payments to suppliers		(5,501,343)	(226,907)		(5,728,250)		(2,830,786)
Payments to employees		(2,504,791)	(533,040)		(3,037,831)		-
Receipts of customer meter deposits		104,992	-		104,992		-
Refunds of customer meter deposits		(105,851)	-		(105,851)		-
Receipts from others		-	 -		-		2,822,996
Net cash provided by (used in) operating activities		7,243,499	 (313,236)		6,930,263		(7,790)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds		7,488,036	395,000		7,883,036		-
Transfers to other funds		(8,902,656)	-		(8,902,656)		-
Net cash provided by (used in) noncapital financing activities		(1,414,620)	 395,000		(1,019,620)		-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchases of capital assets		(576,000)	-		(576,000)		-
Proceeds from sale of capital assets		4,760	-		4,760		-
Principal paid on capital debt		(2,803,784)	-		(2,803,784)		-
Interest and fiscal agent fees paid on capital debt		(1,656,250)	 -		(1,656,250)		-
Net cash provided by (used in) capital and related financing activities		(5,031,274)	 -		(5,031,274)		-
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (purchase) of investments		(9,075)	-		(9,075)		-
Interest and dividends		75,385	2,478		77,863		304
Net cash provided by investing activities		66,310	 2,478		68,788		304
Net increase (decrease) in cash and cash equivalents		863,915	84,242		948,157		(7,486)
Balances - beginning of year		3,271,364	 488,624		3,759,988		59,475
Balances - end of year	\$	4,135,279	\$ 572,866	\$	4,708,145	\$	51,989
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$	3,046,570	\$ 572,866	\$	3,619,436	\$	51,989
Restricted cash and cash equivalents - current		1,088,709	 -		1,088,709		-
Total cash and cash equivalents, end of year	\$	4,135,279	\$ 572,866	\$	4,708,145	\$	51,989
						(Co	ntinued)

See accompanying notes to the financial statements.

City of Sapulpa Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2023

	SI	MA Utility Fund	 Golf Course Fund	E	Total nterprise Funds	S	ternal ervice unds
Reconciliation of operating income (loss) to net cash provi	ded						
by (used in) operating activities:							
Operating income (loss)	\$	1.890.797	\$ (477,336)	\$	1,413,461	\$	(7,790)
Adjustments to reconcile operating income (loss) to net cash provided by	•	,,	(,,		, ., .		())
(used in) operating activities:							
Depreciation/amortization expense		2,173,732	111,384		2,285,116		-
Miscellaneous income		157,283	-		157,283		-
Change in assets, liabilities and deferrals:							
Total OPEB liability		27,894	4,304		32,198		-
Net inflows related to OPEB		(24,110)	(12,522)		(36,632)		
Accounts receivable		16,874	1,052		17,926		-
Other receivables		(37,036)	-		(37,036)		-
Accounts payable		(216,756)	41,723		(175,033)		-
Accrued payroll payable		3,075	4,390		7,465		-
Unearned revenue		3,236,678	3,260		3,239,938		-
Deposits subject to refund		(859)	-		(859)		-
Accrued compensated absences		15,927	 10,509		26,436		-
Net cash provided by (used in) operating activities	\$	7,243,499	\$ (313,236)	\$	6,930,263	\$	(7,790)
Noncash activities:							
Contributed capital assets	\$	2,887,803	\$ 534,221	\$	3,422,024	\$	-

See accompanying notes to the basic financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1.A. FINANCIAL REPORTING ENTITY

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

Primary Government:	City of Sapulpa
Component Units:	Sapulpa Municipal Authority
	Sapulpa Development Authority

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement (GASB) No. 14, *The Financial Reporting Entity*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, and includes all component units of which the City is fiscally accountable.

The component units listed above are Public Trusts established pursuant to Title 60 of Oklahoma State law. A Public Trust (Authority) has no taxing power. The Authority is 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 Authority generally retains title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, the City has provided through agreement certain existing assets at the creation of the Authority to the Trustees on a long-term basis. The City, as beneficiary of the Public Trust, receives title to any residual assets when a Public Trust is dissolved.

BLENDED COMPONENT UNITS

A blended component unit is a separate legal entity that meets the component unit criteria in the standards listed above. The Sapulpa Municipal Authority, a blended component unit is included since 1) the City can impose its will by authorization of debt issuances; 2) the governing body is the same as the City Council; and 3) management of the Trust and the City are the same. The component unit's funds are blended into those of the City's by appropriate fund category to comprise the primary government presentation. The Sapulpa Development Authority is blended for the same reasons.

The component units that are blended into the primary government's fund categories are:

Component Unit	Brief Description/Inclusion Criteria	Included Funds
Sapulpa Municipal Authority	Created February 19, 1968, to finance, develop and operate the water, wastewater, solid waste, and golf activities of the City. Current City Council serves as the entire governing body (Trustees). Debt issued by the Authority requires 2/3rds approval of the City Council, while management of the City and Trust is the same.	SMA Utility and SMA Golf Course Enterprise Funds

Sapulpa Development Authority Created September 21, 2009 to promote the development of business and industry within and without the city limits and to provide additional employment and commerce that will benefit and strengthen the economy of the City. Current City Council serves as the entire governing body (Trustees). Debt issued by the Authority requires 2/3rds approval of the City Council, while management of the City and Trust is the same. Sapulpa Development Authority Fund -Special Revenue Fund

1.B. BASIS OF PRESENTATION

Government-Wide Financial Statements:

The statement of net position and statement of activities display information about the City as a whole including component units. They include all financial activities of the reporting entity. Eliminations have been made to minimize the double reporting of transactions involving internal activities. Individual funds are not displayed in these statements. Instead, 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.

The statement of activities presents a comparison between the expenses and program revenues directly associated with the different governmental functions and business-type activities to arrive at the net revenue or expense of the function or activity prior to the use of taxes and other general revenues. Program revenues include (1) fees, fines, and service charges generated by the program or activity, (2) operating grants and contributions that are restricted to meeting the operational requirements of the program or activity, and (3) capital grants and contributions that are restricted to meeting the capital requirements of the program or activity.

Fund Financial Statements:

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

- a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, 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) and (b), but for which management has determined is of such significance to be reported as a major fund.

All remaining governmental and enterprise funds not meeting the above criteria are aggregated and reported as nonmajor funds. The funds of the financial reporting entity are described below:

GOVERNMENTAL FUNDS

General Fund (Major Fund)

The General Fund is the primary operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund. Included or combined with the General Fund are the following accounts that, in addition to the General Fund, comprise the total presentation of the General Fund:

Fund	Description
Hunting & Fishing Account	Accounts for revenues from hunting and fishing fees and other sources and expenditures made there from.
Library Account	Accounts for revenues received from sales tax (2.5% of the second and third penny), grants, fines and other sources for library maintenance and operations.
Swimming Pool	Accounts for revenues received from donations and charges for services for swimming pool expenditures.
Stabilization Account	Accounts for reserves to be used to mitigate instability due to the disruption of revenue which prevent normal operations of the City, or to provide funds in case of emergency declarations.
Major Fund	
Fund	Description
G.O. Bond Construction Fund	Accounts for the financing and construction of specified capital

Special Revenue Funds (Nonmajor Funds)

(Major Capital Project Fund)

Other

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

improvements.

Fund	Description
Cemetery Maintenance Fund	Accounts for revenues received from sales tax (2.5% of the second and third penny), lot sales and charges for interment to be used for maintenance and operations of the cemetery. Additional monies are transferred into this fund for right-of-way mowing operations.
Street & Alley Fund	Accounts for revenues received from gasoline excise tax, motor vehicle tax, and expenditures made for street maintenance and operations.

Parks & Recreation Fund	Accounts for revenues received from sales tax (5% of the second and third penny) and from other sources to be used for parks and leisure services.
Federal SAF Fund	Accounts for monies received from federal drug seizures. All monies and property received must be used for law enforcement purposes only.
Major Thoroughfare Fund	Accounts for revenue received from sales tax (5% of the second and third penny) and expenditures for major thoroughfares.
Water & Sewer Sales Tax Fund	Accounts for revenues received from sales tax (10% of the second and third penny) and expenditures made for maintenance, operations, and capital outlay.
Spay & Neuter Fund	Accounts for monies received for and expenditures related to spaying and neutering.
E911 Fund	Accounts for revenues received from tariff rates on base line telephone charges and expenditures for operations and maintenance of the E-911 system.
Juvenile Justice Fund	Accounts for revenues received and expenditures related to the municipal juvenile court and/or any juvenile programs.
Hotel/Motel Tax Fund	Accounts for revenues received from Hotel/Motel Tax and expenditures for operations of the Sapulpa Economic Development Department, promoting tourism, and park capital improvements.
Sapulpa Development Authority	Accounts for expenditures for economic development capital outlay.
Polson Apportionment Fund	Accounts for all apportioned ad valorem tax levies within the Polson Industrial Park Increment District and payment of project costs with the same.
Grants & Aid Fund	Accounts for revenue received and expenditures made for all grant projects, except for library grants and aid.

Capital Project Fund (Nonmajor Funds)

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

Fund	Description
Restricted Construction Park & Recreation Fund	Accounts for revenue received and expenditures made exclusively for the acquisition of new park lands and/or capital and maintenance improvements of such new parks.
Park Development Fund	Accounts for revenue received from the Hotel/Motel Tax fund and expenditures for the acquisition of new park lands and/or making capital improvements to parks.

Fire Cash Fund	Accounts for revenue received from sales tax (2.5% of the second and third penny) and for expenditures for capital improvements.
Police Cash Fund	Accounts for revenue received from sales tax (2.5% of the second and third penny) and for expenditures for capital improvements.
Cemetery Care Fund	Accounts for revenues received from 12.5% of cemetery lot sales and interments. Per state statute, the principal can only be used for the purchase of land and for making permanent capital improvements. The interest can be used for improving, caring for and embellishing lots, walks, drives, parks and other improvements in such cemeteries, and maintenance of office and care of records.
Capital Improvement Fund	Accounts for revenues received from sales tax (10% of the second and third penny) and other sources and expenditures for capital improvements in an amount of \$7,500 or greater in value with an estimated life of three years or more.
Water Resources Fund	Accounts for revenues received from sales tax (20% of the second and third penny) and expenditures made for water systems capital improvements.
Economic Development Sales Tax	Accounts for revenues received from ½ cent dedicated sales tax (only effective for the portion of Sapulpa in Tulsa County) for the promotion of economic development.
Street Improvement Sales Tax	Accounts for revenues received from ½ cent dedicated sales tax, transfers made to the SMA for debt service payments, and expenditures made for capital outlay.
Sewer Plant Sales Tax	Accounts for revenues received from ¹ / ₂ cent dedicated sales tax, transfers made to the SMA for debt service payments, and expenditures made for capital outlay.
Series 2014 Street Capital Improvement Fund	Accounts for the use of bond proceeds from the Series 2014 Street Capital Improvement bonds.
Article X, Section 35	Accounts for GO Bond Proceeds issued from Article X, Section 35 of the Oklahoma Constitution for the funding of economic development purposes within or near the City.

Debt Service Fund (Nonmajor Fund)

The Debt Service Fund is used to account for ad-valorem taxes levied by the City for use in retiring court-assessed judgments and general obligation bonds and their related interest expense. In State Statutes this fund is referred to as the Sinking Fund.

PROPRIETARY FUNDS

Proprietary funds include both enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-like activities provided and charged to other funds or entities within the reporting entity. 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 and internal service fund:

CITY OF SAPULPA NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2023

Enterprise Funds	
Enterprise i unus	

Major Fund	Description
Sapulpa Municipal Authority Utility	Accounts for revenues of the public trust from providing water, wastewater, and sanitation services to the public. Included accounts of the SMA:
Sewer System Development & Extension Fee Account	Accounts for revenues received from sewer system development and extension fees associated with the sewer expansion program, related expenses, and to account for funds being placed in escrow which are received from developers.
Stormwater Management Account	Accounts for revenues received from stormwater management fees and expenses made for stormwater maintenance and operations.
Nonmajor Fund	
SMA Golf Course Fund	Accounts for revenues received from fees and operational expenses associated with the golf course.
Internal Service Fund	
Insurance Fund	Accounts for revenues and expenses of insurance costs for employees with the City, including police and fire retirees.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

Government-wide and Proprietary Fund Financial Statements

In the government-wide Statement of Net Position and the Statement of Activities, and the proprietary fund statements, the "*economic resources*" measurement focus is applied. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Fund equity is classified as net position.

Governmental Fund Financial Statements

In the governmental fund financial statements, a "*current financial resources*" measurement focus is applied. Under this focus, only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

Basis of Accounting

Government-wide and Proprietary Fund Financial Statements

In the government-wide Statement of Net Position and Statement of Activities, and the proprietary fund financial statements, the accrual basis of accounting is applied. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental Fund Financial Statements

In the governmental fund financial statements, the modified accrual basis of accounting is applied. 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 to pay current liabilities. The City has defined "available" as collected within 60 days after year end. Sales and use taxes, franchise taxes, hotel/motel taxes, court fines, and interest are considered susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general long-term debt principal and interest, claims and judgments, and accrued compensated absences, which are recorded as expenditures to the extent they have matured. Proceeds of general long-term debt, bond premiums, and capital notes payable are reported as other financial sources.

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

Cash and Cash Equivalents

Cash and cash equivalents include all demand and savings accounts, and certificates of deposit, or short-term investments with an original maturity of three months or less. Investments in open-ended mutual funds held in the trustee accounts are considered cash equivalents.

Investments

Investments consist of certificates of deposit whose original maturity term exceeds three months and certain U.S. Government securities. Investments that do not have an established market are reported at estimated fair value as estimated by a broker/dealer. The U.S. Government securities are reported at fair value. All non-negotiable certificates of deposit whose original maturity term exceeds three months are carried at cost.

Receivables

Material receivables in governmental funds and governmental activities include revenue accruals such as sales tax, franchise tax, lease receivables, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Revenue from non-exchange transactions collectible but not available are deferred in accordance with GASB Statement 33 at the fund level.

Proprietary funds and business-type activities material receivables consist of all revenues earned at year-end and not yet received. Billed and unbilled utility accounts receivable comprise the majority of these receivables. They are reported net of allowances for uncollectible accounts.

Inventories

Inventory recorded in governmental funds and governmental activities is valued at average cost and consists of material and supplies used for vehicle maintenance and office and janitorial activities. The cost is allocated to the various user departments based upon their consumption. The consumption method of accounting treatment is utilized by the City's governmental funds.

Special reporting treatments are applied to governmental fund inventories to indicate that they do not represent available spendable resources even though they are a component of current assets. Such amounts are generally offset by fund balance nonspendable accounts.

Proprietary fund and business-type activities inventories are recorded on an average cost basis. Inventory of the enterprise funds consists of materials and supplies used for golf.

Capital Assets and Depreciation

The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the governmentwide or fund financial statements.

Government-Wide Statements and Proprietary Funds

In the government-wide financial statements and proprietary funds, property, plant and equipment are accounted for as capital assets. The City's capitalization threshold was increased through Resolution from \$2,000 to \$10,000 for the period beginning July 1, 2022, and this increase impacts new capital assets only from this point forward. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets (such as roads, bridges, and traffic systems) acquired prior to July 1, 2002, are reported at estimated historical cost using deflated replacement costs. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the asset or materially extend the assets' useful lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an operating expense in proprietary fund financial statements and an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Buildings	25 - 50 years
Other Improvements	5 - 50 years
Infrastructure	25-100 years
Machinery and Equipment	3 - 20 years
Utility System	25 - 50 years

In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures.

Intangible leased assets are amortized over the life of the associated contract.

Restricted Assets

Restricted assets include current and noncurrent assets of enterprise funds and business-type activities that are legally restricted as to their use. The primary restricted assets are related to 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 the measurement focus applied, and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental activities, business-type activities, and proprietary funds are reported as liabilities as incurred. The long-term debt presently is primarily comprised of general obligation bonds, notes payable, judgments payable, water contract obligations, revenue bonds payable, leases, net pension liability, and accrued compensated absences. This long-term debt is reported net of unamortized discounts and premiums.

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 payments of principal and interest are reported as expenditures.

Pensions

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

Compensated Absences

The City's policies regarding vacation, sick, and compensatory time permit employees to accumulate varying amounts as determined by management and contracts with employee groups.

Compensated absences are reported as accrued in the government-wide and proprietary fund financial statements. Governmental funds report only the matured compensated absences payable to currently terminating employees.

Equity Classification

Government-Wide and Proprietary Fund Financial Statements:

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

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

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

Governmental Fund Financial Statements:

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

- a. Nonspendable includes amounts that cannot be spent because they are either (a) not in spendable form or
 (b) legally or contractually required to be maintained intact.
- b. Restricted consists of fund balance with constraints placed on the use of resources either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation.
- c. Committed includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance.
- d. Assigned includes amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor 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 balance classifications could be used.

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

1.E. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

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

Government-Wide Financial Statements:

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

- 1. Internal balances amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
- 2. Internal activities amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers Internal Activities. The effect of interfund services between funds are not eliminated in the statement of activities.

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.

1.F. REVENUES, EXPENDITURES AND EXPENSES

Sales Tax

The City presently levies a four 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. One cent of the sales tax received is to be recorded as sales tax revenue within the General Fund, one-half cent in the Street Improvement Sales Tax Fund, one-half cent in the Sewer Plant Sales Tax Fund, one-half cent in the Economic Sales Tax Fund (only effective for the portion of Sapulpa in Tulsa County), and the remaining two cents distributed to various funds based on various percentages.

These percentages, initially set by ordinance, have been further restricted by management and governing body approval as follows:

General Fund	40.00%
Cemetery Maintenance Fund	2.50%
Library Fund	2.50%
Parks & Recreation Fund	5.00%
Fire Cash Fund	2.50%
Police Cash Fund	2.50%
Major Thoroughfare Fund	5.00%
Capital Improvement Fund	10.00%
Water & Sewer Sales Tax Fund	10.00%
Water Resources Fund	20.00%
Total	<u>100.00%</u>

In accordance with the 2020 sales tax agreements of their respective bond indentures, sales tax has been pledged for the payment of principal and interest on the indebtedness. The 2020 revenue bond indentures state that 40% of two cents of the sales tax levied and assessed pursuant to the City's ordinances is pledged for the payment of those debt issues. In addition, ½ of one cent recorded in the Street Improvement Sales Tax Fund has been pledged for payment on the 2014 Capital Improvement Revenue Bonds.

Sales tax resulting from sales occurring prior to year-end and received by the City after year-end have been accrued and are included under the caption *Due from Other Governments* because they represent taxes on sales occurring during the reporting period.

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, in addition to dedicated sales tax, to fund the annual debt service requirements of the following general obligation bonds:

General Obligation Bonds

2012B Refunding General Obligation Bonds 2015 General Obligation Bonds 2015A General Obligation Bonds 2016A General Obligation Bonds 2019 Refunding General Obligation Bonds 2020A General Obligation Bonds 2020B General Obligation Bonds 2021A General Obligation Bonds 2022A 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.

For the year ended June 30, 2023, the City's net assessed valuation of taxable property was \$186,158,826. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2023, was \$15.32.

Expenditures/Expenses

In the government-wide statement of activities, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In proprietary fund financial statements, expenses are reported by object or activity.

1.G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. DEPOSITS AND INVESTMENT 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, 2023.

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

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U. S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper, and repurchase agreements with certain limitations.
- 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., d., and e.

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.

2.B. DEBT RESTRICTIONS AND COVENANTS

General Obligation Debt

Article 10, Sections 26 and 27 of the Oklahoma Constitution limits the amount of certain 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, 2023, 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.

Revenue Bond Debt

The bond indentures relating to the revenue bond issues of the Sapulpa Municipal Authority contain a number of restrictions or covenants that are financial related. These include covenants such as a required flow of funds through special accounts, debt service coverage requirements and required reserve account balances.

The following schedule presents a brief summary of the most significant requirements and the Authority's level of compliance, thereon, as of June 30, 2023:

Requirement	Level of Compliance
 a. Flow of Funds 2020 Refunding Utility System Revenue Bonds: - Revenue Fund - Bond Fund 	The Authority maintained all required accounts and made the required payments into such accounts.
 b. Revenue Bond Coverage: Net operating revenue plus transferred sales tax must equal 1.25 times avg. annual debt service on the 2020 Refunding Utility System Revenue Bonds. 	Net revenues available amounted to \$9,137,021. The avg. annual debt service was \$3,933,766. Actual coverage was 2.32 times.
 c. Insurance Guarantee Requirements: 2020 Refunding Utility System Revenue Bonds required a municipal bond insurance policy to guarantee the scheduled debt payments. 	The Authority paid the required bond insurance premium of \$318,446 as previously required.

2.C. FUND EQUITY / NET POSITION RESTRICTIONS

Restricted Net position

Restricted net position at the government-wide financial statements are required to restrict funds in accordance with various laws and regulations, specifically those laws and regulations dealing with debt service and the use of restricted revenues. See Note 3.J. for details of restricted net position.

2.D. BUDGETARY COMPLIANCE

The City prepares its annual operating budget under the provisions of the Municipal Budget Act (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 the State Auditor and Inspector.

The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund.

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

In accordance with Title 60 of the Oklahoma State Statutes, the Sapulpa Municipal Authority and the Sapulpa Development Authority, accounted for as blended enterprise funds in this report, are required to prepare annual budgets and submit a copy to the City as beneficiary. However, there are no further requirements such as form of budget, approval of the budget, or definition of a legal level of control.

NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

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

3. A. DEPOSIT AND INVESTMENT RISKS

Primary Government:

The City of Sapulpa, including its blended component units, held the following deposits and investments at June 30, 2023:

		Credit	Carrying
Туре	Maturities	Rating	Value
Deposits:			
Demand deposits		N/A	\$ 23,698,493
Cash on hand		N/A	5,001
Time deposits (Certificates of Deposit)	Due within one year	N/A	13,433,754
Time deposits (Certificate of Deposit)	Due in 1 - 5 years	N/A	545,800
			\$ 37,683,048
Investments:			
Federated Hermes Government Obligations Ta	ax-Managed Fund	AAAm ⁽¹⁾	\$ 34,999
U.S. Treasury HH Savings Bonds	7/1/2022	N/A	35,000
			69,999
Total deposits and investments			\$ 37,753,047
(1) Standard & Poor's			
Reconciliation to Statement of Net Position:			
	Governmental	Business-type	
	Activities	Activities	Total
Cash and cash equivalents	17,251,135	6,487,358	23,738,493
Investments	12,140,392	1,874,162	14,014,554
	\$ 29,391,527	\$ 8,361,520	\$ 37,753,047

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The level inputs for the City's investments are reflected at fiscal year-end as follows:

		Fair Value Measurement Basis		
Туре	Fair Value	Level 1 Inputs	Level 2 Inputs	
Certificates of Deposit	13,979,554	-	13,979,554	
Federated Hermes Government Obligations Tax-Managed Fund	34,999	34,999	-	
U.S. Treasury HH Savings Bonds	35,000	35,000	-	

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 100% 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, 2023, 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.A. 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.

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 discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

As noted in the schedule of deposits and investments above, at June 30, 2023, the investments held by the City mature at various times.

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.

At June 30, 2023, the City had no concentration of credit risk as defined above.

3. B. RESTRICTED ASSETS

The amounts reported as restricted assets on the Proprietary Funds Statement of Net Position are comprised of cash and investments held by the trustee bank on behalf of the SMA public trust (Authority) related to its required revenue bond accounts as described in Note 2.B and amounts due to depositors related to utility deposits.

The restricted assets as of June 30, 2023 were as follows:

	Cas	Current sh and cash quivalents	 oncurrent vestments
Utility Deposits	\$	68,771	\$ 287,921
Trustee Accounts: 2020 Bond Fund		1,019,938	-
Total	\$	1,088,709	\$ 287,921

3. C. ACCOUNTS RECEIVABLE, COURT FINES RECEIVABLE AND PROPERTY TAX RECEIVABLE

Accounts receivable of the governmental and business-type activities as reflected in the Statement of Net Position consist of the following categories. As applicable, the primary source(s) of the receivables net of any allowances for uncollectible accounts is depicted.

	Receivab	le balance	Less: allowance for uncollectible accounts		Net of allowance balance	
Governmental:						
Accounts receivable						
Other	\$	100	\$	-	\$	10
		100		-		10
Franchise tax receivable		49,439		-		49,439
Court fine receivable		3,498,947		(3,090,551)		408,39
Due from other governments						
Property tax		1,105,127		(508,764)		596,36
Sales tax		1,991,187		-		1,991,18
Other		85,643		-		85,64
		3,181,957		(508,764)		2,673,19
Other receivables		167,457		-		167,45
Lease receivables		1,335,442		-		1,335,442
Business-type Activities:						
Accounts receivable						
Utilities receivable		3,468,610		(2,611,722)		856,88
Golf		2,122		-		2,12
		3,470,732		(2,611,722)		859,01
Due from other governments (sales tax)		622,297		-		622,297
Other receivables						
Water/sewer related		791,395		-		791,39
Other		500		-		50
	\$	791,895	\$	-	\$	791,893

3. D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance at				Balance at
	July 1, 2022,	Additions	Transfers	Disposals	June 30, 2023
Governmental activities:	• • • •				
Capital assets not being depreciated:					
Land	\$ 5,313,890	\$ 378,980	\$ 120,000	\$ -	\$ 5,812,870
Construction in progress	9,277,872	8,285,167	(5,227,515)	-	12,335,524
Total capital assets not being depreciated	14,591,762	8,664,147	(5,107,515)	-	18,148,394
Depreciable capital assets:					
Buildings	14,211,988	291,500	254,352	(505,841)	14,251,999
Other improvements	3,993,886	12,585	465,833	(43,621)	4,428,683
Machinery and equipment	18,174,779	974,405	356,639	(1,864,350)	17,641,473
Infrastructure	46,414,509	136,425	3,874,461	(122,927)	50,302,468
Total depreciable capital assets at historical cost	82,795,162	1,414,915	4,951,285	(2,536,739)	86,624,623
Less accumulated depreciation for:					
Buildings	(5,406,237)	(263,121)	-	326,310	(5,343,048)
Other improvements	(2,456,886)	(157,272)	-	43,621	(2,570,537)
Machinery and equipment	(10,315,491)	(1,047,491)	(88,651)	1,768,610	(9,683,023)
Infrastructure	(17,696,758)	(1,094,599)	-	96,088	(18,695,269)
Total accumulated depreciation	(35,875,372)	(2,562,483)	(88,651)	2,234,629	(36,291,877)
Other assets:	<u>```````</u>				
Leased assets - equipment	6,738	-	-	-	6,738
Total other assets	6,738		-	-	6,738
Less accumulated amortization					
Leased assets - equipment	(1,685)	(1,685)	-	-	(3,370)
Total accumulated amortization	(1,685)	(1,685)	-	-	(3,370)
Depreciable and other capital assets, net	46,924,843	(1,149,253)	4,862,634	(302,110)	50,336,114
Governmental activities capital assets, net	\$ 61,516,605	\$ 7,514,894	\$ (244,881)	\$ (302,110)	\$ 68,484,508
•					
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 70,721	\$ -	s -	s -	\$ 70,721
Water rights contracts	4,915,486	-	-	-	4,915,486
Construction in progress	5,481,283	2,800,061	(3,427,886)		4,853,458
Total capital assets not being depreciated	10,467,490	2,800,061	(3,427,886)		9,839,665
Depreciable capital assets:	10,107,190	2,000,001	(3,127,000)		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Buildings	3,903,823	35,810	-	_	3,939,633
Other improvements	1,720,809	35,000	831,447	(251,865)	2,335,391
Utility property	82,403,278	55,000	2,861,190	(16,043)	85,248,425
Machinery and equipment	5,952,597	738,780	(108,521)	(1,134,613)	5,448,243
Infrastructure	6,775,609	79,953	(108,521)	(1,154,015)	6,855,562
Total depreciable capital assets at historical cost	100,756,116	889,543	3,584,116	(1,402,521)	103,827,254
	100,750,110	009,545	3,384,110	(1,402,521)	103,827,234
Less accumulated depreciation for:	(1 020 045)	(78.200)			(1,917,145)
Buildings	(1,838,845)	(78,300)	-	-	
Other improvements	(1,497,462)	(50,662)	-	251,865	(1,296,259)
Utility property	(36,191,894)	(1,669,319)	-	16,043	(37,845,170)
Machinery and equipment	(4,264,916)	(296,824)	88,651	1,107,908	(3,365,181)
Infrastructure	(1,537,550)	(188,326)	-	-	(1,725,876)
Total accumulated depreciation	(45,330,667)	(2,283,431)	88,651	1,375,816	(46,149,631)
Other assets:	6 530				6 520
Leased assets - equipment	6,738		-		6,738
Total other assets	6,738	-	-	-	6,738
Less accumulated amortization					
Leased assets - equipment	(1,685)	(1,685)			(3,370)
Total accumulated amortization	(1,685)	(1,685)	-		(3,370)
Depreciable and other capital assets, net	55,430,502	(1,395,573)	3,672,767	(26,705)	57,680,991
Business-type activities capital assets, net	\$ 65,897,992	\$ 1,404,488	\$ 244,881	\$ (26,705)	\$ 67,520,656

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

Depreciation expense charged to governmental activities:

General government	\$ 161,809
Legal and judicial	1,702
Public safety	834,939
Urban development	64
Streets	1,259,785
Culture and recreation	304,184
Total governmental activities depreciation expense	\$ 2,562,483
Depreciation expense charged to business-type activities:	
Water	\$ 645,578
Wastewater	1,255,251
Sanitation	25,145
Stormwater	246,073
Golf course	111,384
Total business-type activities depreciation expense	\$ 2,283,431

Note: General government, administration, utility collections and utility maintenance of the business-type activities were allocated to the appropriate functions based upon a percentage of revenues.

Amortization expense was charged to functions in the statement of activities with the \$1,685 of governmental activities to general government, and the \$1,685 of business-type activities to water.

3. E. WATER RIGHTS CONTRACT

The Sapulpa Municipal Authority (SMA) entered into three agreements with the United States of America for water storage space in Skiatook Lake. In consideration of the right to utilize the aforesaid storage space in the project for municipal and industrial supply purposes, the SMA agreed to pay costs in the amount of \$4,915,486 (which is the balance of the unamortized water rights reported as capital assets at June 30, 2023), along with maintenance and operations costs on an annual basis. The City incurred an obligation to the federal government for the water rights. The obligations were incurred in March 1993, November 1999, November 2002, and June 2006. During fiscal year 2018, the obligations incurred in November 2002 and June 2006 were paid in full. The remaining obligations are payable in annual installments of \$30,491 and \$33,966, respectively. The total water right obligation balance at June 30, 2023 is \$564,313. See Note 3.F. for further disclosures.

Due to the long-term nature of this agreement, and the infinite economic life of the water rights, the SMA's investment in the water rights contract is not being amortized.

3. F. LONG-TERM DEBT

The reporting entity's long-term debt is segregated by the amounts involving governmental activities and business-type activities.

Governmental Activities Long-Term Debt

At June 30, 2023, the governmental activities long-term debt consisted of the following:

General Obligation Bonds:

\$6,300,000 General Obligation Bonds of 2022A, due in annual installments of \$260,000 with a final installment of \$320,000 due September 1, 2047, and with interest rates at 3.625% to 6.0%. The purpose of issuance was for the following: 1) Streets & Bridges \$2,340,000; 2) Community Park Enhancements \$500,000; 3) Recreation Center \$700,000; 4) Youth Sports Complex \$2,760,000	\$ 6,300,000
\$5,750,000 General Obligation Bonds of 2021A, due in annual installments of \$235,000 with a final installment of \$345,000 due June 1, 2046, and with interest rates at 1.0% to 2.0% The purpose of issuance was for the following: 1) Streets & Bridges \$4,620,000; 2) Public Safety Facilities and Equipment \$720,000; 3) Community Park Enhancements \$410,000.	5,515,000
\$2,000,000 General Obligation Bonds of 2020B, due in annual installments of \$80,000 with a final installment of \$160,000 due June 1, 2045, and with interest rates at 3.0% to 3.75%. The purpose of issuance was for economic development purposes.	1,840,000
 \$13,000,000 General Obligation Bonds of 2020A, due in annual installments of \$540,000 with a final installment of \$580,000 due June 1, 2045, and with interest rates at 2.375% to 3.0%. The purpose of issuance was to be utilized but not restricted for the following: 1) Streets & Bridges for \$3,680,000; 2) Public Safety Facilities and Equipment for \$5,065,00 3) Community Park Enhancements for \$1,800,000; 4) Booker T Washington Recreation Center Study for \$100,000; and 5) Sapulpa Youth Sports Complex of \$2,355,000. 	0; 11,920,000
\$3,525,000 Refunding General Obligation Bonds of 2019, due in annual installments varying from \$295,000 to \$370,000 with a final maturity of June 1, 2030, and with interest rates at 2.0% to 4.0%. The purpose of issuance was to refund the \$6,800,000 General Obligation Bonds of 2010.	2,165,000
\$925,000 Refunding General Obligation Bonds of 2016, due in annual installments of \$100,000 with a final installment of \$125,000 due June 1, 2025, and with interest rates at 2.5% to 3.15% The purpose of issuance was to refund the \$1,925,000 General Obligation Bonds of 2005.	
\$2,865,000 General Obligation Bonds of 2015A, due in annual installments of \$150,000 with a final installment of \$15,000 due October 1, 2035, and with interest rates at 2.50% to 3.15%. The purpose of issuance was to construct, equip, and improve the municipal animal shelter, public parks and park lands, and recreational facilities.	1,965,000
\$3,750,000 General Obligation Bonds of 2015, due in annual installments varying from \$150,000 to \$200,000 with a final maturity of June 1, 2035, and with interest rates at 2.0% to 3.1%. The purpose of issuance was to purchase, construct, equip, improve, etc. the water distribution transportation and sewage disposal systems.	2,400,000
\$3,720,000 Refunding General Obligation Bonds of 2012B, due in annual installments varying from \$425,000 to \$260,000 with a final maturity of June 1, 2024, and with interest rates at 1.6% to 4%. The purpose of issuance was to refund the \$5,600,000 General Obligation Bonds of 2004.	310,000
Total General Obligation Bonds Plus: Unamortized Premium Total General Obligation Bonds, net	\$32,640,000 <u>958,152</u> <u>\$33,598,152</u>
Current portion Non-current portion, net Total General Obligation Bonds	\$ 1,935,000 <u>31,663,152</u> <u>\$33,598,152</u>

Revenue Bonds Payable:

2014 Series Capital Improvement Revenue Bonds original issue amount \$7,410,000, dated July 1, 2014, issued by Sapulpa Municipal Authority, secured by year-to-year, appropriat of debt service payments made by city, and interest rates from 2.0% to 3.3%, final maturi on July 1, 2029. The bonds were issued to make improvements to roads, streets, and	
bridges of the City of Sapulpa.	\$ <u>3,365,000</u>
Total Revenue Bonds Payable	<u>\$3,365,000</u>
Current portion Non-current portion Total Revenue Bonds	\$ 515,000 <u>2,850,000</u> \$3,365,000
Capital Notes Payable Obligations (direct borrowings):	
\$413,183 capital note payable with Spillman Technologies for software and hardware CAD System payable in annual installments of \$62,499, and with the final payment due January 2026 with an interest rate at 1.45%. In the event of default, the lender may suspend performance of Spillman's services until the past due amounts are paid.	\$ 182,187
\$108,413 capital note payable with De Lage Landen Public Finance for Xerox multifunction Printers payable in monthly installments of \$1,938 with an interest rate of 2.79% and the final payment due August 2026. In the event of default, the lender may: 1) declare the entire unpaid principal balance due along with all accrued unpaid interest; 2) charge interest at 18% until paid; 3) charge non-sufficient funds fees as applicable; 4) require the equipment be returned; 5) charge the City for any remaining balances after selling and/or re-renting the equipment; and 6) require the payment of all expenses incurred	
with the enforcement of any remedies including attorney fees.	<u>70,405</u>
Total Capital Notes Payable Obligations	<u>\$ 252,592</u>
Current portion Non-current portion Total Capital Note Obligations	\$ 81,422 <u>171,170</u> <u>\$ 252,592</u>
Note Payable (direct borrowing):	
\$86,223 note payable direct borrowing debt with American Heritage Bank used for the purchase of property, payable in annual installments unless the lender demands payment in full prior to that point at any time, final payment due December 2023, and it is unsecured. In the event of default, the lender may: 1) declare the entire unpaid principal balance due along with all accrued unpaid interest, 2) hire another entity to help collect payment, with the cost to be paid by the borrower, and 3) right	
to set off the balance due with balances in other accounts held by the lender.	<u>\$ 29,039</u>
Total Note Payable	<u>\$ 29,039</u>
Current portion	\$ 29,039
Non-current portion Total Notes Payable	\$ 29,039

Accrued Compensated Absences:

Accrued compensated absences reported in the governmental activities are comprised of accrued vacation leave, sick leave and compensatory time.

Current portion	\$ 199,821
Non-current portion	1,798,392
Total Accrued Compensated Absences	<u>\$1,998,213</u>

Over 90% of governmental compensated absences will be liquidated by the general fund. Other funds that will be used include the following: Cemetery Maintenance, Street and Alley, Hotel/Motel Tax, Parks & Recreation, and E911.

Business-Type Activities Long-Term Debt

At June 30, 2023, the long-term debt payable from enterprise fund resources consisted of the following:

Revenue Bonds Payable:

2020 Refunding Series Utility System Revenue Bonds with an original issue amount of \$66,325,000,	
dated September 1, 2020, issued by Sapulpa Municipal Authority, and it is secured by utility	
revenue and pledged sales tax, interest rate from 3.024% to 0.745%, and the final maturity on	
April 1, 2043. The bonds were issued to refund the Refunding Series Revenue Bonds (Series	
$2\overline{0}12$ and Series 2013), and to fund the issuance costs, the underwriter's discount, and the bond	
insurance premium.	<u>\$59,945,000</u>

Current portion	\$ 2,480,000
Non-current portion, net	57,465,000
Total Revenue Bonds Payable, net	<u>\$59,945,000</u>

Note Payable (direct borrowing):

\$7,850,000 note payable direct borrowing debt with Oklahoma Water Resources Board	
Board used for wastewater system improvements, payable in semi-annual installments,	
final payment due September 2046, and it is secured by water, sewer, and sanitation	
net revenues, and 1.3% sales tax, interest rate of 2.59%. In the event of default the	
lender may: 1) file suit for specific performance covenants, 2) accelerate the payment	
of principal and interest accrued on all notes, 3) appoint temporary trustees to take over,	
operate, and maintain the System, 4) file suit to enforce or enjoin action or inaction of	
parties under provisions of the note or sales tax agreement, and 5) interest rate increases	
to 14% from date of default until date of payment. <u>\$5.</u>	,512,713

Current portion	\$ 230,000
Non-current portion	5,282,713
Total Notes Payable	<u>\$5,512,713</u>

Accrued Compensated Absences:

Accrued compensated absences reported in the business-type activities are comprised of accrued vacation leave, sick leave and compensatory time.

Current portion	\$ 22,054
Non-current portion	205,839
Total Accrued Compensated Absences	<u>\$227,893</u>

Water Contract Obligations (direct borrowings):

The City has two direct borrowing contractual obligations with the U.S. Army Corps of Engineer for water use rights. In the event of default, the lender may: 1) compound interest annually on overdue payments based upon an interest rate determined by the department of Treasury's Treasury Fiscal Requirements Manual, 2) charge interest for payments overdue for a period of less than a year on a monthly basis, and 3) payments overdue for greater than a year shall also be charged interest for any portion of each succeeding month. The outstanding amounts due are as follows:	
Obligation payable to the U.S. Army Corps of Engineer, original amount of \$632,924, for use of water facility, payable in 41 annual installments of \$30,491, final maturity in March 2033, and interest rate 4.012%.	\$266,966
Obligation payable to the U.S. Army Corps of Engineer, original amount of \$632,924, for use of water facility, payable in 35 annual installments of \$33,966, final maturity in November, 2033, and interest rate 4.012%.	
Total Water Contract Obligations	<u>\$564,312</u>
Current portion Non-current portion Total Water Contract Obligations	\$ 41,816 <u>522,496</u> <u>\$564,312</u>
Due to Depositors:	

Outstanding deposits for utility services, refundable only upon termination of service, amounted to the following:

Current portion	\$67,168
Non-current portion	268,671
Total Due to Depositors	<u>\$335,839</u>

Defeased Bonds Outstanding

The City, through its various public trusts, has in substance defeased a number of outstanding bond issues by placing deposits in irrevocable trusts, escrow accounts, for the purchase of U.S. Government Securities to pay principal and interest on the refunded bonds as they are due and payable. During the prior fiscal year, the issuance of the 2020 Refunding Series Utility System Revenue Bonds resulted in the defeasance in substance of the 2012 and 2013 Refunding Series Revenue Bonds as funds were placed in an escrow trust agreement that resulted in calls for the defeased balances on July 1, 2022 for the 2012 Refunding Series Revenue Bonds and April 1, 2023 for the 2012 Refunding Series Revenue Bonds. The accounting loss of \$8,194,985 as recorded in fiscal year 2021 was recorded as a deferred outflow of resources which will be amortized through fiscal year 2028.

For financial reporting purposes, both the defeased bonds outstanding and the escrowed securities have been excluded from the financial statements. At year end, the remaining outstanding defeased debt issues were as follows:

2003A Series Revenue Bonds	4,700,000
Total Defeased Bonds Outstanding	<u>\$4,700,000</u>

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

	•	Balance						Balance		Amounts ue Within
Type of Debt	Jan	uarv 00, 1900	Æ	Additions	D	eductions		ne 30, 2023		One Year
Governmental Activities:			-		_				-	
General obligation bonds	\$	28,500,000	\$	6,300,000	\$	2,160,000	\$	32,640,000	\$	1,935,000
Revenue bonds payable		3,870,000				505,000		3,365,000		515,000
Notes payable		426,001		-		144,370		281,631		110,461
Lease obligations		5,080		-		1,658		3,422		1,658
Accrued compensated absences		1,854,141		1,534,781		1,390,709		1,998,213		199,821
Unamortized bond premiums/discounts		959,576		81,895		83,319		958,152		80,588
Total Governmental Activities	\$	35,614,798	\$	7,916,676	\$	4,285,056		39,246,418	\$	2,842,528
Total OPEB Liability								766,285		
Net Pension Liability								13,257,411		
Net Long-term Debt							\$	53,270,114		
Reconciliation to Government-Wide Statem	(CN	· D · · ·								
Due in One Year	eni oj Ne	i Position:					\$	2,761,940		
Due in More than One Year							э	36,484,478		
Net Pension Liabilities								13,257,411		
Total OPEB Liability								766,285		
Total OF EB Elablinty							\$	53,270,114		
							φ	33,270,114		
Business-Type Activities:										
Due to depositors	\$	336,698	\$	104,992	\$	105,851	\$	335,839	\$	67,168
Water contract obligations		604,517		-		40,204		564,313		41,816
Notes payable (direct borrowing)		5,814,636		-		301,923		5,512,713		230,000
Revenue bonds payable		62,405,000		-		2,460,000		59,945,000		2,480,000
Lease Obligations		5,080		-		1,658		3,422		1,658
Accrued compensated absences		201,458		175,040		148,605		227,893		22,054
Total Business-Type Activities	\$	69,367,389	\$	280,032	\$	3,058,241		66,589,180	\$	2,842,696
Total OPEB Liability								231,427		
Net Long-term Debt							\$	66,820,607		
Reconciliation to Government-Wide Statem	ent of Ne	t Position:								
Due in One Year	5							2,842,696		
Due in More than One Year								63,746,484		
Total OPEB Liability								231,427		
2							\$	66,820,607		
							-			

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt, excluding accrued compensated absences, due to depositors, estimated claims liability, net pension liability and total OPEB liability as of June 30, 2023 are as follows:

		GC	OVERNMENTAL A	ACTIVITY DEBT		
					Direct Bor	rowing
Year Ending June 30,	General Oblig	ation Bonds	Revenue	Bonds	Notes Pa	ayable
	Principal	Interest	Principal	Interest	Principal	Interest
2024	1,935,000	1,036,593	515,000	104,515	110,461	4,626
2025	1,910,000	863,732	535,000	89,065	82,911	2,855
2026	1,780,000	805,508	550,000	73,015	88,259	1,361
2027	1,775,000	749,482	570,000	56,515	-	-
2028	1,770,000	694,333	590,000	38,845	-	-
2029-2033	7,920,000	2,711,337	605,000	19,965	-	-
2034-2038	6,440,000	1,735,186	-	-	-	-
2039-2043	5,575,000	950,705	-	-	-	-
2044-2047	3,535,000	221,765	-	-		
Totals	\$ 32,640,000	\$ 9,768,641	\$ 3,365,000	\$ 381,920	\$ 281,631	\$ 8,842

	BUSINESS-TYPE ACTIVITY DEBT							
	Reve	Revenue Direct Borrowing				Direct Borrowing		
Year Ending June 30,	Bonds F	ayable	Notes I	Payable	Water Contract Obligation			
	Principal	Interest	Principal	Interest	Principal	Interest		
2024	2,480,000	1,450,838	230,000	189,848	41,816	22,640		
2025	2,510,000	1,423,583	230,000	183,317	43,494	20,963		
2026	2,540,000	1,393,990	240,000	177,236	45,239	19,218		
2027	2,570,000	1,355,585	250,000	170,893	47,054	17,403		
2028	2,615,000	1,314,414	250,000	164,799	48,942	15,515		
2029-2033	13,870,000	5,766,567	1,370,000	718,816	275,788	46,497		
2034-2038	15,600,000	4,013,612	1,555,000	529,224	61,980	2,487		
2039-2043	17,760,000	1,633,568	1,780,000	312,616	-	-		
2044-2048	-	-	1,272,115	73,806	-	-		
Totals	\$ 59,945,000	\$ 18,352,157	\$ 7,177,115	\$ 2,520,555	\$ 564,313	\$ 144,723		
Amount left to draw			(1,664,402)					
			\$ 5,512,713					

Pledge of Future Revenues

<u>Sales Tax and Utility Net Revenues Pledge</u> - The City has pledged 40% of two cents (or 20%) of future sales tax revenues and net utility revenues to repay the \$66,325,000 2020 Refunding Utility System Revenue Bonds. Proceeds from the original bonds, which have since been refunded, provided for the purchase or construction of capital assets. The bonds are payable from pledged sales tax revenues and net utility revenues. These bonds are payable through 2043. The total principal and interest payable for the remainder of the life of these bonds is \$78,297,157. Pledged sales taxes received in the current year were \$4,983,773 and net utility revenues were \$4,153,248 for total pledged revenues of \$9,137,021. Debt service payments of \$3,933,766 for the current fiscal year were 43.1% of total pledged revenues for these bonds.

3. G. LEASES

Leases Payable

The City as a lessee, both on a governmental activity and business-type activity level, periodically enters into lease agreements involving various equipment.

The lease of this equipment, such as copiers, etc., consists of annual installments that change as agreements mature. The applicable interest rate for these leases is 2.12%, and the dates of maturity are in March 2025. Future principal and interest terms of these lease agreements are as follows:

	GC	GOVERNMENTAL ACTIVITY			BUSINESS-TYPE ACTIVITY				
Year Ending June 30,	Lease Obligations				Lease Obligations				
	Pr	incipal	Int	erest	Pr	incipal		Interest	
2024	\$	1,693	\$	59	\$	1,693	\$	59	
2025		1,729		23		1,729		23	
Totals	\$	3,422	\$	82	\$	3,422	\$	82	

Leases Receivable

The City as a lessor, has entered into lease agreements involving rental space related land associated with towers. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$98,342. Remaining lease receivable balances at June 30, 2023 totaled \$1,335,442.

3.H. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables at June 31,2023, were as follows:

Receivable Fund	Payable Fund	 Amount	Nature of Interfund Balance
General Fund	Grants & Aids Fund	\$ 100,000	Temporary loan of cash
General Fund	Sewer Improvement Sales Tax Fund	50,000	Temporary loan of cash
General Fund	SMA Utility Fund	 1,232,000	Temporary loan of cash
		\$ 1,382,000	

Reconciliation to Fund Financial Statements:

	Due From			Due to	Net Interfund Balances		
Governmental Funds	\$	1,382,000	\$	-	\$	1,382,000	
Proprietary Funds		-		(1,232,000)		(1,232,000)	
	\$	1,382,000	\$	(1,232,000)	\$	150,000	

Reconciliation to Statement of Net Position:

Net Interfund Balances	\$ (1,232,000)
BTA- Special Revenue Funds	 (50,000)
Internal Balances	\$ (1,282,000)

	Transfer Fi	Cemetery	Hotel/Motel	Park	Polson	1			Water	Sewer Plant	Capital	Series 2014			1
Fransfer In	General	Maintenance			Apportionment	Federal SAF	Fire Cash	Police Cash	Resources	Sales Tax		Str Cap Imp	G.O Sinking	SMA Utility	
Governmental Funds:				,									ě.		
General Fund	s -	s -	s -	s -	\$ 5,000	s -	s -	\$-	s -	\$ -	s -	s -	\$ 3,195	\$5,763,773	\$5,771,9
Non-major funds															
Cemetery Maintenance	-	-	-		-	-	-	-	-			-	-	155,000	155,0
Development Authority	500,000	-	-		-	-	-	-	-			-	-	30,000	530,
Street and Alley	-	-	-		-	-	-	-	-			-	-	372,900	372,
Parks & Recreation	-	-		-	-	-	-	-	-	-		-	-	305,000	305,
Water & Sewer Sales Tax	-	-		-	-	-	-	-	-		-		-	125,000	125
E911	400,000	-						-				-	-		400.
Grant & Aid	-	-		100,000	-	-	-	-	-	-		-	-	386,215	486
Restricted Construction Park/Rec	65,500	-	-	-	-	-	-	-	-	-	-	-	-	-	65.
Park Development	-	-	48,902	-	-	-	-	-	-		-	-	-	-	48
Police Cash	-	-	-	-	-	29,873	-	-	-	-	-	-	-	-	29
Cemetery Care	-	16,706	-	-	-	-	-	-	-	-	-	-	-	-	16
Capital Improvement	-	-	-	-	-	-	20,000	20,000	-	-	-	-	-	1,369,768	1,409
Street Improvement Sales Tax	-	-	-		-	-	-	-	-	-		30,695	-	-	30
Proprietary Funds: SMA Utility Golf Course	3,483,773	-	-	-	-	-	-	-	1,131,161	1,500,000	1,373,102	-	-	395,000	9,747 7,488 395
	\$ 4,449,273	\$ 16,706	\$ 48,902	\$ 100,000	\$ 5,000	\$ 29,873	\$20,000	\$ 20,000	\$1,131,161	\$1,500,000	\$ 1,373,102	_	4,278,634		7,883
	Transfe		Transfers		Reconcilia			Debt Re	• • •	Reclas		-	\$8,727,907	\$8,902,656	
	I rans to In	ers	I ransfers Out	BT	A - Special Re		nds	Debt Re Activ			s BIA s Tax		al Asset tivity	Internal	
econciliation to Fund															
Financial Statements:															
Governmental Funds	\$ 9,74	7,527 \$	(8,727,9	07) \$		2,506,1	61 \$		24,046	\$	(4,813,744)	\$	(1,023,279)	\$	(2,287
Proprietary Funds	7.85	3.036	(8,902,6			(2,506,1	61)		(24,046)		4,813,744		1,086,818		2,350.

Interfund transfers for the year ended June 30, 2023 were as follows:

The noted variance of \$63,539 on Capital Asset Activity concerns a transfer between governmental activities and business-type activities that was adjusted at the government-wide level, but not the fund level.

The purposes of the interfund transfers for the year ended June 30, 2023 were as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	Development Authority	\$ 500,000	Supplemental for economic development
General Fund	E911	400,000	Supplemental operating transfer
General Fund	Restricted Construction Park/Rec Fund	65,500	Required revenue transfer
General Fund	SMA Utility	3,483,773	Pledged sales tax - bond indenture
Cemetery Maintenance Fund	Cemetery Care Fund	16,706	12.5% revenue transfer - state law
Hotel/Motel Tax Fund	Park Development Fund	48,902	Required revenue transfer
Park Development	Grant & Aid Fund	100,000	Supplemental for grant project
Polson Apportionment Fund	General Fund	5,000	Supplemental operating transfer
Federal SAF Fund	Police Cash	29,873	Supplemental operating transfer
Fire Cash Fund	Capital Improvement Fund	20,000	Supplemental for capital project
Police Cash Fund	Capital Improvement Fund	20,000	Supplemental for capital project
Water Resource Fund	SMA Utility	1,131,161	Supplemental for debt service
Water Resource Fund	SMA Utility	1,500,000	Supplemental for debt service
Capital Improvement Fund	SMA Utility	1,373,102	Supplemental operating transfer
Series 2014 Street Capital Improvement	Street Improvement Sales Rax	30,695	Supplemental for debt service
G.O. Sinking Fund	General Fund	3,195	Interest earnings
SMA Utility	General Fund	5,763,773	Supplemental operating transfer/return of pledged sales ta:
SMA Utility	Cemetery Maintenance Fund	155,000	Supplemental operating transfer
SMA Utility	Development Authority	30,000	Supplemental for debt service
SMA Utility	Street and Alley	372,900	Supplemental operating transfer
SMA Utility	Parks & Recreation Fund	305,000	Supplemental operating transfer
SMA Utility	Water & Sewer Sales Tax	125,000	Supplemental operating transfer
SMA Utility	Grant & Aid Fund	386,215	Supplemental operating transfer
SMA Utility	Capital Improvement Fund	1,369,768	Supplemental for capital project
SMA Utility	Golf Course Fund	395,000	Supplemental operating transfer
Total		\$ 17,630,563	

3.I. ALLOCATION OF INDIRECT EXPENSES

Certain indirect expenses (expenses benefiting more than one function) have been allocated to specific functions in the Statement of Activities, while other indirect expenses have not been allocated. Indirect expenses reported in the Statement of Activities under the functions of Administration & General Government have not been allocated for governmental purposes.

Indirect expenses of the proprietary funds, classified in the proprietary funds statement of revenues, expenses and changes in net position as General Government, Administration, and Utility Collections have been allocated on a percentage of total revenues to the business-type activity functions in the Statement of Activities.

3.J. FUND BALANCES AND NET POSITION

Fund Balance

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	Gene		G.O. B Constru		Other Governme Funds	ental	TOTAL
Fund Balances:							
Nonspendable:							
Inventory	\$	-	\$	-	\$ 10	9,721	\$ 109,72
Sub-total Nonspendable		-		-	10	9,721	109,72
Restricted for:							
Law enforcement		-		-	5	7,613	57,61
Major Thoroughfares		-		-	64	3,457	643,45
Increment District		-		-	8	0,774	80,77
Animal control		-		-		1,436	1,43
Juvenile Justice programs		-		-	2	7,505	27,50
Economic Development		-		-	2,20	4,828	2,204,82
Capital Improvements		-	10,72	22,470	8,13	7,402	18,859,87
Grants		-		-	40	1,725	401,72
Debt Service		-		-	1.40	7,890	1,407,89
Sub-total Restricted		-	10,72	22,470		2,630	23,685,10
Assigned to:							
Subsequent Year Budget	2	.874.812		-		-	2.874.81
Hunting & Fishing		45,644		-		-	45,64
Library		117,396		-		-	117,39
Swimming Pool		68,971		-		-	68,97
Streets		-		-	30	9.946	309,94
Cemetery		-		-	14	1,731	141,73
Parks		-		-		0.555	140.55
Major Thoroughfares		_		-	17	7.532	177,53
Water & Sewer maintenance		-		-		7.478	367,47
Animal control		-		-		647	64
E911		_		-	10	2.935	102.93
Juvenile Justice programs		-		-		1.322	1.32
Economic Development		-		-		6,905	596,90
Grant projects		-		-		7,125	27,12
Capital Improvements		-		-		0,110	970,11
Sub-total Assigned	3	,106,823		-		6,286	5,943,10
Unassigned (deficit)	2	,024,737		-	(19	1,408)	1,833,32
TOTAL FUND BALANCES	\$ 5	,131,560	\$ 10,72	22,470	\$ 15,71	7,229	\$ 31,571,25

Restricted Net Position

The restricted for debt service net position of the business-type activities consists of restricted assets relating to revenue bond trustee accounts. The balance at June 30, 2023, is comprised of the following:

Enterprise Funds:	
2020 Revenue Bond Trust Accounts	1,019,938
Restricted per bond indenture	1,019,938
Less: Accrued interest payable	(405,090)
Total Restricted for Debt Service	\$ 614,848

NOTE 4. OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

The City participates in three employee pension systems as follows:

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

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

	Governmental Activities			
Pension Expense:				
Police Pension System	\$	132,326		
Firefighter's Pension System		1,945,219		
Total Net Pension Expense	\$	2,077,545		
Net Pension Liability (Asset):				
Police Pension System	\$	(575,936)		
Firefighter's Pension System		13,257,411		
Total Net Pension Liability	\$	12,681,475		
Deferred Outflows of Resources:				
Police Pension System	\$	1,200,540		
Firefighter's Pension System		4,156,546		
Total Deferred Outflows of Resources	\$	5,357,086		
Deferred Inflows of Resources:				
Police Pension System	\$	101,778		
Firefighter's Pension System		314,079		
Total Deferred Inflows of Resources	\$	415,857		

Oklahoma Police Pension and Retirement System

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

Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement.

Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

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

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

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

<u>Contributions</u> - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$319,748. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$290,620 (modified accrual) during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the City reported an asset of \$575,936 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was 0.718197%.

For the year ended June 30, 2023, the City recognized a pension expense of \$132,326. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	 rred Outflows Resources	Deferred Inflows of Resources		
Differences between expected and actual		<u></u>	(a =a (
experience	\$ 282,504	\$	62,734	
Changes of assumptions	20,051		-	
Net difference between projected and actual earnings on pension plan				
investments	561,997		-	
Changes in proportion	9,596		32,684	
City contributions during measurement				
date	6,644		6,360	
City contributions subsequent to the				
measurement date	 319,748		-	
Total	\$ 1,200,540	\$	101,778	

The \$319,748 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase/decrease of the net pension liability/(asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 177,081
2025	43,838
2026	(158,450)
2027	684,833
2028	 31,712
	\$ 779,014

<u>Actuarial Assumptions</u>-The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	3.5% to 12% average, including inflation
Investment rate of return:	7 .5% net of pension plan investment expense
Cost-of-living adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA. Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.
	Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

CITY OF SAPULPA NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2023

	Long-Term Expected			
Asset Class	Real Rate of Return			
Fixed income	3.34%			
Domestic equity	4.69%			
International equity	8.34%			
Real estate	7.64%			
Private Equity	9.66%			

The current allocation policy is that approximately 65% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 20% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies, and absolute return strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

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

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

	1% Decrease		Current Discount		19	% Increase
	6.5%		Rate 7.5%		8.5%	
Employers' net pension liability (asset)	\$	1,668,658	\$	(575,936)	\$	(2,473,167)

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

Oklahoma Firefighters Pension and Retirement System

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

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

Normal Retirement:

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

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

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

<u>Contributions</u> - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$447,461. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$1,158,651 (modified-accrual). These on-behalf payments did not meet the criteria of a special funding situation.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources</u> <u>Related to Pensions</u> - At June 30, 2023, the City reported a net pension liability of \$13,257,411 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by the pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was 1.013768%.

For the year ended June 30, 2023, the City recognized pension expense of \$1,945,219. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual			<u>_</u>	
experience	\$	1,701,895	\$	66,927
Changes of assumptions		-		84,527
Net difference between projected and actual earnings on pension plan investments		1,540,654		_
Changes in proportion and differences between City contributions and		1,540,054		
proportionate share of contributions City contributions during the measuremnt		436,433		161,264
date		30,103		1,361
City contributions subsequent to the measuremnt date		447,461		-
Total	\$	4,156,546	\$	314,079

The \$447,461 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 926,991
2025	758,213
2026	258,368
2027	1,451,434
2028	
Total	\$ 3,395,006

<u>Actuarial Assumptions</u>-The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the Pub-2010 Public Safety Table, with adjustments for generational mortality improvement using scale MP-2018 for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

CITY OF SAPULPA NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2023

	Target	Long-Term Expected
Asset Class	Allocation	Real Rate of Return
Fixed income	20%	3.62%
Domestic equity	47%	5.66%
International equity	15%	8.34%
Real estate	10%	7.64%
Other assets	8%	5.08%

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

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

	1% Decrease Current Discount			1% Increase		
		6.5%	_	Rate 7.5%	_	8.5%
Employers' net pension liability	\$	17,083,179	_	\$ 13,257,411		\$ 10,057,318

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

Defined Contribution Plan - Oklahoma Municipal Retirement Fund (OkMRF)

The City has also provided a defined contribution plan and trust known as the City of Sapulpa Plan and Trust (the "Plan") in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OkMRF). OkMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The plan is administered by Bank One of Oklahoma City. The defined contribution plan is available to all full-time employees except those participating in state fire or police program. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate on the employee's employment commencement date, and may make contributions to the plan up to 15% at their option. By City ordinance, the City, as employer, is required to make contributions to the plan, based upon employee contributions under the thrift option, at rates presently varying from 0% - 8% of covered payroll. The City's contributions for each employee (and interest allocated to the employee's account) are vested at a rate of 20% per year of completed service, thus fully vested after five years.

City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting shall be added to employer contribution. The authority to establish and amend the provisions of the plan rest with the City Council.

For the year ended June 30, 2023, the following amounts related to the defined contribution plan:

Employee contributions made	\$ 183,271
Employer (City) contributions made	\$ 167,929

Defined Contribution Plan – Oklahoma Municipal Retirement Fund (OkMRF) CMO Plan

The City has also provided a defined contribution plan in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OkMRF). The defined contribution plan is available to any person who is in the position of City Manager as of May 31, 2016. Employees are eligible on the employee's employment commencement date. The City has elected the variable funding option. The City intends to contribute 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 8% to the plan and the employee contributes 8% to the plan. The total contributions by the City for fiscal year 2023 were \$12,249 which is 100% of the required contribution.

Other Post-Employment Benefits

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

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

Employees covered by benefit terms - At fiscal year-end the following employees were covered by the benefit terms:

Active Employees	182
Inactives or beneficiaries currently receiving benefit payments	5
Total	187

<u>Total OPEB Liability</u> – The City's total OPEB liability of \$997,712 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022.

<u>Actuarial Assumptions</u> - The total OPEB liability as of June 30, 2023 was determined based on an actuarial valuation prepared as of June 30, 2022 using the following actuarial assumptions:

- Actuarial Cost Method Entry Age Normal
- Discount Rate 3.54%, based on June 30, 2020 published Bond Buyer GO 20 Index
- Termination Civilian employees are based on withdrawal assumptions used in the OkMRF 2020 actuarial report. Rates for police and firefighters are based on termination assumptions in the 2017 OPPRS and OFPRS 2017 actuarial valuation reports.
- Retirement Age:

Age	Civilian Retirement Rate	
55	25.00%	
60	17.00%	
61	17.00%	
62	30.00%	
63	20.00%	
64	15.00%	
65	30.00%	
70	100.00%	
Years of Service	Retireme Police	nt Rate Fire
20	20%	10%
25	20%	15%
30	100%	20%
35		100%

- Participation 25% of currently covered civilian employees are assumed to elect retiree medical coverage and 50% for police and firefighters. Dependents are assumed acceptance rate is 50%
- Healthcare cost trend rate Level 4.50%

• Mortality Rates - The RPH-2014 Total mortality table is a current mortality table used for valuation purposes and the MP-2021 mortality projection used is the most current available.

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

	То	tal OPEB
	I	iability
Balances Beginning of Year	\$	914,643
Changes for the Year:		
Service cost		77,163
Interest expense		34,601
Benefits paid		(28,695)
Net changes		83,069
Balances Ending of Year	\$	997,712
Governmental Activities	\$	766,285
Business-Type Activities		231,427
	\$	997,712

<u>Sensitivity of the Total OPEB Liability to Changes in the Discount Rate</u>-The following presents the total OPEB liability of the employer calculated using the discount rate of 3.54%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.54%) or 1-percentage-point higher (4.54) than the current rate:

	Current						
	1%	1% Decrease Discount Rate			1% Increase 4.54%		
	2.54%		3.54%				
Employer's Total OPEB Liability	\$	1,104,814	\$	997,712	\$	901,273	

<u>Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate</u>-The following presents the total OPEB liability of the employer calculated using the healthcare cost trend rate of 4.50%, as well as what the Plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (3.50%) or 1-percentage-point higher (5.50%) than the current rate:

	Healthcare Costs					
	1% Decrease Trend Rates 3.50% 4.50%		1% Increase			
			4.50%		5.50%	
Employer's Total OPEB Liability	\$	864,925	\$	997,712	\$	1,157,178

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB-The total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022.

For the year ended June 30, 2023, the employer recognized OPEB expenses of \$23,316. At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflow of Resources	
Changes of assumptions	\$	5,267	\$	337,979
Differences between expected and actual experience		-		342,774
Changes in proportion		108,667		108,666
Total	\$	113,934	\$	789,419
Governmental Activities	\$	56,902	\$	568,591
Business-Type Activities		57,032		220,828
	\$	113,934	\$	789,419

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ (88,449)
2025	(88,449)
2026	(88,449)
2027	(88,449)
2028	(88,449)
Thereafter	 (233,240)
Total	\$ (675,485)

Over 90% of governmental OPEB-related liabilities will be liquidated by the general fund. The other fund that will be used is Street and Alley.

4.B. RISK MANAGEMENT

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

a.	<u>Type of Loss</u> Torts, errors and omissions; asset loss and natural disasters	<u>Method Managed</u> Participation in Oklahoma Municipal Assurance Group risk entity pool	Risk of Loss Retained (1)
b.	Injuries to employees (workers compensation)	Participation in Oklahoma Municipal Assurance Group risk entity pool	(2)
c.	Employee health and life	Purchased commercial insurance through Community Care	No risk of loss

The City participates in the Oklahoma Municipal Assurance Group Liability Protection Plan and Worker's Compensation Plan (risk entity pool) as follows.

(1) Liability Protection Plan

The basic insurance agreements cover claims against municipalities for all government functions, utilities, and services covered in the Plan. These include bodily injury, property damage, wrongful acts, personal injury, and related torts under the state tort claims law and federal civil rights laws. All public officials, employees, services, and municipal functions are covered unless they are specifically listed as exclusions in the Plan.

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

Reserves for claim losses include provisions for reported claims on a case basis and an estimate of claims incurred but not reported limited by aggregate and individual loss levels as specified by the Plan's reinsurance contracts. These credits, if any, represent contingent liabilities of the Plan if the reinsurer was unable to meet its obligations under the reinsurance agreement.

The Plan's insurance agreements are reinsured for excess losses based upon the contract year. The significant components of each reinsurance contract can be obtained from the Plan's annual financial report.

(2) Worker's Compensation Plan

The title to all assets acquired by the Plan are vested in the Group. In the event of termination of the Group, such property shall belong to the then members of the Group in equal shares. Each participating City pays all costs, premiums, or other fees attributable to its respective participation in the Plan, and is responsible for its obligation 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

Commitments:

Construction Commitments

The City had the following construction commitments outstanding at June 30, 2023 with balances left on the contract:

- 1. Construction of Fire Station 3; Contractors Lambert Construction; original contract -\$2,657,000; change orders-(24,989); remaining contract \$132,030.
- Construction of waterline from Highway 66 to Spocogee Street; Contractors Cherokee Pride Construction, Inc.; original contract \$247,597; change order \$25,478; remaining contract – \$50,303.
- 3. Construction of Frankoma Road Sanitary Sewer Improvements; Contractors Cherokee Pride Construction, Inc.; original contract -\$1,448,261; remaining contract \$140,368.
- 4. Downtown Master Plan Construction; Contractors Shade Structures and Harlin Youcam II; remaining contract \$1,717,967.

U.S. Army Corps of Engineer - Water Storage Space in Skiatook Lake

The City is under contract with the U.S. Army Corps of Engineer for the right to utilize an undivided 1.52 percent of the usable storage space in the Skiatook Lake Project. This storage space is to be used to impound water for anticipated future demand or need for municipal and industrial water supply. The City is also required to pay annual operations and maintenance (O&M) costs related to this contract. The total O&M costs paid during fiscal year 2022-2023 totaled \$31,371. See Note 3.F. for further debt disclosures.

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 for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time.

Litigation

The City is a party to various legal proceedings which normally occur during 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.

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. This statutory taxing ability is not available to the City's public trusts (Authorities).

REQUIRED SUPPLEMENTARY INFORMATION

	Budgeted Amounts Original Final		Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 4,598,410	\$ 4,806,728	\$4,674,750	(\$131,978)
Resources (Inflows):				
TAXES:				
Sales tax	15,550,904	18,750,904	17,526,105	(1,224,799)
Use tax	1,400,000	1,400,000	1,870,001	470,001
Franchise tax	850,000	850,000	864,026	14,026
Payment in lieu of tax Total Taxes	<u> </u>	<u>270,000</u> 21,270,904	<u>264,556</u> 20,524,688	(5,444) (746,216)
LICENSES AND PERMITS:				· · · ·
Building permits	50,000	50,000	94,807	44,807
Trade permits	50,000	50,000	108,370	58,370
Resident construction park/rec fees	13,500	65,500	66,075	575
Occupation/business	77,500	77,500	95,369	17,869
Other permits	8,150	8,150	8,177	27
Total License and Permits	199,150	251,150	372,798	121,648
INTERGOVERNMENTAL:				
Alcoholic beverage tax	216,000	216,000	220,082	4,082
Cigarette/tobacco tax	130,000	130,000	121,341	(8,659)
Total Intergovernmental	346,000	346,000	341,423	(4,577)
CHARGES FOR SERVICES:				
Fire run fees	545,000	545,000	504,869	(40,131)
Fire run charges	-	-	150	150
Inspection fees	50,000	50,000	30,185	(19,815)
Special assessments Other fees	1,000 30,000	1,000 22,500	490 19,188	(510) (3,312)
Court collection fees	45,000	45,000	44,419	(581)
Shelter fees	500	500	660	160
Engineering fees	-	-	2,000	2,000
Weed abatement	10,000	10,000	87,220	77,220
Pet adoption	5,000	5,000	7,085	2,085
Total Charges for Services	686,500	679,000	696,266	17,266
FINES AND FORFEITURES	254,000	254,000	274,921	20,921
INVESTMENT INCOME	9,030	9,030	36,613	27,583
MISCELLANEOUS:				
Antenna tower rental	90,993	90,993	91,730	737
Reimbursements	44,500	132,783	138,960	6,177
Donations	-	1,200	11,813	10,613
Rental income	-	-	25,002	25,002
Miscellaneous	15,000	15,000	45,967	30,967
Total Miscellaneous	150,493	239,976	313,472	73,496
OTHER FINANCING SOURCES:				
Transfers from other funds	5,119,305	5,819,305	5,491,968	(327,337)
Total Other Financing Sources	5,119,305	5,819,305	5,491,968	(327,337)
Total Resources (Inflows)	24,835,382	28,869,365	28,052,149	(817,216)
Amounts available for appropriation	\$29,433,792	\$33,676,093	\$32,726,899	(\$949,194)
				(Continued)

	Budgeted A Original	Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)	
Charges to Appropriations (Outflows):	ongina		Allound		
ADMINISTRATION:					
City Council:					
Materials and supplies	250	250	92	158	
Other services and charges	22,100	22,100	5,179	16,921	
Total City Council	22,350	22,350	5,271	17,079	
City Manager:					
Personal services	434,428	436,741	430,440	6,301	
Materials and supplies	8,350	10,350	5,846	4,504	
Other services and charges Total City Manager	<u>24,790</u> 467,568	<u>28,870</u> 475,961	<u> </u>	<u> </u>	
	407,000	470,001	440,720	27,200	
City Clerk:	040.075	040.075	000.000	10,100	
Personal services	240,975	240,975	228,866	12,109	
Materials and supplies Other services and charges	2,700 19,510	2,700 19,510	2,491 12,863	209 6,647	
Total City Clerk	263,185	263,185	244,220	18,965	
	200,100			10,000	
Finance:		177 000		500	
Personal services	468,500	475,223	474,625	598	
Materials and supplies Other services and charges	9,500 189,742	5,852 213,542	5,621 209,953	231 3,589	
Total Finance	667,742	694,617	690,199	4,418	
				.,	
Treasurer:	40.005	40.005	00.404	0.004	
Personal services Other services and charges	42,365 185	42,365 185	32,434 110	9,931 75	
Total Treasurer	42,550	42,550	32,544	10,006	
	42,000	42,000	02,044	10,000	
Personnel:					
Personal services	117,116	127,299	126,159 910	1,140	
Materials and supplies Other services and charges	4,220 19,777	2,020 17,794	12,347	1,110 5,447	
Total Personnel	141,113	147,113	139,416	7,697	
-			<u>,</u> _	·	
Code Enforcement:	E2 80E	E2 80E	E2 40E	420	
Personal services Materials and supplies	53,895 2,350	53,895 2,350	53,465 952	430 1,398	
Other services and charges	176,800	196,648	98,478	98,170	
Total Central Purchasing	233,045	252,893	152,895	99,998	
Control Durch aging					
Central Purchasing: Personal services	81,550	81,550	34,135	47,415	
Materials and supplies	550	550	-	550	
Other services and charges	2,750	2,750	653	2,097	
Total Central Purchasing	84,850	84,850	34,788	50,062	
Building Inspector:					
Personal services	146,260	146,260	145,233	1,027	
Materials and supplies	4,000	3,550	1,734	1,816	
Other services and charges	11,800	18,078	18,078	-	
Capital outlay	750	750	161	589_	
Total Building Inspector	162,810	168,638	165,206	3,432	
Information Technology:					
Personal services	209,961	209,961	184,386	25,575	
Materials and supplies	16,800	16,800	4,043	12,757	
Other services and charges	136,000	136,000 45,000	144,276 35 851	(8,276)	
Capital outlay Total Information Technology	<u>45,000</u> 407,761	407,761	<u> </u>	<u>9,149</u> 39,205	
. eta memator reentology	101,101		000,000_	03,200	
TOTAL ADMINISTRATION	2,492,974	2,559,918	2,281,820	278,098	
				(Continued)	

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
GENERAL GOVERNMENT:				
Central Garage:				
Personal services	127,553	128,595	128,000	595
Materials and supplies	10,100	9,058	8,217	841
Other services and charges	4,050	4,050	3,524	526
Total Central Garage	141,703	141,703	139,741	1,962
General Government:				
Personal services	30,000	35,518	35,518	-
Materials and supplies	36,250	30,732	21,863	8,869
Other services and charges	751,079	743,457	525,511	217,946
Capital Outlay	3,500	3,500	1,425	2,075
Debt Service	27,924	27,924	23,350	4,574
Total General Government	848,753	841,131	607,667	233,464
Reserve:				
Other services and charges	150,000	348,547	204,112	144,435
Total Reserve	150,000	348,547	204,112	144,435
TOTAL GENERAL GOVERNMENT	1,140,456	1,331,381	951,520	379,861
LEGAL AND JUDICIAL:				
City Attorney:				
Personal services	283,771	283,771	235,375	48,396
Materials and supplies	6,550	6,550	1,687	4,863
Other services and charges	58,725	58,725	15,914	42,811
Capital outlay	27,500	27,500	24,591	2,909
Total City Attorney	376,546	376,546	277,567	98,979
Municipal Court:				
Personal services	44,784	44,784	42,007	2,777
Materials and supplies	2,200	2,200	215	1,985
Other services and charges	70,225	70,225	60,501	9,724
Total Municipal Court	117,209	117,209	102,723	14,486
TOTAL LEGAL AND JUDICIAL	493,755	493,755	380,290	113,465
				(Continued)

	Budgeted Amounts Original Final		Actual Amounts	Variance with Final Budget Positive (Negative)
PUBLIC SAFETY:				
Police:				
Personal services	4,481,743	4,481,743	4,283,275	198,468
Materials and supplies	208,400	218,650	202,010	16,640
Other services and charges	391,672	399,920	367,927	31,993
Capital outlay	35,000	26,645	21,558	5,087
Total Police	5,116,815	5,126,958	4,874,770	252,188
Fire:				
Personal services	5,485,444	5,486,384	5,393,483	92,901
Materials and supplies	141,920	173,315	151,250	22,065
Other services and charges	292,184	267,677	249,034	18,643
Debt Service	1,800	1,800		1,800
Total Fire	5,921,348	5,929,176	5,793,767	135,409
Animal Control:				
	269 522	250 522	228,902	20 620
Personal services	268,532 23,200	259,532	226,902	30,630 2,961
Materials and supplies Other services and charges	,	25,400	22,439 30,827	2,901
Capital outlay	41,800 10,000	40,945 10,000	6,116	3,884
Total Animal Control	343,532	335,877	288,284	47,593
		555,677	200,204	47,393_
Civil Defense:				
Personal services	16,234	16,234	14,501	1,733
Materials and supplies	6,500	6,500	-	6,500
Other services and charges	16,350	19,472	16,261	3,211
Total Civil Defense	39,084	42,206	30,762	11,444
TOTAL PUBLIC SAFETY	11,420,779	11,434,217	10,987,583	446,634
URBAN DEVELOPMENT:				
Personal services	147,828	147,828	146,741	1,087
Materials and supplies	5,600	6,123	2,576	3,547
Other services and charges	47,840	47,317	7,420	39,897
TOTAL URBAN DEVELOPMENT	201,268	201,268	156,737	44,531
OTHER FINANCING USES:				
Transfers to other funds	12,576,676	15,200,076	14,088,630	1,111,446
Total Other Financing Uses	12,576,676	15,200,076	14,088,630	1,111,446
Total Charges to Appropriations	28,325,908	31,220,615	28,846,580	2,374,035
Ending Budgetary Fund Balance	\$1,107,884	\$2,455,478	\$3,880,319	\$1,424,841

Budget Law

The City has adopted the provisions of the Municipal Budget Act of 1979 (the "Budget Act"). In accordance with the Budget Act, 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. By July 1, the adopted budget is filed with the Office of State Auditor and Inspector.

Per State law, the legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund. All transfers of appropriation between departments in separate funds and supplemental appropriations require City Council approval. The City Manager may transfer appropriations between object categories within a department and between departments in the same fund without City Council approval. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector. No departments exceeded appropriations.

Budgetary Accounting

The annual operating budgets are prepared and presented on the modified accrual basis of accounting.

However, for budgetary purposes, sales tax revenues, both dedicated and undedicated, are recognized first in the General Fund, with appropriated transfers out of the dedicated portions of sales tax to the respective dedicated sales tax funds. This differs from the City's treatment of dedicated sales taxes in the basic financial statements which recognizes sales tax as revenue in the respective dedicated sales tax funds. Also, the State on-behalf payments for the police and firefighter's pension are excluded in the budgetary schedule as are capital note proceeds and related capital outlay.

The City utilizes encumbrance accounting under which all 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 since the City intends to honor the commitments and provide for supplemental appropriations in the following budget year. All appropriations lapse at year end.

CITY OF SAPULPA, OKLAHOMA NOTES TO REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE For the fiscal year ended June 30, 2023

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of resources	-	neral Fund
Actual amounts (budgetary basis) "total resources" from the budgetary	\$	28 052 140
comparison schedule	2	28,052,149
Differences - budget to GAAP:		
Sales tax recognized as inflows of budgetary resources but are not		
revenues for financial reporting purposes.		(9,649,071)
State payments made on-behalf of police and fire pension not considered a		
budgetary resources		1,449,271
Lease Revenue-related items		6,754
Revenues from combined accounts:		
Hunting & Fishing Account		43,573
Library Account		236,934
Library Account - Transfer In		190,000
Swimming Pool Account		85,170
Swimming Pool Account - Transfer In		90,000
Stablization Account		1,261
Total revenues as reported on the statement of revenues, expenditures, and		,
changes in fund balance - governmental funds	\$	20,506,041
······································		
Total Revenues - General Fund	\$	14,734,073
Transfer In - General Fund		5,771,968
Total revenues and transfers in - General Fund	\$	20,506,041
Uses/Outflows of appropriations		
Actual amounts (budgetary basis) "total appropriations" from the budgetary		
comaprison schedule	\$	28,846,580
Differences - budget to GAAP:	*	
Transfer of sales tax to various funds recognized as outflows of budgetary resources		(9,639,357)
but are not uses for financial reporting purposes.		(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
State payments made on-behalf of police and fire pension not considered a		
budgetary expediture		1,449,271
Expenditures from combined accounts:		1,119,271
Hunting & Fishing Account		44,052
Library Account		458,377
Swimming Pool Account		116,646
Total expenditures and transfers out as reported on the statement of revenues,		110,040
expenditures, and changes in fund balance - governmental funds	\$	21,275,569
expenditures, and enanges in fund balance - governmental funds	ф	21,213,309
Total expeditures - General Fund	\$	16,826,296
Total expeditutes - General Fund		
Transfer out - General Fund		4,449,273

OPEB Schedule of Changes in Total **OPEB** Liability and Related ratios – Last 10 Years*

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

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 77,521	\$ 80,529	\$ 80,259	\$ 80,259	\$ 124,116
Interest	52,911	52,957	59,453	56,257	35,963
Change in assumptions	-	-	(156,970)	7,592	(306,117)
Difference between expected and actual experience	-	-	-	-	(428,148)
Benefit payments	(51,729)	(51,729)	(40,907)	(40,907)	(28,695)
Net change in total OPEB liability	78,703	81,757	(58,165)	103,201	(602,881)
Total OPEB liability - beginning	1,312,028	1,390,731	1,472,488	1,414,323	1,517,524
Total OPEB liability - ending	\$ 1,390,731	\$ 1,472,488	\$ 1,414,323	\$ 1,517,524	\$ 914,643
Total OTED habinty - Chang	\$ 1,590,751	\$ 1,472,400	\$ 1,414,525	\$ 1,517,524	\$ 714,045
Covered employee payroll	\$ 7,045,261	\$ 8,048,015	\$ 8,059,649	\$ 8,382,035	\$ 9,472,941
Total OPEB liability as a percentage of covered employee payroll	19.74%	18.30%	17.55%	18.10%	9.66%
	2023				
Total OPEB Liability					
Service cost	\$ 77,163				
Interest	34,601				
Benefit payments	(28,695)				
Net change in total OPEB liability	83,069				
Total OPEB liability - beginning	914,643				
Total OPEB liability - ending	\$ 997,712				
Covered employee payroll	\$ 9,472,941				
Total OPEB liability as a percentage of covered employee payroll	10.53%				

Notes to Schedule:

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

*No assets are accumulating in a trust to offset the OPEB liability reflected above.

CITY OF SAPULPA, OKLAHOMA PROPORTIONATE SHARE OF THE NET PENSION LIABILITY June 30, 2023

Schedules of Required Supplementary Information SCHEDULE OF THE CITY OF SAPULPA PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019
City's proportion of the net pension liability (asset)	0.8341%	0.8076%	0.7622211%	0.7224646%	0.7520145%
City's proportionate share of the net pension liability (asset)	\$ (280,848)	\$ 32,930	\$ 1,167,296	\$ 55,572	\$ (358,222)
City's covered payroll	\$ 2,414,739	\$ 2,279,608	\$ 2,249,462	\$ 2,151,923	\$2,298,985
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	11.63%	1.44%	51.89%	2.58%	15.58%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%
	2020	2021	2022	2023	
City's proportion of the net pension liability (asset)	0.730370%	0.709155%	0.686593%	0.718197%	
City's proportionate share of the net pension liability (asset)	\$ (46,627)	\$ 814,429	\$ (3,293,696)	\$ (575,936)	
City's covered payroll	\$ 2,383,608	\$ 2,316,969	\$ 2,385,185	\$ 2,572,531	
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.96%	35.15%	138.09%	22.39%	
Plan fiduciary net position as a percentage of the total pension liability	100.24%	95.80%	117.07%	102.74%	

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

Notes to Schedule:

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

	2015	2016	2017	2018	2019
Statutorially required contribution	\$ 296,349	\$ 292,430	\$ 279,750	\$ 298,868	\$ 309,869
Contributions in relation to the statutorially required contribution	296,349	292,430	279,750	298,868	309,869
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 2,279,608	\$ 2,249,462	\$ 2,151,923	\$ 2,298,985	\$ 2,383,608
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%	13.00%
	2020	2021	2022	2023	
Statutorially required contribution	\$ 301,206	\$ 310,074	\$ 334,429	\$ 319,748	
Contributions in relation to the statutorially required contribution	301,206	310,074	334,429	319,748	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
City's covered payroll	\$ 2,316,969	\$ 2,385,185	\$ 2,572,531	\$ 2,459,600	
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%	

Notes to Schedule:

CITY OF SAPULPA, OKLAHOMA PROPORTIONATE SHARE OF THE NET PENSION LIABILITY June 30, 2023

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

	2015	2016	2017	2018	2019
City's proportion of the net pension liability	1.004270%	0.988614%	0.951429%	0.984476%	0.959416%
City's proportionate share of the net pension liability	\$ 10,327,388	\$ 10,493,224	\$ 11,623,741	\$ 12,381,986	\$ 10,799,633
City's covered payroll	\$ 2,727,320	\$ 2,697,814	\$ 2,701,350	\$ 2,759,207	\$ 2,775,664
City's proportionate share of the net pension liability as a percentage of its covered- employee payroll	379%	389%	430%	449%	389%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%
	2020	2021	2022	2023	
City's proportion of the net pension liability	0.966577%	0.998067%	0.975192%	1.013768%	
City's proportionate share of the net pension liability	\$10,213,494	\$12,295,321	\$ 6,422,285	\$ 13,257,411	
City's covered payroll	\$ 2,992,914	\$ 3,213,800	\$ 3,163,093	\$ 3,591,393	
City's proportionate share of the net pension liability as a percentage of its covered- employee payroll	341%	383%	203%	369%	
Plan fiduciary net position as a percentage of the total pension liability	72.85%	69.98%	84.24%	69.49%	

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

Notes to Schedule:

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

	2015	2016	2017	2018	2019
Statutorially required contribution	\$ 377,694	\$ 378,189	\$ 386,289	\$ 388,593	\$ 419,008
Contributions in relation to the statutorially required contribution	377,694	378,189	386,289	388,593	419,008
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 2,697,814	\$ 2,701,350	\$ 2,759,207	\$ 2,775,664	\$2,992,914
Contributions as a percentage of coverd-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%
	2020	2021	2022	2023	
Statutorially required contribution	\$ 449,932	\$ 442,833	\$ 502,795	\$ 447,461	
Contributions in relation to the statutorially required contribution	449,932	442,833	502,795	447,461	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	<u>\$ -</u>	
City's covered payroll	\$ 3,213,800	\$ 3,163,093	\$ 3,591,393	\$ 3,196,150	
Contributions as a percentage of coverd-employee payroll	14.00%	14.00%	14.00%	14.00%	

Notes to Schedule:

OTHER SUPPLEMENTARY INFORMATION

	Ge	neral Fund	inting & ig Account	Libra	ry Account	ming Pool	bilization Account	tal General nd Accounts
ASSETS								
Cash and cash equivalents	\$	232,954	\$ 49,826	\$	119,047	\$ 94,290	\$ 490,874	\$ 986,991
Investments		1,552,433	-		-	-	-	1,552,433
Deposits with insurance pool		16,760	-		-	-	-	16,760
Accrued interest receivable		1,903	-		-	-	-	1,903
Due from other funds		1,382,000	-		-	-	-	1,382,000
Due from other governments		1,288,720	-		28,286	-	-	1,317,006
Franchise tax receivable		49,439	-		-	-	-	49,439
Court fine receivable, net		389,036	-		-	-	-	389,036
Other receivables		135,245	935		-	4,610	-	140,790
Lease receivables		1,335,442	-		-	-	-	1,335,442
Inventory		-	-		-	-	-	-
Total assets	\$	6,383,932	\$ 50,761	\$	147,333	\$ 98,900	\$ 490,874	\$ 7,171,800
Liabilities: Accounts payable Accrued payroll liabilities Due to other governments Escrow deposits Refundable court bonds Total liabilities	\$	196,162 89,327 3,473 49,246 2,369 340,577	\$ 5,117 - - - 5,117	\$	20,106 9,831 - - 29,937	\$ 20,099 9,830 - - 29,929	\$ - - - - -	\$ 241,484 108,988 3,473 49,246 2,369 405,560
DEFERRED INFLOW OF RESOURCES								
Unavailable revenue		354,096	-		-	-	-	354,096
Leases		1,280,584	 -		-	 -	 -	 1,280,584
Total deferred inflows of resources		1,634,680	 -		-	 	 -	 1,634,680
Fund balances:								
Assigned		2,874,812	45,644		117,396	68,971	-	3,106,823
Unassigned		1,533,863	 -		-	 -	 490,874	 2,024,737
Total fund balances		4,408,675	 45,644		117,396	 68,971	 490,874	 5,131,560
Total liabilities, deferred inflows, and fund balances	\$	6,383,932	\$ 50,761	\$	147,333	\$ 98,900	\$ 490,874	\$ 7,171,800

City of Sapulpa Combining Balance Sheet - General Fund Accounts June 30, 2023

City of Sapulpa
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts
For the Year Ended June 30, 2023

	General Fund	Hunting & Fishing Account	Library Account	Swimming Pool Account	Stabilization Account	Total General Fund Accounts
REVENUES	• · · • • • • • • •	^	A A A A A A A A A A		^	• • • • • • • • • • • • • • • • • • •
Taxes	\$ 10,875,617	\$-	\$ 218,806	\$-	\$-	\$ 11,094,423
Intergovernmental	1,790,694	-	14,085	-	-	1,804,779
Charges for services	696,266	7,064	120	84,985	-	788,435
Fines and forfeitures	275,078		539	-	-	275,617
Licenses and permits	372,641	36,289		-		408,930
Investment income	36,613	220	635	185	1,261	38,914
Miscellaneous	320,226		2,749			322,975
Total revenues	14,367,135	43,573	236,934	85,170	1,261	14,734,073
EXPENDITURES						
Current:						
Administration	2,242,756	-	-	-	-	2,242,756
General government	926,839	-	-	-	-	926,839
Legal and judicial	355,699	-	-	-	-	355,699
Public safety	12,409,180	-	-	-	-	12,409,180
Urban development	156,737	-	-	-	-	156,737
Culture and recreation	-	25,873	426,435	116,646	-	568,954
Capital Outlay	92,754	18,179	31,942	-	-	142,875
Debt Service:						
Principal	20,972	-	-	-	-	20,972
Interest	2,284	-	-	-	-	2,284
Total expenditures	16,207,221	44,052	458,377	116,646	-	16,826,296
Excess (deficiency) of revenues over						
expenditures	(1,840,086)	(479)	(221,443)	(31,476)	1,261	(2,092,223)
OTHER FINANCING SOURCES (USES)						
Transfers in	5,491,968	-	190,000	90,000	-	5,771,968
Transfers out	(4,449,273)	-	-	-	-	(4,449,273)
Total other financing sources and uses	1,042,695	-	190,000	90,000	-	1,322,695
Net change in fund balances	(797,391)	(479)	(31,443)	58,524	1,261	(769,528)
Fund balances - beginning	5,206,066	46,123	148,839	10,447	489,613	5,901,088
Fund balances - ending	\$ 4,408,675	\$ 45,644	\$ 117,396	\$ 68,971	\$ 490,874	\$ 5,131,560

City of Sapulpa Combining Balance Sheet Non-Major Governmental Funds June 30, 2023 Special Revenue Funds

	Mai	emetery ntenance Fund		reet and ey Fund	R	Parks & ecreation Fund		eral SAF Fund	Th	Major oroughfare Fund	Sev	Vater & wer Sales ax Fund		pay & ter Fund	E9'	11 Fund		venile ce Fund		l/Motel Tax Fund	De	Sapulpa evelopment Authority	Ар	Polson portionment Fund	Grants	& Aid Fund
ASSETS																										
Cash and cash equivalents	\$	104,162	ş	310,014	\$	127,781	\$	23,798	ş	571,898 235.648	\$	277,913	\$	5,523	\$	83,689	ş	25,700	ş	410,029	\$	502,841	\$	1,416,009	ş	557,171
Investments		36,554		5,000		-		34,077				13,000		-		-		-		-		-				-
Deposits with fiscal agent								-						-				-		-		-		-		
Due from other governments		28,286		22,215		56,572				56,572		113,145		-		41,168		-		-		-		-		10,647
Interest receivable		-		-		-		363		2,459		-		-		-				-		-		-		-
Court fines receivable, net of allowance		-		-				-		-						-		19,360				-		-		-
Other receivable		-		-		361		-				3,174		100		-		1,598		26,174		-		-		-
Inventory		-		-		-		-		23,267		42,003		-		-		-		-		-		-		-
Total assets	\$	169,002	\$	337,229	\$	184,714	\$	58,238	\$	889,844	\$	449,235	\$	5,623	\$	124,857	\$	46,658	\$	436,203	\$	502,841	\$	1,416,009	\$	567,818
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES Liabilities:																										
Accounts payable	\$	15,186	\$	8,116	\$	23,772	\$	365	\$	43,679	\$	14,488	\$	3,540	\$	3,005	\$	1,265	\$	19,518	\$	-	\$	1,335,235	\$	35,717
Accrued payroll payable		12,085		19,167		20,387		-		-		21,909		-		18,917		269		4,834		-		-		-
Due to other funds		-		-		-		-		-		-		-		-		-		-		-		-		100,000
Due to other governments		-		-		-		-		-		-		-		-		200		-		-		-		-
Unearned revenue		-		-		-		-		-		-		-		-		-		-		-		-		-
Total liabilities		27,271		27,283		44,159		365		43,679	_	36,397		3,540		21,922		1,734		24,352				1,335,235		135,717
DEFERRED INFLOW OF RESOURCES																										
Unavailable revenue		-		-		-		260		1,859		-		-		-		16,097		-		-		-		3,251
Fund balances:																										
Non-spendable		-		-		-		-		23,317		45,360		-		-		-		-		-		-		-
Restricted		-		-		-		57,613		643,457		-		1,436		-		27,505		354,635		-		80,774		401,725
Assigned		141,731		309,946		140,555		-		177,532		367,478		647		102,935		1,322		57,216		502,841		-		27,125
Unassigned	_	-	_	-		-	_	-		-	_	-		-		-		-		-		-		-		-
Total fund balances	_	141,731		309,946	_	140,555		57,613		844,306	_	412,838	_	2,083	_	102,935		28,827		411,851	_	502,841	_	80,774		428,850
Total liabilities, deferred inflows, and fund balances	\$	169,002	\$	337,229	\$	184,714	\$	58,238	\$	889,844	\$	449,235	\$	5,623	\$	124,857	\$	46,658	\$	436,203	\$	502,841	\$	1,416,009	\$	567,818

	Capital Pro	ject Funds						Combinin Non-Major G Jur	r of Sapulpa Ig Balance Sheet Sovernmental Funds ne 30, 2023 Ipital Project Funds					Debt Service Fund	
	Restricted C Park/Re		Park Development Fund	Fire Cash Fund	Police Cash Fund	Cemetery Care Fund	Capital Improvement Fund	Water Resources Fund	Economic Development Sales Tax Fund	Street Improvement Sales Tax Fund	Sewer Plant Sales Tax Fund	Series 2014 Str Cap Imp	ARTICLE X, SEC 35, GO BOND	G.O. Sinking Fund	Total Governmental Funds
ASSETS Cash and cash equivalents Investments Deposits with fiscal agent	\$	124,068	\$ 117,205	\$ 108,851 145,937	\$ 102,697	\$ 100,293 -	\$ 261,432 106,323	\$ 769,039 208,319	\$ 1,309,521 591,632	\$ 4,056,108 1,185,850	\$ 732,261 -	\$ 686	\$ 14,341 1,034,375	\$ 736,096 381,499 188	\$ 12,849,126 3,978,214 188
Deposits with riscal agent Due from other governments Interest receivable Court fines receivable, net of allowance Other receivable		-	-	28,286 543	28,286	-	113,145	226,290 2,173	57,957 5,433	282,862 6,645	282,862		9,958	596,363 3,462	1,944,656 31,036 19,360 31,485
Inventory Total assets	\$	124,068	\$ 117,205	\$ 283,617	\$ 130,983	\$ 100,293	\$ 480,900	41,044 \$ 1,246,865	\$ 1,964,543	\$ 5,531,465	\$ 1,015,123	\$ 764	\$ 1,058,674	\$ 1,717,608	106,314 \$ 18,960,379
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES															
Accounts payable Accrued payroll payable Due to other funds Due to other governments Unearred revenue Total liabilities	\$	34,900	\$ - 	\$ 40,461 - - - - - - - - - - - - - - - - - - -	-	\$ - - - - - -	\$ 417,124 	\$ 25,478	\$ 73,394 - - - - 73,394	\$ 292,564 - - - - 292,564	\$ 7,078 50,000 57,078	\$ - - - -	\$ - - - - -	\$ - 	\$ 2,396,884 97,568 150,000 200 271,439 2,916,091
DEFERRED INFLOW OF RESOURCES Unavailable revenue				411					4,108	1,319			6,291	293,463	327,059
Fund balances: Non-spondable Restricted Assigned Unassigned Total fund balances Total fund balances	\$	89,168 89,168 124,068	117,205 	193,642 49,103 	29,978 99,006 128,984	100,293 100,293 \$ 100,293	(191.408) (191.408) \$ 480.900	41,044 1,156,454 23,889 1,221,387 \$ 1,246,865	1,850,193 36,848 1,887,041 \$ 1,964,543	4,827,842 409,740 5,237,582 \$ 5,531,465	947,203 10,842 958,045 \$ 1,015,123	764 764 \$ 764	982,283 70,100 1,052,383 \$ 1,058,674	1,407,890 	109,721 12,962,630 2,836,286 (191,408) 15,717,229 \$ 18,960,379

City of Sapulpa Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the Year Ended June 30, 2023

										Special Revenu	e Funds					
	Ma	emetery intenance Fund	Street and Alley Fund		& Recreation Fund	Federal SAF Fund	1	Major horoughfare Fund	Water & Sewer Sales Tax Fund	Spay & Neuter Fund	E911 Fund	Juvenile Justice Fund	Hotel/Motel Tax Fund	Sapulpa Development Authority	Polson Apportionment Fund	Grants & Aid Fund
REVENUES																
Taxes	\$	218,806	\$-	\$	437,613	ş -	\$	437,613	\$ 875,226	\$-	\$-	\$-	\$ 259,770	\$-	\$ 1,853,812	\$-
Intergovernmental		-	206,262		-	-		-	-	-	-		-			48,648
Charges for services		133,650	-		13,093	-		-	-	28,678	331,701		-			-
Fines and forfeitures		-	-		-	-		-	-	-	-	16,704	-	-	-	-
Investment income		963	1,566		728	427		4,138	1,740	13	234	145	2,018	1,350	3,322	967
Miscellaneous		10			10,847	-		-	5,715		-	-	-			-
Total revenues		353,429	207,828		462,281	427		441,751	882,681	28,691	331,935	16,849	261,788	1,350	1,857,134	49,615
EXPENDITURES																
Current:																
General government		511,635						-		27,971	-					-
Public safety		-						-			654,161	21.616				27,131
Streets			617.624					371.383			-	-				
Culture and recreation					816,017			-			-					-
Urban development					-	-		-					181.777			23,700
Water					-	-		-	1,082,201				-			
Wastewater					-	-		-	.,,							-
Capital outlay					22,466	18,300		-							1,771,736	95,036
Debt service:					,	.,										
Principal					-	-		-						28,754		-
Interest					-	-		-						572		-
Total expenditures		511,635	617,624	-	838,483	18,300		371,383	1,082,201	27,971	654,161	21,616	181,777	29,326	1,771,736	145,867
Excess (deficiency) of revenues over expenditures		(158,206)	(409,796)		(376,202)	(17,873)		70,368	(199,520)	720		(4,767)	80,011	(27,976)	85,398	(96,252)
OTHER FINANCING SOURCES (USES)																
Transfers in		155,000	372,900		305,000				125,000		400,000			530,000		486,215
Transfers out		(16,706)	512,300			(29,873)			.23,000		400,000		(48,902)	-	(5.000)	400,215
Total other financing sources (uses)		138,294	372,900		305,000	(29,873)			125,000		400,000		(48,902)	530,000	(5,000)	486,215
Net change in fund balances		(19,912)	(36,896)		(71,202)	(47,746)		70,368	(74,520)	720	77,774	(4,767)	31,109	502,024	80,398	389,963
Fund balances - beginning		161.643	346,842		211.757	105,359		773,938	487,358	1,363		33,594	380,742	817	376	38,887
Fund balances - beginning Fund balances - ending	¢	141.731	\$ 309,946	¢	140.555	\$ 57,613	<u>د</u>	844.306	\$ 412.838	\$ 2.083	\$ 102.935	\$ 28.827	\$ 411,851	\$ 502.841	\$ 80.774	\$ 428.850
r una balances - chang	Ŷ	141,731	φ 309,940	ų	1-0,000	÷ 57,015	<u> </u>	0-14,300	φ -12,030	φ 2,003	φ 102,933	φ 20,027	φ 411,851	φ 302,841	ψ 80,774	φ 428,830

City of Sapulpa Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the Vear Ended June 30, 2023

							For the Year Ende	ed June 30, 2023					Debt Service	
							Capital F	Project Funds					Fund	
	Restricted Construction Park/Ree Fund	Park Development Fund	Fire Cash Fund	Police Cash Fund	Cemetery Care Fund	Capital Improvement Fund	Water Resources Fund	Economic Development Sales Tax Fund	Street Improvement Sales Tax Fund	Sewer Plant Sales Tax Fund	Series 2014 Str Cap Imp	ARTICLE X, SEC 35, GO BOND	G.O. Sinking Fund	Total Governmental Funds
REVENUES														
Taxes	\$-	\$-	\$ 218,806	\$ 218,806	\$-	\$ 875,226	\$ 1,750,453	\$ 385,409	\$ 2,188,065	\$ 2,188,065	\$-	\$-	\$ 2,902,731	\$ 14,810,401
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-		254,910
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	507,122
Fines and forfeitures														16,704
Investment income	505	532	2,002	856	456	4,235	6,096	9,903	35,303	3,217	762	9,549	9,869	100,896
Miscellaneous			<u>.</u>			109,378						50,000		175,950
Total revenues	505	532	220,808	219,662	456	988,839	1,756,549	395,312	2,223,368	2,191,282	762	59,549	2,912,600	15,865,983
EXPENDITURES														
Current:														
General government		-	-	1,115	-	-	-	-	-	-	-	-	83,382	624,103
Public safety	-	-	-	-	-	44,226	-	-	-	-	-	-	-	747,134
Streets	-	-	-	-	-	-	-	-	185,064	-	-	-	-	1,174,071
Culture and recreation	-	-	-	-		-	-	77,193	-	-		200,525		1,093,735
Urban development	-	-	-	-		-	-	-	-	-		-		205,477
Water	-	-	-	-		246,946	79,214	-	-	-		-		1,408,361
Wastewater		-	-	-	-	-	-	-	-	32,518	-	-	-	32,518
Capital outlay	34,900	31,000	180,254	334,639	-	1,523,719	106,936	-	1,003,088	234,863	-	620,552	-	5,977,489
Debt service:														
Principal		-	-	-	-	70,597	24,046	-	505,000	-	-	-	2,160,000	2,788,397
Interest	-					3,497	453		123,665		·		756,813	885,000
Total expenditures	34,900	31,000	180,254	335,754		1,888,985	210,649	77,193	1,816,817	267,381		821,077	3,000,195	14,936,285
Excess (deficiency) of revenues over expenditures	(34,395) (30,468)	40,554	(116,092)	456	(900,146)	1,545,900	318,119	406,551	1,923,901	762	(761,528)	(87,595)	929,698
OTHER FINANCING SOURCES (USES)														
Transfers in	65,500	48,902	-	29,873	16,706	1,409,768		-	30,695					3,975,559
Transfers out	-	(100,000)	(20,000)	(20,000)	-	(1,373,102)	(1,131,161)	-	-	(1,500,000)	(30,695)	-	(3,195)	(4,278,634)
Total other financing sources (uses)	65,500		(20,000)	9,873	16,706	36,666	(1,131,161)	-	30,695	(1,500,000)	(30,695)	-	78,700	(221,180)
Net change in fund balances	31,105	(81,566)	20,554	(106,219)	17,162	(863,480)	414,739	318,119	437,246	423,901	(29,933)	(761,528)	(8,895)	708,518
Fund balances - beginning	58.063		222,191	235.203	83,131	672.072	806.648	1.568.922	4.800.336	534,144	30.697	1.813.911	1.416.785	15.008.711
Fund balances - ending	\$ 89,168		\$ 242,745	\$ 128,984	\$ 100,293	\$ (191,408)	\$ 1,221,387	\$ 1,887,041	\$ 5,237,582	\$ 958,045	\$ 764	\$ 1,052,383	\$ 1,407,890	\$ 15,717,229

	 Cem	etery M	aintenance F				Stree	t and Alley		
	<u>Final</u>		I Amounts, etary Basis	Fina P	ance with I Budget - Positive egative)	<u>Final</u>		I Amounts, etary Basis	Fina P	ance with I Budget - Positive egative)
REVENUES										
Taxes	\$ -	\$	218,806	\$	218,806	\$ -	\$	-	\$	-
Intergovernmental	-		-		-	203,000		206,262		3,262
Charges for services	132,000		133,650		1,650	-		-		-
Investment income	500		963		463	500		1,566		1,066
Miscellaneous	 -		10		10	 -		-		-
Total revenues	 132,500		353,429		220,929	 203,500		207,828		4,328
EXPENDITURES Departmental: General government	574,315		511,635		62,680					
Streets	574,515		511,005		02,000	871,082		617,624		253,458
Total Expenditures	 574,315		511,635		62,680	 871,082		617,624		253,458
Excess (deficiency) of revenues over	 014,010		011,000		02,000	 071,002		017,024		200,400
expenditures	 (441,815)		(158,206)		283,609	 (667,582)		(409,796)		257,786
OTHER FINANCING SOURCES (USES)										
Transfers in	392,236		155,000		(237,236)	372,900		372,900		-
Transfers out	 (18,750)		(16,706)		2,044	 -		-		-
Total other financing sources and uses	 373,486		138,294		(235,192)	 372,900		372,900		-
Net change in fund balances	(68,329)		(19,912)		48,417	(294,682)		(36,896)		257,786
Fund balances - beginning	 144,183		161,643		17,460	 336,829		346,842		10,013
Fund balances - ending	\$ 75,854	\$	141,731	\$	65,877	\$ 42,147	\$	309,946	\$	267,799

		_									(Continued)
		Pa <u>Final</u>	Actua	ecreation Fu I Amounts, etary Basis	<u>Vari</u> Fina	iance with al Budget - Positive legative)		<u>Final</u>	Actua	al SAF Fund Il Amounts, etary Basis	<u>Fina</u> P	ance with I Budget - ositive egative)
REVENUES												
Taxes	\$	-	\$	437,613	\$	437,613	\$	-	\$	-	\$	-
Charges for services		14,000		16,452		2,452		-		-		-
Investment income		300		728		428		150		427		277
Miscellaneous		7,488		7,488		-		-		-		-
Total revenues		21,788		462,281		440,493		150		427		277
EXPENDITURES Departmental: Culture and recreation		913,115		838,483		74,632		-		-		-
Public Safety		-		-		-		57,768		18,300		39,468
Total Expenditures		913,115		838,483		74,632		57,768		18,300		39,468
Excess (deficiency) of revenues over expenditures		(891,327)		(376,202)		515,125		(57,618)		(17,873)		39,745
OTHER FINANCING SOURCES (USES) Transfers in		783,773		305,000		(478,773)		-		-		-
Transfers out		-		-		-		(63,768)		(29,873)		33,895
Total other financing sources and uses		783,773		305,000		(478,773)		(63,768)		(29,873)		33,895
Net change in fund balances Fund balances - beginning Fund balances - ending		(107,554) 208,722 101,168		(71,202) 211,757 140,555	\$	36,352 3,035 39,387		(121,386) 105,350 (16,036)		(47,746) 105,359 57,613	\$	73,640 9 73,649
	—	,	¥	,	Ψ	00,001	Ψ	(,)	<u> </u>	0.,0.0	—	,

	Ma	ior The	roughfare Fu	nd		Wato	r & Sou	ver Sales Tax		(Continued)
	 <u>Final</u>	Actua	<u>I Amounts,</u> etary Basis	<u>Var</u> Fina	iance with al Budget - Positive legative)	 Final	Actu	al Amounts, getary Basis	<u>Var</u> Fina	iance with al Budget - Positive legative)
REVENUES										
Taxes	\$ -	\$	437,613	\$	437,613	\$ -	\$	875,226	\$	875,226
Investment income	2,000		4,138		2,138	500		1,740		1,240
Miscellaneous	-		-		-	2,765		5,715		2,950
Total revenues	 2,000		441,751		439,751	 3,265		882,681		879,416
EXPENDITURES										
Departmental:										
Streets	582,995		371,383		211,612	-		-		-
Water	 -				-	 1,252,886		1,082,201		170,685
Total Expenditures	 582,995		371,383		211,612	 1,252,886		1,082,201		170,685
Excess (deficiency) of revenues over										
expenditures	 (580,995)		70,368		651,363	 (1,249,621)		(199,520)		1,050,101
OTHER FINANCING SOURCES (USES)										
Transfers in	478,773		-		(478,773)	1,082,545		125,000		(957,545)
Total other financing sources and uses	 478,773		-		(478,773)	 1,082,545		125,000		(957,545)
Net change in fund balances	(102,222)		70,368		172,590	(167,076)		(74,520)		92,556
Fund balances - beginning	748,652		773,938		25,286	430,524		487,358		56,834
Fund balances - ending	\$ 646,430	\$	844,306	\$	197,876	\$ 263,448	\$	412,838	\$	149,390

											(Continued)
	_		Spay &	Neuter Fund			_		E	911 Fund		
		Final \$ 27,500 10 27,510		l Amounts, etary Basis	Final Po	ance with Budget - ositive egative)		<u>Final</u>		al Amounts, getary Basis	Fina P	ance with Budget - ositive_ egative)
REVENUES												
Charges for services	\$	27,500	\$	28,678	\$	1,178	\$	314,850	\$	331,701	\$	16,851
Investment income		10		13		3		50		234		184
Total revenues		27,510		28,691		1,181		314,900		331,935		17,035
EXPENDITURES Departmental:												
General government		29,000		27,971		1,029		-		-		-
Public safety						-		671,898		654,161		17,737
Total Expenditures		29,000		27,971		1,029		671,898		654,161		17,737
Excess (deficiency) of revenues over		-,		, -		,		- ,		,-		, -
expenditures		(1,490)		720		2,210		(356,998)		(322,226)		34,772
OTHER FINANCING SOURCES (USES)												
Transfers in		-		-		-		400,000		400,000		-
Total other financing sources and uses		-		-		-		400,000		400,000		-
Net change in fund balances		(1,490)		720		2,210		43,002		77,774		34,772
Fund balances - beginning		279		1,363		1,084		4,965		25,161		20,196
Fund balances - ending	\$	(1,211)	\$	2,083	\$	3,294	\$	47,967	\$	102,935	\$	54,968

			In the Free					otel Tax Fund		(Continued)
	 Final	Actual	Justice Fund Amounts, etary Basis	Varia Final P	ance with Budget - ositive egative)	 Final	Actua	al Amounts, letary Basis	<u>Vari</u> Fina	iance with Il Budget - Positive egative)
REVENUES										
Taxes	\$ -	\$	-	\$	-	\$ 275,000	\$	259,770	\$	(15,230)
Fines and forfeitures	21,500		16,704		(4,796)	-		-		-
Investment income	 50		145		95	 500		2,018		1,518
Total revenues	 21,550		16,849		(4,701)	 275,500		261,788		(13,712)
EXPENDITURES										
Departmental:	26.050		01 616		4 404					
Public safety	26,050		21,616		4,434	- 275,779		- 181.777		-
Community development	 -		-		-	 ,		181,777		94,002
Total Expenditures	 26,050		21,616		4,434	 275,779		101,777		94,002
Excess (deficiency) of revenues over expenditures	 (4,500)		(4,767)		(267)	 (279)		80,011		80,290
OTHER FINANCING SOURCES (USES)										
Transfers out	-		-		-	(51,563)		(48,902)		2,661
Total other financing sources and uses	 -		-		-	 (51,563)		(48,902)		2,661
Net change in fund balances	(4,500)		(4,767)		(267)	(51,842)		31,109		82,951
Fund balances - beginning	 31,884		33,594		1,710	 337,413		380,742		43,329
Fund balances - ending	\$ 27,384	\$	28,827	\$	1,443	\$ 285,571	\$	411,851	\$	126,280

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									(Continued)				
	Polson Apportionment Fund							Economic Development Sales Tax						
		Final		Actual Amounts, Budgetary Basis		<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>		Final		<u>Actual Amounts,</u> Budgetary Basis		<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>		
REVENUES														
Taxes	\$	1,855,000	\$	1,853,812	\$	(1,188)	\$	300,000	\$	385,409	\$	85,409		
Investment income		40		3,322		3,282		5,000		9,903		4,903		
Total revenues		1,855,040		1,857,134		2,094		305,000		395,312		90,312		
EXPENDITURES														
Departmental:														
General government		1,850,000		1,771,736		78,264		-		-		-		
Culture and recreation		-		-		-		-		77,193		(77,193)		
Total Expenditures		1,850,000		1,771,736		78,264		-		77,193		(77,193)		
Excess (deficiency) of revenues over														
expenditures		5,040		85,398		80,358		305,000		318,119		13,119		
OTHER FINANCING SOURCES (USES)														
Transfers out		(5,000)		(5,000)		-		-		-		-		
Total other financing sources and uses		(5,000)		(5,000)		-		-		-		-		
Net change in fund balances		40		80,398		80,358		305,000		318,119		13,119		
Fund balances - beginning		262		376		114		1,550,426		1,568,922		18,496		
Fund balances - ending	\$	302	\$	80,774	\$	80,472	\$	1,855,426	\$	1,887,041	\$	31,615		

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											(Ce	ontinued)	
	Restricted Construction Park/Rec Fund							Series 2014 Str Cap Imp					
		Final	<u>Actual Amounts,</u> Budgetary Basis		Variance with Final Budget - <u>Positive</u> (Negative)		Final		<u>Actual Amounts,</u> Budgetary Basis		Final I Pos	nce with Budget - sitive gative)	
REVENUES													
Investment income	\$	50	\$	505	\$	455	\$	5	\$	762	\$	757	
Total revenues		50		505		455		5		762		757	
EXPENDITURES													
Departmental:													
Culture and recreation		45,000		34,900		10,100		-		-		_	
Total Expenditures		45,000		34,900		10,100		-		-		_	
Excess (deficiency) of revenues over													
expenditures		(44,950)		(34,395)		10,555		5		762		757	
OTHER FINANCING SOURCES (USES)													
Transfers in		65,500		65,500		-		-		-		-	
Transfers out		-		-		-		(30,695)		(30,695)		-	
Total other financing sources and uses		65,500		65,500		-		(30,695)		(30,695)		_	
Net change in fund balances		20,550		31,105		10,555		(30,690)		(29,933)		757	
Fund balances - beginning		58,407		58,063		(344)		30,690		30,697		7	
Fund balances - ending	\$	78,957	\$	89,168	\$	10,211	\$	-	\$	764	\$	764	

		P	ark Deve	lopment Fur	nd			Continued)				
		Park Development Fund <u>Actual Amounts,</u> <u>Final Budgetary Basis</u>		Variance with Final Budget - <u>Positive</u> (Negative)			<u>Final</u>	Fire Cash Fund <u>Actual Amounts,</u> <u>Budgetary Basis</u>		Fina P	ance with I Budget - ositive_ egative)	
REVENUES												
Taxes	\$	-	\$	-	\$	-	\$	-	\$	218,806	\$	218,806
Investment income		200		532		332		1,000		2,002		1,002
Total revenues		200		532		332		1,000		220,808		219,808
EXPENDITURES												
Departmental:												
Culture and recreation		31,000		31,000		-		-		-		-
Public safety		-		-		-		263,222		180,254		82,968
Total Expenditures		31,000		31,000		-		263,222		180,254		82,968
Excess (deficiency) of revenues over												
expenditures		(30,800)		(30,468)		332		(262,222)		40,554		302,776
OTHER FINANCING SOURCES (USES)												
Transfers in		51,563		48,902		(2,661)		237,236		-		(237,236)
Transfers out		(100,000)		(100,000)		(_, = = =)		(20,000)		(20,000)		()
Total other financing sources and uses		(48,437)		(51,098)		(2,661)		217,236		(20,000)		(237,236)
Net change in fund balances		(79,237)		(81,566)		(2,329)		(44,986)		20,554		65,540
Fund balances - beginning		194,925		198,771		3,846		234,614		222,191		(12,423)
Fund balances - ending	\$	115,688	\$	117,205	\$	1,517	\$	189,628	\$	242,745	\$	53,117
	Ŷ	,000	Ŧ	,200	Ŧ	.,•	-	,020		,	-	,

									•	Continued)
		Police	Cash Fund	Vari			Cemete	ry Care Fund		in a a with
	<u>Final</u>	-	II Amounts, etary Basis	Fina F	ance with Il Budget - Positive egative)	<u>Final</u>		al Amounts, letary Basis	Final Po	nce with Budget - ositive gative)
REVENUES										
Taxes	\$ -	\$	218,806	\$	218,806	\$ -	\$	-	\$	
Investment income	 250		856		606	 100		456		356
Total revenues	 250		219,662		219,412	 100		456		356
EXPENDITURES Departmental:										
Public safety	390,830		335,754		55,076	-		-		-
Total Expenditures	 390,830		335,754		55,076	 -		-		-
Excess (deficiency) of revenues over expenditures	 (390,580)		(116,092)		274,488	 100		456		356
OTHER FINANCING SOURCES (USES)										
Transfers in	301,004		29,873		(271,131)	13,750		16,706		2,956
Transfers out	(20,000)		(20,000)		_	-		_		-
Total other financing sources and uses	281,004		9,873		(271,131)	 13,750		16,706		2,956
Net change in fund balances	(109,576)		(106,219)		3,357	13,850		17,162		3,312
Fund balances - beginning	193,272		235,203		41,931	82,484		83,131		647
Fund balances - ending	\$ 83,696	\$	128,984	\$	45,288	\$ 96,334	\$	100,293	\$	3,959

		0										(Continued)
	Final	Сар	Actual	orovement Fu I Amounts, etary Basis	<u>Var</u> Fina	iance with al Budget - Positive legative)		<u>Final</u>	Actu	Resources Fund al Amounts, getary Basis	<u>Va</u> Fin	riance with al Budget - Positive Negative)
REVENUES												
Taxes	\$	-	\$	875,226	\$	875,226	\$	-	\$	1,750,453	\$	1,750,453
Intergovernmental	Ŧ	-	Ŧ		Ŧ	-	+	-	+	-	Ŧ	-
Investment income	1,	500		4,235		2,735		1,500		6,096		4,596
Miscellaneous	258	000		109,378		(148,622)		-		-		-
Total revenues	259,	500		988,839		729,339		1,500		1,756,549		1,755,049
EXPENDITURES												
Departmental:												
General government	194.	471		197,967		(3,496)		-		-		-
Culture and recreation	792	179		839,038		(46,859)		-		-		-
Public safety	292	650		289,153		3,497		-		-		-
Streets	346	762		275,161		71,601		-		-		-
Water	346	372		287,666		58,706		1,094,390		210,649		883,741
Total Expenditures	1,972	434		1,888,985		83,449	-	1,094,390		210,649		883,741
Excess (deficiency) of revenues over												
expenditures	(1,712,	934)		(900,146)		812,788		(1,092,890)		1,545,900		2,638,790
OTHER FINANCING SOURCES (USES)												
Transfers in	997.	545		1,409,768		412,223		1,895,090		-		(1,895,090)
Transfers out	(1,373	102)		(1,373,102)		, -		(1,131,161)		(1,131,161)		-
Total other financing sources and uses	(375,	,		36,666		412,223		763,929		(1,131,161)		(1,895,090)
Net change in fund balances	(2,088	491)		(863,480)		1,225,011		(328,961)		414,739		743,700
Fund balances - beginning	2,321	'		672,072		(1,649,531)		760,057		806,648		46,591
Fund balances - ending	\$ 233		\$	(191,408)	\$	(424,520)	\$	431,096	\$	1,221,387	\$	790,291

				_		(Continued)
	Street	Improvement Sales T		Sev	ver Plant Sales Tax F	
			Variance with			Variance with
			Final Budget -			Final Budget -
		Actual Amounts,	Positive		Actual Amounts,	Positive
	<u>Final</u>	Budgetary Basis	<u>(Negative)</u>	<u>Final</u>	Budgetary Basis	(Negative)
REVENUES						
Taxes	\$ -	\$ 2,188,065	\$ 2,188,065	\$ -	\$ 2,188,065	\$ 2,188,065
Investment income	v 14,000	35,303	21,303	↓ 600	3,217	2,617
Total revenues	14,000	2,223,368	2,209,368	600	2,191,282	2,190,682
	14,000	2,220,000	2,200,000		2,101,202	2,100,002
EXPENDITURES						
Departmental:						
Streets	6,131,129	1,816,817	4,314,312	-	-	-
Wastewater	-	-	-	898,186	267,381	630,805
Total Expenditures	6,131,129	1,816,817	4,314,312	898,186	267,381	630,805
Excess (deficiency) of revenues over						
expenditures	(6,117,129)	406,551	6,523,680	(897,586)	1,923,901	2,821,487
OTHER FINANCING SOURCES (USES)						
Transfers in	2,384,558	30,695	(2,353,863)	2,353,863	-	(2,353,863)
Transfers out	-	-	-	(1,500,000)	(1,500,000)	-
Total other financing sources and uses	2,384,558	30,695	(2,353,863)	853,863	(1,500,000)	(2,353,863)
Net change in fund balances	(3,732,571)	437,246	4,169,817	(43,723)	423,901	467,624
Fund balances - beginning	4,740,624	4,800,336	59,712	541,399	534,144	(7,255)
Fund balances - ending	\$ 1,008,053	\$ 5,237,582	\$ 4,229,529	\$ 497,676	\$ 958,045	\$ 460,369

		Grants & Aid Fund			G.O. Sinking Fund	
	Final	<u>Actual Amounts,</u> Budgetary Basis	Variance with Final Budget - <u>Positive</u> (Negative)	Final	<u>Actual Amounts,</u> Budgetary Basis	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> (Negative)
REVENUES						
Taxes	\$ -	\$-	\$-	\$ 2,300,000	\$ 2,902,731	\$ 602,731
Intergovernmental	761,405	48,648	(712,757)	-	-	-
Investment income	100	967	867	5,000	9,869	4,869
Miscellaneous	-	-	-	81,895	81,895	-
Total revenues	761,505	49,615	(711,890)	2,386,895	2,994,495	607,600
EXPENDITURES						
Departmental:						
General government	-	-	-	3,150,495	3,000,195	150,300
Culture and recreation	462,000	-	462,000	-	-	-
Public safety	79,978	56,167	23,811	-	-	-
Streets	392,731	66,000	326,731	-	-	-
Urban Development	25,500	23,700	1,800	-	-	-
Total Expenditures	960,209	145,867	814,342	3,150,495	3,000,195	150,300
Excess (deficiency) of revenues over						
expenditures	(198,704)	(96,252)	102,452	(763,600)	(5,700)	757,900
OTHER FINANCING SOURCES (USES)						
Transfers in	486,215	486,215	-	-	-	-
Transfers out	-	-	-	(4,125)	(3,195)	(930)
Total other financing sources and uses	486,215	486,215	-	(4,125)	(3,195)	(930)
Net change in fund balances	287,511	389,963	102,452	(767,725)	(8,895)	758,830
Fund balances - beginning	112,351	38,887	(73,464)	1,324,979	1,416,785	91,806
Fund balances - ending	\$ 399,862	\$ 428,850	\$ 28,988	\$ 557,254	\$ 1,407,890	\$ 850,636

	 Sap	ulpa De	velopment A	uthority	/		ART	ICLE X	, SEC 35, GO I	BOND	
	<u>Final</u>		<u>l Amounts,</u> etary Basis	<u>Final</u> Pc	nce with Budget - ositive gative)		<u>Final</u>		<u>al Amounts,</u> getary Basis	Fina P	ance with I Budget - ositive egative)
REVENUES											
Investment income	\$ -	\$	1,350	\$	1,350	\$	10,000	\$	9,549	\$	(451)
Miscellaneous	 		-		-		50,000		50,000		
Total revenues	 -		1,350		1,350		60,000		59,549		(451)
EXPENDITURES											
Departmental:											
Economic development	-		-		-	1	1,449,475		620,552		828,923
Culture and recreation	-		-		-		400,525		200,525		200,000
Community Development	29,326		29,326		-		-		-		-
Total Expenditures	 29,326		29,326		-	1	1,850,000		821,077		1,028,923
Excess (deficiency) of revenues over											
expenditures	 (29,326)		(27,976)		1,350	(1	,790,000)		(761,528)		1,028,472
OTHER FINANCING SOURCES (USES)											
Transfers in	530,000		530,000		-		-		-		-
Total other financing sources and uses	 530,000		530,000		-		-		-		-
Net change in fund balances	500,674		502,024		1,350	(1	1,790,000)		(761,528)		1,028,472
Fund balances - beginning	814		817		3	`	1,813,900		1,813,911		11
Fund balances - ending	\$ 501,488	\$	502,841	\$	1,353	\$	23,900	\$	1,052,383	\$	1,028,483

		Major Capital Project F	
		G.O. Bond Construction	on fund
	<u>Final</u>	<u>Actual Amounts,</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> (Negative)
REVENUES			
Investment income	\$ 30,00	0 \$ 74,500	\$ 44,500
Miscellaneous	6,300,00	6,309,132	9,132
Total revenues	6,330,00	6,383,632	53,632
EXPENDITURES Departmental:			
General government	4,940,97	6 1,384,740	3,556,236
Culture and recreation	4,910,86	8 808,682	4,102,186
Public safety	2,151,18	1,237,436	913,745
Streets	5,883,69	5 3,913,263	1,970,432
Wastewater	159,41	3 144,621	14,792
Total Expenditures	18,046,13	7,488,742	10,557,391
Excess (deficiency) of revenues over			
expenditures	(11,716,13	(1,105,110)	10,611,023
Net change in fund balances	(11,716,13	(1,105,110)	10,611,023
Fund balances - beginning	11,800,79	, , , ,	26,788
Fund balances - ending	\$ 84,65	9 \$ 10,722,470	\$ 10,637,811

City of Sapulpa Combining Schedule of Net Position SMA Utility Fund Accounts June 30, 2023

	E	Enterprise Fund Acco	unts	
	SMA Utility	Stormwater Management Account	Sewer System Development Account	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 927,153	\$ (182,593)	\$ 2,302,010	\$ 3,046,570
Restricted cash and cash equivalents	1,088,709	-	-	1,088,709
Investments	-	1,364,922	-	1,364,922
Interest receivable	1,453	14,050	-	15,503
Accounts receivable, net	765,851	91,037	-	856,888
Other receivables	788,221	-	500	788,721
Total current assets Non-current assets:	3,571,387	1,287,416	2,302,510	7,161,313
Restricted investments	207 004			007 004
	287,921	-	-	287,921
Prepaid bond insurance	273,333	-	-	273,333
Capital Assets: Land and other non-depreciable assets	9,691,365			9,691,365
Other capital assets, net of depreciation	56,182,392	-	-	56,182,392
Capital lease assets, net of amortization	3,368	-	-	3,368
Total non-current assets	66,438,379			66,438,379
Total assets	70,009,766	1,287,416	2,302,510	73,599,692
10141 433613	10,003,100	1,207,410	2,302,310	10,000,002
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	52,764	-	-	52,764
Deferred amount on refunding	5,099,101	-	-	5,099,101
Total deferred outflows	5,151,865	-	-	5,151,865
LIABILITIES				
Current liabilities:				
Accounts payable	380,823	11,427	140,369	532,619
Accrued payroll liabilities	48,911	7,088	-	55,999
Due to other funds	-	-	1,232,000	1,232,000
Accrued interest payable	405,090	-	-	405,090
Unearned revenue	-	-	3,236,678	3,236,678
Due to depositors	67,168	-	-	67,168
Notes payable	230,000	-	-	230,000
Capital lease obligation payable	1,658	-	-	1,658
Water contract obligations	41,816	-	-	41,816
Revenue bonds payable	2,480,000	-	-	2,480,000
Accrued compensated absences	16,684	-	-	16,684
Total current liabilities	3,672,150	18,515	4,609,047	8,299,712
Non-current liabilities:	000 074			000 074
Due to depositors	268,671	-	-	268,671 5,282,713
Notes payable	5,282,713	-	-	
Water contract obligations	522,496 57,465,001	-	-	522,496 57,465,001
Revenue bonds payable, net Lease liability	1,764	-	-	1,764
Accrued compensated absences	150,158	- 7,347	-	157,505
Total OPEB liability	195,427	7,547	_	195,427
Total non-current liabilities	63,886,230	7,347		63,893,577
Total liabilities	67,558,380	25,862	4,609,047	72,193,289
	07,000,000	20,002	4,000,047	72,100,200
DEFERRED INFLOWS OF RESOURCES:				
Related to OPEB	146,661	-	-	146,661
NET POSITION				
Net investment in capital assets	10,463,491	-	-	10,463,491
Restricted for debt service	614,848	-	-	614,848
Unrestricted (deficit)	(3,621,749)	1,261,554	(2,306,537)	(4,666,732)
Total net position	\$ 7,456,590	\$ 1,261,554	\$ (2,306,537)	\$ 6,411,607

City of Sapulpa Combining Schedule of Revenues, Expenses and Changes in Net Position SMA Utility Fund Accounts For the Year Ended June 30, 2023

		Er	nterprise Fun	d Accoun	ts		
	SMA Util	ity	Stormwa Managem Accoun	ent	Sewer System Development Account		Total
REVENUES							
Water charges	\$ 4,799	,047	\$	-	\$ -	\$	4,799,047
Sewer charges	4,413	8,768		-	-		4,413,768
Sanitation	1,274	,604		-	-		1,274,604
Water taps	44	,500		-	-		44,500
Sewer taps	34	,350		-	885		35,235
Late charges	188	8,789		-	-		188,789
Recycling center		905		-	-		905
Trucked water	130	,759		-	-		130,759
Stormwater		-	854	4,070	-		854,070
Miscellaneous	135	5,016		-	-		135,016
Total operating revenues	11,021	,738	854	4,070	885		11,876,693
OPERATING EXPENSES							
General government	226	6,825		-	-		226,825
Administration	214	,185		-	-		214,185
Utility collections	484	,915		-	-		484,915
Water treatment plant	2,342	2,701		-	-		2,342,701
Industrial pretreatment	74	,122		-	1,918,558		1,992,680
Wastewater treatment plant	1,185	5,576		-	-		1,185,576
Stormwater management		-	460	0,148	-		460,148
Sanitation	905	5,134		-	-		905,134
Depreciation/amortization expense	2,173	3,732		-	-		2,173,732
Total Operating Expenses	7,607	,190	460	0,148	1,918,558		9,985,896
Operating income (loss)	3,414	,548	393	3,922	(1,917,673)		1,890,797

NON-OPERATING REVENUES (EXPENSES)

Investment income	57,894	18,504	12,321	88,719
Miscellaneous	116,287	32,132	8,864	157,283
Gain (loss) on disposal of capital assets	(19,154)	-	-	(19,154)
Transfer capital assets to governmental activities	(63,539)	-	-	(63,539)
Interest expense and fiscal charges	(2,756,771)	-	-	(2,756,771)
Total non-operating revenue (expenses)	(2,665,283)	50,636	21,185	(2,593,462)
Income (loss) before contributions and transfers	749,265	444,558	(1,896,488)	(702,665)
Capital contributions	2,887,803	-	-	2,887,803
Interaccount transfers - net	550,498	(550,498)	-	-
Transfers in	6,114,934	-	1,373,102	7,488,036
Transfers out	(7,509,988)	(22,900)	(1,369,768)	(8,902,656)
Change in net position	2,792,512	(128,840)	(1,893,154)	770,518
Total net position - beginning	4,664,078	1,390,394	(413,383)	5,641,089
Total net position - ending	\$ 7,456,590	\$ 1,261,554	\$ (2,306,537)	\$ 6,411,607

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STATISTICAL SECTION

Statistical Section

This part of the City of Sapulpa's Annual Comprehensive Financial Report presents detailed information as a way to help understand the information in the financial statements, note disclosures, and required supplementary information and what it says about the City's overall financial health.

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue sources.

Debt Capacity

These schedules help the reader evaluate the affordability of the City's current level of outstanding debt and the City'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 City's financial activities take place.

Operating Information

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

Source: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF SAPULPA, OKLAHOMA NET ASSETS/NET POSITION BY COMPONENT Last Ten Fiscal Years June 30, 2023 TABLE 1

					FISCAL	VEAR				
	2014	<u>2015</u>	<u>2016</u>	2017	2018	2019	2020	<u>2021</u>	2022	2023
Governmental activities Net investment in capital assets Restricted Unrestricted* Total governmental activities net assets	\$ 28,299,654 3,508,280 (525,971) \$ 31,281,963	\$ 34,911,581 2,177,147 (11,149,035) \$ 25,939,693	\$ 37,695,132 2,246,070 (10,551,864) \$ 29,389,338	\$ 39,647,053 3,460,194 (9,865,680) \$ 33,241,567	\$ 42,314,122 4,468,667 (10,122,305) 36,660,484	\$ 41,159,105 5,187,945 (8,008,802) \$ 38,338,248	\$ 41,197,880 6,270,449 (6,670,805) \$ 40,797,524	\$ 41,471,321 7,637,793 (4,966,222) \$ 44,142,892	<pre>\$ 42,543,872 9,776,065 (3,804,950) \$ 48,514,987</pre>	\$ 45,238,292 9,939,428 (5,466,789) \$ 49,710,931
Business-type activities Net investment in capital assets Restricted Unrestricted* Total business-type activities net assets	\$ (4,880,098) 764,732 2,802,982 \$ (1,312,384)	\$ (4,661,216) 1,250,754 1,074,381 \$ (2,336,081)	\$ (4,739,349) 694,330 3,096,006 \$ (949,013)	\$ (1,481,179) 697,854 2,345,547 \$ 1,562,222	\$ (204,354) 721,995 2,368,358 2,885,999	\$ 2,852,099 915,268 2,495,276 \$ 6,262,643	\$ 3,706,724 993,315 1,758,281 \$ 6,458,320	<pre>\$ 7,459,904 1,857,483 (2,582,631) \$ 6,734,756</pre>	\$ 9,075,161 1,838,508 (1,906,900) \$ 9,006,769	\$ 12,107,022 4,088,273 (3,335,406) \$ 12,859,889
Primary government Net investment in capital assets Restricted Unrestricted* Total primary government net assets	\$ 23,419,556 4,273,012 2,277,011 \$ 29,969,579	\$ 30,250,365 3,427,901 (10,074,654) \$ 23,603,612	\$ 32,955,783 2,940,400 (7,455,858) \$ 28,440,325	\$ 38,165,874 4,158,048 (7,520,133) \$ 34,803,789	\$ 42,109,768 5,190,662 (7,753,947) 39,546,483	\$ 44,011,204 6,103,213 (5,513,526) \$ 44,600,891	\$ 44,904,604 7,263,764 (4,912,524) \$ 47,255,844	\$ 48,931,225 9,495,276 (7,548,853) \$ 50,877,648	\$ 51,619,033 11,614,573 (5,711,850) \$ 57,521,756	\$ 57,345,314 14,027,701 (8,802,195) \$ 62,570,820

* 2015 and after unrestricted net position includes net pension liabilities with the implementation of GASB 68. Prior years have not been restated because the information was not available.

CITY OF SAPULPA, OKLAHOMA CHANGES IN NET ASSETS/POSITION Last Ten Fiscal Years June 30, 2023 TABLE 2

					FISCA	L YEAR				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
Administration	\$ 1,161,305	\$ 1,147,479	\$ 1,222,715	\$ 1,351,137	\$ 1,306,270	\$ 1,392,780	\$ 1,772,609	\$ 1,425,897	\$ 1,594,141	\$ 1,986,162
General government	1,355,737	1,498,532	1,310,220	1,206,167	1,364,855	1,461,436	1,963,610	1,822,882	3,137,944	3,990,386
Legal and judicial	356,413	360,529	351,084	345,408	310,484	385,385	369,390	351,067	358,571	384,032
Public safety	10,949,137	10,313,168	10,138,938	10,465,597	11,096,287	10,226,923	12,029,227	14,488,219	10,787,913	14,354,444
Urban development	502,722	487,448	412,479	307,727	240,837	768,945	496,708	1,053,445	514,917	342,047
Streets	1,271,007	2,555,471	1,754,903	1,306,127	1,769,022	1,760,452	2,077,081	2,170,664	2,386,986	2,855,614
Culture and recreation	1,479,655	1,541,965	1,463,855	1,437,105	1,524,113	1,521,404	1,476,389	1,425,240	1,659,915	1,870,302
Interest on long-term debt	500,720	645,615	670,007	725,486	600,320	649,405	543,310	837,911	843,743	974,376
Total governmental activities expenses	17,576,696	18,550,207	17,324,201	17,144,754	18,212,188	18,166,730	20,728,324	23,575,325	21,284,130	26,757,363
Business-type activities:										
Water operations	4,353,733	4,065,753	4,061,194	3,967,948	4,206,034	4,284,903	4,397,586	4,986,506	4,794,864	5,096,122
Wastewater operations	5,496,979	5,457,768	5,056,817	5,061,205	4,931,561	4,837,348	4,980,514	5,363,491	5,319,592	5,265,285
Sanitation operations	1,320,618	1,402,766	1,398,335	1,485,048	1,546,076	1,584,119	816,601	1,069,443	944,581	1,023,571
Stormwater maintenance	382,874	471,518	407,900	479,443	458,541	559,553	722,966	736,415	801,229	763,193
Golf course operations	766,627	845,914	795,604	816,663	808,562	746,335	760,332	771,134	801,632	919,735
Interest charges - governmental activities	1,910		-							-
Total business-type activities expenses	12,322,741	12,243,719	11,719,850	11,810,307	11,950,774	12,012,258	11,677,999	12,926,989	12,661,898	13,067,906
Total primary government expenses	\$ 29,899,437	\$ 30,793,926	\$ 29,044,051	\$ 28,955,061	\$ 30,162,962	\$ 30,178,988	\$ 32,406,323	\$ 36,502,314	\$ 33,946,028	\$ 39,825,269
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 346,197	\$ 383,677	\$ 416,739	\$ 370,386	\$ 413,385	\$ 438,957	\$ 431,281	\$ 543,842	\$ 582,358	\$ 672,603
Public safety	1,562,331	1,566,859	1,313,925	1,277,984	1,212,768	868,830	715,823	846,317	835,678	855,211
Streets	2,160	2,985	3,950	4,295	4,210	2,537	680	490	966	490
Culture and recreation	231,384	249,950	236,603	219,787	224,696	215,526	114,291	111,529	151,692	210,901
Operating grants and contributions	1.454.026	1,367,842	1,507,551	1,482,451	1,394,624	1,680,814	1,819,058	2,043,523	1.211.238	1.623.031
Capital grants and contributions	3,013,628	5,940,352	2,504,535	2,628,693	888,960	110,323	156,219	1,763,880	715.200	116.796
Total governmental activities program revenues	6,609,726	9,511,665	5,983,303	5,983,596	4,138,643	3,316,987	3,237,352	5,309,581	3,497,132	3,479,032

(Continued)

TABLE 2 (Continued)

					FISCAL YEAR					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services:										
Water operations	4,550,607	4,269,833	4,857,419	4,944,803	5,085,638	4,897,220	4,971,089	4,940,725	5,305,207	5,167,352
Wastewater operations	3,367,955	3,557,465	3,701,235	3,628,741	3,772,659	3,979,941	4,174,685	4,290,569	4,343,059	4,457,868
Sanitation operations	1,446,311	1,605,453	1,658,509	1,737,669	1,848,351	1,917,216	1,217,922	1,256,785	1,343,259	1,406,268
Stormwater operations	925,114	861,917	860,229	860,819	866,218	864,438	870,016	869,924	868,512	854,070
Golf course operations	465,583	356,469	377,844	352,376	362,914	341,908	301,596	439,027	446,808	442,399
Operating grants and contributions	-	-	-	-	-	-	-	-	980	
Capital grants and contributions		65,587		709,501	904,740	-	-	1,200	-	182,579
Total business-type activities program revenues	10,755,570	10,716,724	11,455,236	12,233,909	12,840,520	12,000,723	11,535,308	11,798,230	12,307,825	12,510,536
Total primary government program revenues	\$ 17,365,296	\$ 20,228,389	\$ 17,438,539	\$ 18,217,505	\$ 16,979,163	\$ 15,317,710	\$ 14,772,660	\$ 17,107,811	\$ 15,804,957	\$ 15,989,568
Net (Expense)/Revenue										
Governmental activities:	\$ (10,966,970)	\$ (9,038,542)	\$ (11,340,898)	\$ (11,161,158)	\$ (14,073,545)	\$ (14,849,743)	\$ (17,490,972)	\$ (18,265,744)	\$ (17,786,998)	\$ (23,278,331
Business-type activities:	(1,567,171)	(1,526,995)	(264,614)	423,602	889,746	(11,535)	(142,691)	(1,128,759)	(354,073)	(557,370
Total primary government net expense	\$ (12,534,141)	\$ (10,565,537)	\$ (11,605,512)	\$ (10,737,556)	\$ (13,183,799)	\$ (14,861,278)	\$ (17,633,663)	\$ (19,394,503)	\$ (18,141,071)	\$ (23,835,701
General Revenues and Other Changes in Net Assets/Positi	on									
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 12.283.297	\$ 12,700,633	\$ 12.574.124	\$ 12,738,375	\$ 13,551,549	\$ 14.656.635	\$ 15.417.647	\$ 17.264.571	\$ 18.911.529	\$ 19.759.929
Ad valorem property taxes	1,281,765	1,880,483	1,299,375	2,001,667	1,870,647	2,120,808	2,057,748	1,813,505	2,778,914	2,902,731
Franchise and public service taxes	543.345	559,510	654.804	537,161	760,254	730,599	600.551	850.082	915,321	864.026
Payment in lieu of taxes	471.073	550,090	515,291	657.214	251,431	420,288	272.625	785.973	263.445	242,357
Hotel/motel taxes	196.538	233,668	233,289	226,145	238,006	264,140	220,138	242,481	347.501	259.770
Tax apportionment revenue				61.120	125,004	204,860	198,531	828.693	101,833	1,853,812
E-911 taxes	218,150	194,726	178.383	239.336	302,246	299,922	313.845	351,206	323.577	331.701
Intergovernmental revenue not restricted to specific programs	243,731	260,352	259.548	270.648	272,745	278.062	327.898	355.777	585.632	341.423
Investment income	21,745	19,857	41,612	62,587	98,796	144,570	119,840	82,603	112,166	205,722
Miscellaneous	335.570	150,704	339,546	139,931	137,061	581,060	537.273	274,365	247,767	-
Transfers-Internal activity	(1,316,581)	(346,991)	(1,305,429)	(1,920,797)	(590,258)	(3,173,437)	(115,848)	(1,238,144)	(2,428,592)	(2,287,196
Total governmental activities	14.278.633	16,203,032	14,790,543	15.013.387	17.017.481	16.527.507	19.950.248	21.611.112	22,159,093	24.474.275
Business-type activities:										
Sales and use taxes		-	-			-	-	-	-	
Investment earnings	25.728	15.902	8.173	10.328	20,108	62,710	62.212	23.553	14,572	102.250
Miscellaneous	154,862	140,405	338,080	156,508	160,082	152,032	160,308	143,498	182,922	154,134
Transfers - Internal activity	1.316.581	346,991	1,305,429	1,920,797	590,258	3,173,437	115.848	1.238.144	2,428,592	2.287.196
Total business-type activities	1.497.171	503,298	1,651,682	2,087,633	770,448	3,388,179	338,368	1,405,195	2,626,086	2,543,580
Total primary government	\$ 15,775,804	\$ 16,706,330	\$ 16,442,225	\$ 17,101,020	\$ 17,787,929	\$ 19,915,686	\$ 20,288,616	\$ 23,016,307	\$ 24,785,179	\$ 27,017,855
Change in Net Assets/Position										
Governmental activities	\$ 3.530.615	\$ 3.311.663	\$ 7.164.490	\$ 3,852,229	\$ 2,943,936	\$ 1.677.764	\$ 2,459,276	\$ 3.345.368	\$ 4.372.095	\$ 1,195,944
Business-type activities	(379,000)	(70,000)	(1,023,697)	2,511,235	1,660,194	3,376,644	\$ 2,459,270 195,677	276,436	2,272,013	1,986,210
Total primary government	\$ 3.151.615	\$ 3,241,663	\$ 6,140,793	\$ 6,363,464	\$ 4,604,130	\$ 5,054,408	\$ 2,654,953	\$ 3,621,804	\$ 6.644.108	\$ 3,182,154
rotar primary government	φ 3,101,015	φ 3,241,003	φ 0,140,793	φ 0,303,404	φ 4,004,130	φ 0,004,408	φ 2,004,903	φ 3,021,004	φ 0,044,108	φ 3,162,154

CITY OF SAPULPA, OKLAHOMA FUND BALANCES - GOVERNMENTAL FUNDS Last Ten Fiscal Years June 30, 2023 TABLE 3

		Fiscal Year								
	<u>2014</u>	2015	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	2022	2023
General Fund										
Reserved	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	8,903	8,790	8,772	8,757	8,753	8,753	8,753	8,753	8,753	-
Committed	7,074	8,912	12,467	-	-	-	-	-	-	-
Assigned	642,999	1,527,532	1,275,512	1,061,401	951,579	1,335,272	1,822,526	2,333,409	3,668,635	3,106,823
Unassigned	873,660	680,328	385,543	661,453	714,052	814,506	995,523	3,201,634	2,223,700	2,024,737
Total general fund	\$ 1,532,636	\$ 2,225,562	<u>\$ 1,682,294</u>	<u>\$ 1,731,611</u>	\$ 1,674,384	<u>\$ 2,158,531</u>	\$ 2,826,802	\$ 5,543,796	\$ 5,901,088	\$ 5,131,560
All Other Governmental Funds										
Reserved	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	72,754	75,111	78,884	91,939	82,509	124,605	118,272	117,105	117,012	109,721
Restricted	3,389,744	11,623,625	11,982,145	11,777,932	11,337,476	9,946,966	23,436,988	26,952,280	23,774,353	23,685,100
Assigned	576.895	897.512	1.141.779	1,283,031	1,532,310	1,534,606	2,147,696	2,557,303	2,944,926	2.836.286
Unassigned	(278,756)	(260,993)	(43,051)	(492)	(143,493)	25,705	-	-	-	(191,408)
Total all other governmental funds	\$ 3,760,637	\$ 12,335,255	\$ 13,159,757	\$ 13,152,410	\$ 12,808,802	\$ 11,631,882	\$ 25,702,956	\$ 29,626,688	\$ 26,836,291	\$ 26,439,699
GRAND TOTAL	\$ 5,293,273	\$ 14,560,817	\$ 14,842,051	\$ 14,884,021	\$ 14,483,186	\$ 13,790,413	\$ 28,529,758	\$ 35,170,484	\$ 32,737,379	\$ 31,571,259

CITY OF SAPULPA, OKLAHOMA CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS Last Ten Fiscal Years June 30, 2023 TABLE 4

						al Year				
-	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	2020	<u>2021</u>	2022	2023
Revenues										
Sales and use taxes	\$ 12,283,297	\$ 12,700,633	\$ 12,574,124	\$ 12,738,375	\$ 13,551,549	\$ 14,656,635	\$ 15,417,647	\$ 17,264,571	\$ 18,911,529	\$ 19,759,92
Franchise and public service taxes	543,345	559,510	654,804	537,161	760,254	730,599	600,551	850,082	915,321	864,02
Ad valorem taxes	1,279,523	1,880,483	1,669,375	2,062,787	1,995,651	2,325,668	2,256,279	3,259,138	2,880,747	4,756,54
Payment in lieu of tax	471,073	465,666	327,694	509,743	326,330	290,124	283,266	286,955	261,465	264,55
Hotel/motel taxes	196,538	233,668	233,289	226,145	238,006	264,140	220,138	242,481	347,501	259,77
Intergovernmental	2,496,953	2,779,875	4,535,982	2,223,951	1,931,682	2,110,914	2,359,390	3,665,985	2,263,681	2,059,68
Charges for services	1,069,476	1,082,318	1,062,759	1,118,387	1,177,610	1,203,387	1,154,165	1,251,956	1,341,611	1,295,55
Fines and forfeitures	1,005,125	825,191	702,745	699,366	548,370	525,568	368,383	289,908	259,359	292,32
Licenses and permits	171,406	201,452	224,647	178,401	200,685	222,183	165,339	292,325	241,381	408,97
Investment income	21,284	20,611	36,837	61,256	95,513	156,233	126,637	83,103	114,799	214,31
Miscellaneous	435,900	307,719	551,099	295,327	238,084	1,173,917	651,891	520,378	508,423	508,00
Total Revenues	19,973,920	21,057,126	22,573,355	20,650,899	21,063,734	23,659,368	23,603,686	28,006,882	28,045,817	30,683,68
Expenditures:										
Administration	1,171,955	1,146,026	1,200,718	1,271,459	1,284,305	1,287,628	1,408,399	1,356,587	1,903,822	2,242,75
General government	1,138,947	1,416,531	1,391,966	1,188,280	1,224,546	1,317,933	2,154,763	2,324,100	1,702,261	1,700,11
Legal and judicial	324,632	330,599	313,227	308,989	308,234	358,609	351,489	344,722	348,458	355,69
Public safety	10,301,401	10,212,606	10,392,436	10,176,360	10,563,840	11,176,840	11,457,452	11,116,095	12,281,115	13,156,3
Urban development	502,286	658,295	430,378	337,512	231,899	378,953	304,451	274,378	342,592	362,2
Streets	856,310	1,759,652	921,631	675,147	801,925	817,806	981,786	949,764	1,018,050	1,174,07
Culture and recreation	1,094,492	1,167,813	1,254,560	1,201,433	1,238,370	1,182,568	1,109,800	1,160,048	1,328,662	1,893,08
Water	852,745	840,011	824,241	887,295	830,353	832,954	818,980	839,638	1,386,767	1,408,36
Wastewater	111,708	-	-	-	26,000	134,704	107,133	70,016	269,736	32,51
Capital outlay	3,801,541	3,710,229	6,319,488	3,312,081	4,101,086	5,984,619	4,803,732	7,313,132	7,102,916	13,229,53
Debt service:										
Principal	2,149,087	2,660,090	2,973,312	1,783,508	1,872,172	1,929,981	2,055,964	2,219,445	2,616,999	2,809,36
Interest and fiscal charges	510,795	644,865	666,696	765,209	633,839	895,419	726,702	887,539	946,513	887,28
Total Expenditures	22,815,899	24,546,717	26,688,653	21,907,273	23,116,569	26,298,014	26,280,651	28,855,464	31,247,891	39,251,32
Excess of revenues										
over(under) expenditures	(2,841,979)	(3,489,591)	(4,115,298)	(1,256,374)	(2,052,835)	(2,638,646)	(2,676,965)	(848,582)	(3,202,074)	(8,567,63
Other financing sources(uses) and special item:										
Transfers in	7,530,391	7,348,812	5,981,157	6,145,938	6,124,230	7,022,232	7,865,200	7,501,018	7,219,938	9,747,52
Transfers out	(6,270,528)	(5,786,493)	(5,756,942)	(5,130,338)	(5,272,230)	(5,664,542)	(5,780,708)	(6,007,475)	(6,596,058)	(8,727,90
Payment to escrow	-	-	-	-	-	-	(4,072,826)	-	-	
Debt proceeds	153,643	11,160,000	4,172,317	133,712	-	588,183	19,404,644	5,836,223	108,413	6,300,00
Bond premium	-	34,816	-	-	-	-	-	159,542	-	81,89
Judgements	331,300	-	-	129,000	800,000	-	-	-	-	
Special item - proceeds from sale of capital assets				20,032					36,676	
Total other financing sources(uses) and special iten	1,744,806	12,757,135	4,396,532	1,298,344	1,652,000	1,945,873	17,416,310	7,489,308	768,969	7,401,51
Net change in fund balances	<u>\$ (1,097,173)</u>	\$ 9,267,544	\$ 281,234	\$ 41,970	<u>\$ (400,835)</u>	<u>\$ (692,773)</u>	\$ 14,739,345	\$ 6,640,726	<u>\$ (2,433,105)</u>	\$ (1,166,12
Debt service as a percentage of										
noncapital expenditures	16.3%	15.9%	17.9%	13.7%	15.5%	14.3%	13.8%	12.9%	14.0%	12.7

CITY OF SAPULPA, OKLAHOMA GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE Last Ten Fiscal Years June 30, 2023 TABLE 5

Fiscal Year	Ad Valorem Tax	Sales Tax	Use Tax	Franchise Tax	Payment in lieu of Tax	Hotel/ Motel Tax	E-911 Tax	Totals
2014	1,279,523	11,692,608	590,689	543,345	471,073	196,538	218,150	14,991,926
2015	1,880,483	12,087,467	613,166	559,510	465,666	233,668	194,726	16,034,686
2016	1,669,375	12,080,526	493,598	654,804	327,694	233,289	178,383	15,637,669
2017	2,062,787	12,178,833	559,542	537,161	509,743	226,145	239,336	16,313,547
2018	1,995,651	12,877,535	674,014	760,254	326,330	238,006	302,246	17,174,036
2019	2,325,668	13,490,546	1,166,089	730,599	290,124	264,140	299,922	18,567,088
2020	2,256,279	14,146,410	1,271,237	600,551	283,266	220,138	313,845	19,091,726
2021	3,259,138	15,515,781	1,748,790	850,082	286,955	242,481	351,206	22,254,433
2022	2,880,747	16,958,859	1,952,670	915,321	261,465	347,501	323,577	23,640,140
2023	4,756,543	17,889,928	1,870,001	864,026	264,556	259,770	331,701	26,236,525

CITY OF SAPULPA, OKLAHOMA ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years June 30, 2023 TABLE 6

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Assessed Value	Homestead Exemption	Net Assessed Value	Estimated Actual Value
2014	105,689,967	17,282,094	6,514,937	129,486,998	4,309,270	125,177,728	1,043,147,733
2015	108,275,772	19,619,921	6,417,131	134,312,824	5,291,198	129,021,626	1,075,180,217
2016	121,505,565	19,116,798	6,436,969	147,059,332	5,363,384	141,695,948	1,180,799,567
2017	125,527,260	20,068,645	6,210,808	151,806,713	5,395,672	146,411,041	1,220,092,008
2018	121,831,628	21,044,890	6,452,728	149,329,246	5,534,604	143,794,642	1,198,288,683
2019	127,563,572	23,354,204	6,494,676	157,412,452	5,579,948	151,832,504	1,265,270,867
2020	125,893,482	25,560,129	6,499,910	157,953,521	5,805,513	152,148,008	1,267,900,067
2021	132,335,721	24,589,521	6,853,104	163,778,346	5,925,873	157,852,473	1,315,437,275
2022	136,133,789	24,245,057	7,351,038	167,729,884	3,979,250	163,750,634	1,364,588,617
2023	146,808,525	37,842,477	7,622,705	192,273,707	6,114,881	186,158,826	1,551,323,550

Note: County Excise Board

Note: Property in the county is reassessed annually. The ratio of assessed value to true value cannot be less than 11 percent nor more than 13 1/2 percent. Tax rates are per \$1,000 of assessed value. CITY OF SAPULPA, OKLAHOMA PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUE) Last Ten Fiscal Years June 30, 2023 TABLE 7

	City Direct Rate	0			
Fiscal Year	Sinking Fund	Sapulpa School District	County	Vo Tech School District	Total Levy
2014	10.24	67.39	20.22	13.26	111.11
2015	15.23	67.36	21.30	13.26	117.15
2016	13.11	66.28	21.00	13.26	113.65
2017	14.89	66.29	20.01	13.26	114.45
2018	13.45	73.66	20.01	13.26	120.38
2019	14.35	73.40	20.01	13.26	121.02
2020	13.61	71.66	20.01	13.26	118.54
2021	15.04	69.66	20.01	13.26	117.97
2022	15.32	66.28	20.01	13.26	114.87
2023	17.66	67.04	20.01	13.26	117.97

Note: City property tax may only be levied to repay principal and interest on general obligation bonded debt approved by the voters and any court-assessed judgments.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Sapulpa

CITY OF SAPULPA, OKLAHOMA PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR June 30, 2023 TABLE 8

			2023	
Taxpayer	Type of Business	Rank	Taxable Assessed Value	Percentage of Net Total Assessed Value
Green Bay Packaging Inc	Real Estate	1	11,632,886	6.249%
Ardagh Glass Inc XM2 (2021)	Glass	2	7,667,656	4.119%
Oklahoma Gas and Electric Co	Gas/Electric	3	4,431,638	2.381%
Ardagh Glass Inc XM5(2018)	Glass	4	2,088,635	1.122%
Ardagh Glass Inc	Glass	5	1,947,019	1.046%
Rolled Alloys LP	Equipment	6	1,903,956	1.023%
Smithway Tulsa LLC	Real Estate	7	1,866,425	1.003%
Enable Oklahoma	Information Technology	8	1,771,740	0.952%
Timbers Apartments	Apartments/Leasing	9	1,752,468	0.941%
CoxCom LLC	Communications	10	1,530,228	0.822%
Totals			<u>\$ 36,592,651</u>	<u>19.66</u> %

Source:

County Assessor's Office - Marie Stevens - 918-224-4508

CITY OF SAPULPA, OKLAHOMA PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years June 30, 2023 TABLE 9

Fiscal 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
2014	1,281,372	1,224,170	96%	55,353	1,279,523	99.9%	125,177,728	10.24
2015	1,965,293	1,808,677	92%	71,806	1,880,483	95.7%	129,021,626	15.23
2016	1,856,971	1,597,337	86%	73,208	1,670,545	90.0%	141,695,948	13.11
2017	2,180,147	1,921,206	88%	141,735	2,062,941	94.6%	146,411,041	13.45
2018	1,933,983	1,909,674	99%	73,495	1,983,169	102.5%	143,794,642	13.45
2019	2,178,249	1,992,664	91%	91,511	2,084,175	95.7%	151,832,504	14.35
2020	2,070,473	1,956,525	94%	67,431	2,023,956	97.8%	152,148,008	13.61
2021	2,374,493	2,293,390	97%	104,216	2,397,606	101.0%	157,852,473	15.04
2022	2,762,599	2,673,234	97%	71,904	2,745,138	99.4%	163,750,634	16.87
2023	2,851,351	2,520,372	88%	78,663	2,599,035	91.2%	186,158,826	15.32

Estimate of Needs, County Report

CITY OF SAPULPA, OKLAHOMA SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS Last Ten Fiscal Years June 30, 2023 TABLE 10

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	2023
City	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Creek County	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.167%
State of Oklahoma	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
-										
Total	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.667%
_										
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	2022	<u>2023</u>
City	4.000%	4.000%	4.000%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%
Tulsa County	0.917%	0.917%	0.917%	0.367%	0.367%	0.367%	0.367%	0.367%	0.367%	0.367%
State of Oklahoma	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%	4.500%
=										
Total	9.417%	9.417%	9.417%	9.367%	9.367%	9.367%	9.367%	9.367%	9.367%	9.367%

Oklahoma Tax Commission

CITY OF SAPULPA, OKLAHOMA TAXABLE SALES BY CATEGORY Last Ten Fiscal Years June 30, 2023 TABLE 11

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Agriculture, forestry, and fishing	\$ (11)	\$2	\$ 12	\$ 63	\$ 22	\$ 224	\$ 10,019	60,794	53,677	42,68
Vining	72,905	99,305	58,055	56,750	51,380	2,240	5,157	15,034	132,657	40,52
Construction	32,766	22,196	5,583	16,947	(2,013)	17,866	10,446	10,316	12,702	31,92
Manufacturing	191,519	191,415	182,869	245,049	186,922	204,878	176,811	232,141	429,018	401,05
Transportation	211,423	200,910	235,295	252,317	261,441	261,884	238,601	289,041	341,686	464,68
Communications and utilities:										
Communications	264,794	281,842	286,571	357,230	342,486	253,926	246,370	244,786	244,329	224,86
Electric, gas, and sanitary services	912,652	914,509	855692	873,048	875,324	903,233	882,548	916,716	1,093,771	1,289,71
Wholesale trade	1,031,499	1,180,595	1161478	1,187,704	1,423,865	1,651,388	1,598,397	1,667,578	1,951,584	2,229,97
Retail trade:										
Building materials, hardware, garden supply										
and mobile home dealer	468,238	510,290	510416	650,171	722,616	827,498	874,856	1,042,758	1,143,120	1,218,70
General merchandise stores	2,730,900	2,986,164	2936387	2,976,458	3,041,583	3,179,313	3,395,968	3,676,227	3,775,128	4,042,35
Food stores	1,104,023	1,291,229	1317747	1,043,474	965,874	824,575	808,023	900,718	1,239,533	1,523,65
Automotive dealers and gasoline service stations	731,878	747,507	752321	745,614	757,065	769,683	826,602	901,412	985,092	1,133,61
Apparel and accessory stores	147,636	139,801	148863	147,220	148,593	139,065	136,815	151,689	195,247	141,70
Furniture, home furnishings and equipment stores	175,198	193,479	157939	139,403	163,277	179,050	133,987	204,386	198,934	212,64
Eating and drinking places	1,572,118	1,680,998	1685045	1,737,414	1,834,286	1,858,664	1,925,502	2,024,419	2,129,943	2,199,87
Miscellaneous retail	1,021,678	910,867	1044786	1,139,562	1,284,497	1,596,919	1,889,011	2,248,469	1,932,753	1,676,48
Finance, insurance, and real estate	174,950	168,302	177994	200,296	190,877	202,629	203,915	188,679	220,833	223,24
Services:										
Hotels and motels	257,499	200,200	229848	175,919	228,797	260,960	213,599	252,323	301,669	273,42
Personal services	50,175	79,379	99646	53,082	51,006	31,944	17,128	32,721	42,752	35,81
Business services	29,697	37,775	39154	74,717	86,412	103,216	118,298	156,895	208,918	220,21
Automotive repair services and garages	47,919	53,676	53766	70,751	76,371	83,484	86,853	148,684	118,851	116,82
Miscellaneous repair services	7,936	7,629	14131	12,441	18,117	20,104	18,529	15,824	18,390	25,18
Motion pictures	38,868	35,062	32460	27,098	37,869	49,451	35,023	10,588	39,766	41,58
Other services	116,619	60,567	27289	21,575	11,175	27,168	32,049	20,755	26,766	31,51
Nonclassifiable establishments	379,110	219,190	109585	89604	37,218	46,500	159,978	33,830	50,365	36,95
	\$ 11,771,988	\$ 12,212,889	\$ 12,122,933	\$ 12,293,906	\$ 12,795,060	\$ 13,495,861	\$ 14,044,485	\$ 15.446.783	16.887.484	17,879,22

CITY OF SAPULPA, OKLAHOMA RATIO FOR OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years June 30, 2023 TABLE 12

	Governme	ental Activities		Busin	ess-Type Activ	/ities		
Fiscal Year	General Obligation Bonds	Notes Payable	Revenue Bonds	Revenue Bonds Payable	Notes Payable	Water Contract Obligations	Total Primary Government	Per Capita
2014	11,905,000	343,109	1,315,000	69,335,000	201,663	2,064,317	85,164,089	4,087
2015	14,450,000	225,130	7,605,000	67,940,000	118,880	1,754,960	92,093,970	4,483
2016	16,365,000	474,466	6,700,000	65,870,000	76,321	1,433,192	90,918,979	4,418
2017	15,300,000	445,824	6,255,000	64,345,000	32,965	1,098,515	87,477,304	4,180
2018	14,025,000	351,154	5,795,000	62,780,000	172,313	750,412	83,873,879	4,024
2019	12,745,000	809,488	5,325,000	61,170,000	720,263	716,061	81,485,812	3,917
2020	25,955,000	629,945	4,850,000	59,530,000	1,150,599	680,334	92,795,878	4,386
2021	31,442,395	538,391	4,377,769	64,845,000	4,823,117	643,172	106,669,844	4,924
2022	29,459,576	426,001	3,870,000	62,405,000	5,814,636	604,517	102,579,730	4,620
2023	33,598,152	281,631	3,365,000	59,945,000	5,512,713	564,313	103,266,809	4,549

Note: Beginning in fiscal year 2021 in accordance with a GFOA comment recommendation,

the Judgments Payable category was removed from the calculations above.

CITY OF SAPULPA, OKLAHOMA RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA Last Ten Fiscal Years June 30, 2023 TABLE 13

Fiscal Year	Population (1)	Net Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2014	20,836	125,177,728	11,905,000	354,392	11,550,608	9.23%	554
2015	20,544	129,021,626	14,450,000	368,329	14,081,671	10.91%	685
2016	20,579	141,695,948	16,365,000	525,880	15,839,120	11.18%	770
2017	20,928	146,411,041	15,300,000	792,264	14,507,736	9.91%	693
2018	20,843	143,794,642	14,025,000	896,692	13,128,308	9.13%	630
2019	20,802	151,832,504	12,745,000	970,059	11,774,941	7.76%	566
2020	21,156	152,148,008	25,955,000	1,117,211	24,837,789	16.32%	1,174
2021	21,664	157,852,473	30,415,000	1,362,895	29,052,105	18.40%	1,341
2022	22,205	163,750,634	28,500,000	1,416,785	27,074,912	16.53%	1,219
2023	22,700	186,158,826	32,640,000	1,407,890	32,640,000	17.53%	1,438

(1) Oklahoma Department of Commerce Projection

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF SAPULPA, OKLAHOMA COMPUTATION OF DIRECT AND OVERLAPPING DEBT TABLE 14

Jurisdiction	Net (1) Debt Outstanding	Percentage (2) Applicable to City of Sapulpa	Amount Applicable to City of Sapulpa
Direct - City of Sapulpa	\$29,519,045	100.00%	\$29,519,045
Overlapping: Sapulpa School District	\$10,788,560	66.09%	\$7,130,665
Overlapping: Tulsa School District	\$178,013,270	0.24%	\$423,491
Overlapping: Lone Star School District	\$628,008	51.65%	\$324,386
Overlapping: Allen Bowden School District	\$1,030,377	8.44%	\$86,973
Overlapping: Kiefer School District	\$3,785,057	1.43%	\$54,117
Overlapping: Kellyville School District	\$1,835,930	1.57%	\$28,760
Overlapping: Pretty Water School District	\$488,041	0.57%	\$2,779
Total	\$218,320,875		\$37,484,560

Outstanding bond debt-06-30-23

(1) 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 Sapulpa.

CITY OF SAPULPA, OKLAHOMA LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years June 30, 2023 TABLE 15

		Fiscal Year										
	2014	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	2022	2023		
Debt limit	\$ 12,517,773	\$ 12,902,163	\$ 14,169,595	\$ 14,641,104	\$ 14,379,464	\$ 15,183,250	\$ 15,214,801	\$ 15,785,247	\$ 16,375,063	\$ 18,615,883		
Total net debt applicable to limit	7,765,000	8,995,000	9,355,000	8,810,000	8,115,000	7,415,000	<u> </u>		<u> </u>	<u> </u>		
Legal debt margin	\$ 4,752,773	\$ 3,907,163	\$ 4,814,595	\$ 5,831,104	\$ 6,264,464	\$ 7,768,250	\$ 15,214,801	\$ 15,785,247	\$ 16,375,063	<u>\$ 18,615,883</u>		
Total net debt applicable to the limit as a percentage of debt limit	62.03%	69.72%	66.02%	60.17%	56.43%	48.84%	0.00%	0.00%	0.00%	0.00%		

Legal Debt Margin Calculation for Current Fiscal Year

Net assessed valuation	\$ 186,158,826
Debt limit (10% of total assessed value)	18,615,883
Debt applicable to limit:	
General obligation bonds	32,640,000
Less: bonds issued without debt limit in accordance with Article 10, Section 27	30,800,000
Less: bonds issued without debt limit in accordance with Article 10, Section 35	1,840,000
Total net debt applicable to limit	<u>.</u>
Legal debt margin	<u>\$ 18,615,883</u>

Note: Article 10, Section 26 of the Constitution of the State of Oklahoma limits municipal debt to 10% of net assessed valuation.

Article 10, Section 27 of the Constitution of the State of Oklahoma limits municipal debt to various purposes based upon City ownership of property that are excluded from the 10% debt limit. Article 10, Section 35 of the Constitution of the State of Oklahoma excludes economic development purposes from the 10% debt limit.

Note 2: During fiscal year 2020 a further understanding of Article 10, Section 27 was obtained, and it was determined that all current general obligation debt is exempt from the 10% debt limit of total assessed value. As such, the debt limit margin remaining in previous fiscal years likely should have been greater than reflected above.

CITY OF SAPULPA, OKLAHOMA THE SAPULPA MUNICIPAL AUTHORITY UTILITY SYSTEMS DIVISION PLEDGED REVENUE COVERAGE Last Ten Fiscal Years June 30, 2023 TABLE 16

		Eligible Revenues	Eligible Expenses (1)	Net Revenue Available for Debt Service	Average Annual/ Annual Debt Service	Revenue Bond Coverage
2014	Series 2012 and 2013 Refunding	14,042,548	5,571,732	8,470,816	4,095,687	2.07
2015	Series 2012 and 2013 Refunding	14,171,125	5,154,402	9,016,723	4,095,687	2.20
2016	Series 2012 and 2013 Refunding	15,106,791	4,964,475	10,142,316	4,095,687	2.48
2017	Series 2012 and 2013 Refunding	15,068,058	5,423,023	9,645,035	4,095,687	2.35
2018	Series 2012 and 2013 Refunding	15,615,611	5,620,951	9,994,660	4,103,235	2.44
2019	Series 2012 and 2013 Refunding	15,959,581	5,728,300	10,231,281	4,102,794	2.49
2020	Series 2012 and 2013 Refunding	16,721,370	5,661,575	11,059,795	4,113,715	2.69
2021	Serles 2020 Refunding	15,892,992	4,983,599	10,909,393	4,109,623	2.65
2022	Series 2020 Refunding	16,916,412	6,188,705	10,727,707	5,038,182	2.13
2023	Series 2020 Refunding	16,949,185	7,812,164	9,137,021	3,933,766	2.32

(1) Excludes depreciation and amortization expense.

CITY OF SAPULPA, OKLAHOMA DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years June 30, 2023 TABLE 17

Calendar Year	Population (1)	Personal Income _(in thousands)_	Per Capita Personal Income (2)	Median Age of Population (3)	School Enrollment (4)	Unemployment Rate (5)
2014	20,836	983,875	47,220	34.9	5,782	4.6%
2015	20,544	1,089,777	53,046	34.0	5,672	4.3%
2016	20,579	1,132,997	55,056	39.4	5,612	5.4%
2017	20,928	1,208,111	57,727	38.3	5,449	4.6%
2018	20,843	1,080,521	51,841	37.7	5,410	3.6%
2019	20,802	1,141,322	54,866	37.3	5,311	3.4%
2020	21,156	1,196,160	56,540	37.7	5,089	2.1%
2021	21,664	1,258,050	58,071	38.0	5,087	3.90%
2022	22,205	1,330,990	59,941	38.0	5,329	3.60%
2023	22,700	1,421,429	62,618	39.1	5,162	3.20%

Sources:

(1) Oklahoma Department of Commerce Projection

(2) Per Capital Personal Income - US Bureau of Economic Analysis for the Tulsa metropolitan area

(3) U.S. Census Bureau

(4) Sapulpa School District, Independent School Districts

(5) <u>www.bls.gov</u>

CITY OF SAPULPA, OKLAHOMA PRINCIPAL EMPLOYERS CURRENT YEAR June 30, 2023 TABLE 18

			2023
Employer	Product/Business	<u>Rank</u>	Employees
BIOS Corporation	Health Care and Social Assistance	1	1,050
Sapulpa Public Schools	Education Services	2	577
TD Williamson	Manufacturing/Engineering Equipment	3	495
Paragon Industries	Pipe Manufacturing	4	400
Ardagh	Manufacturing/Glass Bottles	5	372
John Christner Trucking	Transportation	6	340
Bennett Steel	Commercial Steel Fabrication	7	286
Walmart Supercenter	Retail	8	280
St. John Sapulpa	Health Services	9	175
Green Bay Packing	Corrugated Boxes	10	134
American Heritage Bank	Financial Institution	11	100
Totals			4,209

Sapulpa Chamber of Commerce Updated 2-29-2024

CITY OF SAPULPA, OKLAHOMA FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years June 30, 2023 TABLE 19

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	2020	<u>2021</u>	2022	2023
Function/Program										
General Government:										
Managament Services	5	5	5	5	5	5	5	5	5	7
Finance	5	5	5	5	5	5	5	5	6	5
Planning	3	3	3	3	3	3	3	5	4	3
Building	2	2	2	2	2	2	2	3	3	3
Community Image	1	1	1	1	1	1	1	1	1	1
Court	3	3	3	3	3	3	3	3	3	3
Treasurer										
Human Resources	1	1	1	1	1	1	1	1	1	1
MIS										
Legal	2	2	2	2	2	2	2	2	2	2
Cemetery	6	6	6	6	6	6	6	7	6	6
Other (FM, VM, Tort, FM, DCC)	5	5	5	5	5	5	5	2	2	2
Utility Accounting	6	6	6	6	6	6	6	3	5	6
Total General Government	39	39	39	39	39	39	39	37	38	39
Public Safety and Judiciary:										
Police										
Officers	43	43	43	47	46	47	47	50	43	50
Civilians	11	11	11	11	12	12	11	13	14	0
Animal Welfare	2	2	2	2	2	3	3	5	5	4
Fire:										
Firefighters & Officers	49	47	47	49	50	50	53	54	53	53
Civilians	1	1	1	1	1	1	1	2	1	9
Central Communications/EM										
Total Public Safety and Judiciary	106	104	104	110	111	113	115	124	116	116
Transportation:										
Streets	12	12	12	12	12	12	12	9	8	13
Total Transportation	12	12	12	12	12	12	12	9	8	13
Cultural, Parks and Recreation:								•	•	
Parks and Recreations	7	7	7	7	7	7	8	10	9	9
Library	5	5	5	5	5	5	5	5	4	5
Golf Course	5	5	5	6	5	7	8	8	6	8
Total Cultural, Parks and Recreation	17	17	17	18	17	19	21	23	19	22
Public Works:				10		10		20	10	
Solid Waste Collection	0	0	0	0	0	0	0	0	0	
Utility Maintenance	11	12	12	11	11	11	11	10	11	13
Water Treatment	8	8	8	8	8	8	8	8	8	8
Water Treatment	13	13	13	12	12	12	12	10	10	11
Industrial Pretreatment/Stormwater Management	4	4	4	3	3	4	4	4	4	4
Total Public Works	4 36	4 37	4 37	34	34	4 35	4 35	4 32	4 33	4 36
	30	31	31	34	34	30	30	32	33	30
Total Full-Time Employees by Function/Program	210	209	209	213	213	218	222	225	214	226

CITY OF SAPULPA, OKLAHOMA Capital Asset Statistics by Function/Program Last Ten Fiscal Years June 30, 2023 TABLE 20

_	Fiscal Year									
Function/Program	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government										
Buildings	17	17	17	17	17	17	17	17	18	18
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone Offices	1	1	1	1	1	1	1	1	1	1
Patrol units	33	32	32	32	35	44	44	46	52	52
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Trucks	12	12	12	11	14	14	15	10	10	15
Vehicles	8	10	10	11	9	11	12	14	14	9
Trailer Vans	4	4	4	4	4	4	4	2	2	1
Boats	2	2	2	2	1	2	2	2	2	2
Refuse Collection										
Collection trucks	-	-	-	-	-	-	-	-	-	-
Streets										
Street miles	209	209	209	209	209	209	209	209	209	209
Streetlights	1,410 23	1,410 23	1,410 23	1,410 23	1,410 23	1,410 23	1,410 23	1,410 23	1,410 24	1,410 25
Traffic signals Parks and recreation	23	23	23	23	23	23	23	23	24	25
Acreage	487	487	487	487	487	487	487	481	481	415
Playgrounds	12	407	407	407	12	407	407	10	10	413
Baseball/softball diamonds	14	14	14	14	14	14	16	8	10	, 14
Soccer/football fields	12	12	12	12	12	12	14	11	14	14
Community Center	1	1	1	1	1	1	1	1	1	1
Pool	1	1	1	1	1	1	1	1	1	1
Golf course	1	1	1	1	1	1	1	1	1	1
Library										
Buildings	2	2	2	2	2	2	2	2	2	2
Public Transportation										
Buses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trolley	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cemetery										
Plots	35,750	34,150	34,150	46,925	27,225	100	102	150	161	93
Vehicles & Machinery	17	17	17	17	17	17	17	19	19	19
Water										
Water mains (miles)	94	94	94	94	94	94	94	94	94	98
Fire hydrants	860	547	547	547	570	578	578	1,400	601	580
Storage capacity (thousands of	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
Wastewater	. . -	· • -	1 0 -	· • -	1 0 -				1 a -	
Sanitary sewers (miles)	106	106	106	106	106	106	106	106	106	110
Storm sewers (feet)	159,679	159,679	159,679	159,679	159,679	159,679	159,679	159,679	159,679	169,866
Daily Treatment Capacity	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000

CITY OF SAPULPA, OKLAHOMA Operating Indicators by Function/Program Last Ten Fiscal Years June 30, 2023 TABLE 21

unction/Program		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police											
	Physical Arrests	863	1078	1021	1135	990	899	748	422	544	604
	*Parking Violations	17	12	7	4	6	2	4	0	0	1
	Traffic Violations	8728	5830	4350	4340	4180	3425	2251	2013	3198	1322
Fire											
	Emergency Responses	3137	2924	2587	3475	3537	3873	4329	4936	4832	5490
	Fires Extinguished	206	224	143	234	154	147	172	161	205	242
	Inspections	310	175	44	140	189	125	78	78	65	135
Solid Waste Collection											
	Solid Waste Collected (Tons Per Day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Recyclables Collected (Tons Per Day)	NA	NA	NA	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Public Works											
	Potholes Repaired:										
	Asphalt Patching (Tons)	452	485	404	572	420	226	356	542	305	421
	Concrete Patching (Cubic Yards)	10	10	10	0	6	5	0	0	142	41
Parks & Recreation											
	Athletic Field-Agreements										
	Sapulpa Little League (# of Fields Usec	14	14	14	14	14	14	14	14	4	15
	Sapulpa Youth Soccer (# of Fields Use	12	12	12	12	12	12	14	14	14	15
	Sapulpa Girls Softball (# of Fields Usec	10	10	10	10	10	10	14	14	10	10
	Community Center/Park Rentals	97	143	140	140	163	193	79	200	84	166
	Senior Citizen- Meals Served	4000	5750	5769	1476	1100	2131	1602	0	1037	0
	-Sr. Center Lunch Program										
Wate											
	Connections	6552	6557	6537	6544	6504	6541	6609	6265	6576	586
	Water Main Breaks	50	50-100	50-100	50-100	50-100	50-100	50-100	50-100	20-50	50-10
	Average Daily Consumption										
	(Thousands of Gallons)	3036	2612	3014	2666	2482	2452	2221	2397	2366	236
	Peak Daily Consumption										
	(Thousands of Gallons)	4643	3974	4795	4068	3634	3587	3498	5278	3769	443
Wastewate	,										
racionato	Average Daily Sewage Treatment										
	(Thousands of Gallons)	3000	3000	3000	3000	3000	3000	3000	3000	3000	300
Transi	,										
7101101	Total Route Miles-Trolleys & Broncho	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Total Route Miles-Rt-37	N/A	NA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Passengers	N/A		N/A	N/A	N/A		N/A	N/A		N/A

Source: Various City Departments

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INTERNAL CONTROL AND COMPLIANCE SECTION



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

To the Honorable Mayor and Members of the City Council City of Sapulpa, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sapulpa, Oklahoma (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 17, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings. The City's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Toledoje & Associates PC

Edmond, Oklahoma May 17, 2024

SCHEDULE OF FINDINGS AND RESPONSES Year Ended June 30, 2023

Section II--Findings Required to be Reported in Accordance with Government Auditing Standards:

A. Internal Control

Finding 2023-001 - Capital assets disposals

Criteria: Internal controls over disposals of capital assets should enhance transparency, accountability, and proper management of assets. Documentation on the timing of the disposal with proper approvals and appropriate record keeping should be maintained by the City.

Condition: The City's internal controls over disposal of capital assets were lacking, as the City was not retaining adequate documentation for the sale of individual assets.

Cause and Effect: The City did record the disposal of capital assets accurately; however, the City did not document the timing of the disposals, the approvals to dispose of the asset, nor the buyer of the asset. As a result, the following were identified during audit fieldwork:

9 out of 15 samples selected for disposal testing, were missing key information such as disposal date, signature, and method of disposal, and the buyer of the asset disposed.

Recommendation: We recommend the city follow the documented controls around the disposal of capital assets and monitor the controls to ensure it is being followed.

Management Response: Management agrees with the above recommendation. During 2023 a fixed asset list was dispersed to all departments for determination of verifying assets were still on hand, for those items not located, the City removed the asset from it's books. We have taken measures to ensure that all fixed assets are properly disposed of in the future and have implemented an updated version of a fixed asset disposition form which is required to be submitted by department heads.

B. Compliance Findings

No findings to report under this section.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2023

Section II--Findings Required to be Reported in Accordance with *Government Auditing Standards:*

A. Internal Control

There are no prior findings requiring reporting under this section.

B. Compliance Findings

There are no prior findings requiring reporting under this section.

SINGLE AUDIT REPORTS AND SUPPLEMENTARY SCHEDULES

June 30, 2023

June 30, 2023	<u>PAGE</u>
SINGLE AUDIT REPORTS AND SUPPLEMENTARY SCHEDULES:	
Reports related to financial statements of the reporting entity Required by GAO <i>Government Auditing Standards</i> :	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Reports related to Federal Assistance Programs Required by the Uniform Guidance:	
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8
Summary Schedule of Prior Audit Findings and Questioned Costs	11



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

To the Honorable Mayor and Members of the City Council City of Sapulpa, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sapulpa, Oklahoma (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 17, 2024, and September 24, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in

the accompanying schedule of findings and questioned costs as item 2023-003, which we consider to be a significant deficiency.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings. The City's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

rledge_ & Associates PC

Oklahoma City, Oklahoma May 17, 2024 except for the reports related to the governmental activities, business-type activities, other governmental funds, and the Sapulpa Municipal Authority Utility fund and the Schedule of Expenditures of Federal Awards which is dated September 24, 2024.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members of the City Council City of Sapulpa, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Sapulpa, Oklahoma's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *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, 2023. 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.

In our opinion, the City complied, in all material respects, with the types of 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, 2023.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a combination of deficiencies, in internal control over compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance is a deficiency or a combination of deficiencies, in internal control over compliance is a deficiency or a combination of deficiencies, in internal control over compliance is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Arledge & Associates PC

Oklahoma City, Oklahoma September 24, 2024

CITY OF SAPULPA, OKLAHOMA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the fiscal year ended June 30, 2023

Federal Grantor/Pass through agency Grantor/Program Title	Assistance Listing Number	Grant #	Federal Expenditures
FEDERAL AWARDS: DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT: Community Development Block Grant - Entitlement Grant Cluster: Passed through Tulsa County: 2022 CDBG Urban County - Street Improvements Total Department of Housing and Urban Development	14.218	B-22-UC-40-0001	<u>\$ 253</u> 253
U.S. DEPARTMENT OF TRANSPORTATION: Highway Safety Cluster: Passed through the Oklahoma Highway Safety Office: Highway Safety Grant Highway Safety Grant Total Department of Transportion	20.600 20.600	PT-22-03-25 PT-23-03-32-11	8,152 22,747 30,899
U.S. DEPARTMENT OF TREASURY: Coronavirus State and Fiscal Recovery Funds (SLFRF) Total Department of Treasury	21.027	ARPA	2,019,040
TOTAL FEDERAL AWARDS			<u>\$ 2,050,192</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2023

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2023. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C—SUBRECIPIENTS

The City did not pass through any funding to subrecipients during the year ended June 30, 2023.

NOTE D—SUBSEQUENT EVENTS

The City has evaluated the effects of all subsequent events from June 30, 2023, through the date on which the SEFA was available to be issued, for potential recognition or disclosure in this SEFA. The City is not aware of any subsequent events which would require recognition or disclosure in the SEFA.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2023

Section ISummary of Auditor's Results			
Financial statements			
Type of auditor's report issued on whether the financial statements were in accordance with GAAP:	Unmo	Unmodified	
Internal control over financial reporting:			
• Material weakness(es) identified?	yes	<u>X</u> no	
• Significant deficiency(ies) identified?	<u>X</u> yes	none reported	
Noncompliance material to financial statements noted?	<u>X</u> yes	no	
Federal Awards			
Internal control over major federal programs:			
• Material weakness(es) identified?	yes	<u>X</u> no	
• Significant deficiency(ies) identified?	<u>X</u> yes	none reported	
Type of auditor's report issued on compliance for major federal programs:	Unmodi	fied	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>X</u> yes	no	
Identification of major federal programs:			
Program Coronavirus State and Local Fiscal Recovery Funds	Federal AL Number 21.027		
Dollar threshold used to distinguish between type A and type B programs:	\$750,000		
Auditee qualified as low-risk auditee?	yes	<u>X</u> no	

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

Internal Control Findings

Finding 2023-001 - Capital assets disposals

Criteria: Internal controls over disposals of capital assets should enhance transparency, accountability, and proper management of assets. Documentation on the timing of the disposal with proper approvals and appropriate record keeping should be maintained by the City.

Condition: The City's internal controls over disposal of capital assets were lacking, as the City was not retaining adequate documentation for the sale of individual assets.

Cause and Effect: The City did record the disposal of capital assets accurately; however, the City did not document the timing of the disposals, the approvals to dispose of the asset, nor the buyer of the asset. As a result, the following were identified during audit fieldwork:

9 out of 15 samples selected for disposal testing, were missing key information such as disposal date, signature, and method of disposal, and the buyer of the asset disposed.

Recommendation: We recommend the city follow the documented controls around the disposal of capital assets and monitor the controls to ensure it is being followed.

Management Response: Management agrees with the above recommendation. During 2023 a fixed asset list was dispersed to all departments for determination of verifying assets were still on hand, for those items not located, the City removed the asset from it's books. We have taken measures to ensure that all fixed assets are properly disposed of in the future and have implemented an updated version of a fixed asset disposition form which is required to be submitted by department heads.

Finding 2023-002 – Proper Monitoring of Grant Funding

Criteria: Federal funds expended throughout the City must be reported to the finance department for proper reporting on the schedule of expenditures of federal awards ("SEFA").

Condition: Funding related to the American Rescue Plan Act ("ARPA") was omitted from the SEFA and was not reported to the finance department as part of the year end closing process related to the Sapulpa Basin 4 improvements and repairs to the wastewater treatment plant intake line.

Cause and Effect: During FY23, projects approved for funding under ARPA were started by the City and were paid for using ARPA funding. However, the expenditures were not reported to the finance department as being funded by federal grant dollars and were not tracked against compliance requirements by the finance department to ensure allowability of costs. Additionally, since these expenditures were not properly reported to finance, the total amount spent on the ARPA grants was omitted from the original SEFA that was prepared by management and provided to the auditors.

Recommendation: Management should implement processes and procedures to properly monitor federal awards expended in various departments of the City to ensure that they are properly reported to the finance department so that the expenditures are included on the SEFA each year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2023

Management Response:

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Compliance Findings

Finding 2023-003 – Filing with the State Auditor and Federal Audit Clearinghouse

Criteria: In order to comply with filing of reports with the Oklahoma State Auditor and Inspector (State Auditor), management needs to appropriately monitor the timing of the submission of the filing of the audit report within six months after the end of the fiscal year. Additionally, the Federal Audit Clearinghouse (FAC) submission should occur the earlier of nine months subsequent to year end or 30 days from report issuance.

Condition: The City did not submit its audit report to the State Auditor prior to the deadline of six months after the end of the fiscal year ending June 30, 2023. Additionally, the City did not submit its audit report to the FAC within nine months from year ending June 30, 2023.

Cause and Effect: Due to delayed financial reporting close out of fiscal year 2023 the City was not in compliance with its required deadline to provide the State Auditor and the FAC with its issued audit report within the established deadlines.

Recommendation: We recommend the internal controls for reporting be reviewed to allow for compliance with the State Auditor and FAC established deadlines.

Management Response: Management recognizes the need to submit its single audit reports to the State Auditor and FAC in accordance with the required deadlines in order to remain compliant with requirements. Management has made Professional Services changes to ensure timely audit compliance moving forward.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2023 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 FINDINGS AND QUESTIONED COSTS

June 30, 2023

Section II--Findings Required to be Reported in Accordance with *Government Auditing Standards:*

A. Internal Control Findings

None noted in prior year audit.

B. Compliance Findings

None noted in prior year audit.

Section III—Findings Required to be Reported in Accordance with the Uniform Guidance:

A. Internal Control Findings

None noted in prior year audit.

B. Compliance Findings

None noted in prior year audit.



Date: September 24, 2024 Re: Finding 2023-001 Response and Corrective Action

In response to the Findings and Corrective Action Plan, the City of Sapulpa acknowledges the error that the Finance Director did not report Federal Funds that were expended during the 2022-2023 Fiscal Year on the schedule of expenditures for federal awards (SEFA). These funds were expended against the Sapulpa Basin 4 improvements and repairs to the wastewater treatment plant intake line as requested and reported to the ARPA Portal. This failure resulted in the delay of securing an updated, accurate audit and the addition of a finding in the audit report.

In conjunction with our FY23-24 annual audit, please see the Authority's corrective action plan below:

The finance department will continue current processes in place to accurately handle Federal Funds and Grants by separating the accounting of such funds. In addition, the Finance Director will prepare and present a report to the council the status of all grants on a quarterly basis. This action ensures the acknowledgement of outstanding funds and/or expenditures.

Expected completion Date: 6/30/2025

Party Responsible: City of Sapulpa Finance Director or the City Manager in his/her absence

Contact Information: Finance Director, (currently being filled), 918-224-3040 City Manager, Joan Riley, 918-224-3040

Joan Riley

Sapulpa City Manager

sapulpa City Manager jriley@sapulpaok.gov