

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 6, 2020

NEW ISSUE

RATING: Moody's Aa3
See "RATING" herein

In the opinion of Bond Counsel, under existing statutes, regulations and court decisions, and subject to continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), as described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and will not be treated as an item of tax preference for purposes of calculation of the federal alternative minimum tax imposed under the Code. In the opinion of Bond Counsel, under the existing laws of the State of Oklahoma (the "State"), interest on the Bonds is not subject to taxation by the State of Oklahoma. See "CERTAIN TAX MATTERS RESPECTING THE SERIES 2020 BONDS".

\$26,000,000*
SAND SPRINGS MUNICIPAL AUTHORITY
Utility System Revenue Bonds, Refunding Series 2020
(Sand Springs, Oklahoma)

Dated: Date of Delivery

Due: November 1, as shown below

Interest on the Sand Springs Municipal Authority Utility System Revenue Bonds, Refunding Series 2020 (the "Series 2020 Bonds") is payable May 1 and November 1, commencing May 1, 2021. The Series 2020 Bonds will be issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), to which all payments of principal and interest will be made. Purchasers will acquire beneficial interests in the Series 2020 Bonds, in principal amounts of \$5,000 and integral multiples thereof, by book-entry only. Purchasers of the Series 2020 Bonds will not receive physical delivery of bond certificates. The Series 2020 Bonds will not be transferable or exchangeable, except for transfers to another nominee of DTC or otherwise as described herein. See "BOOK-ENTRY-ONLY-SYSTEM" herein. The Series 2020 Bonds are special, limited obligations of the SAND SPRINGS MUNICIPAL AUTHORITY (the "Authority") payable solely from the revenues, income and other monies of the Authority described in the Fifth Supplemental Bond Indenture dated as August 1, 2020, by and between the Authority and BOKF, National Association, Tulsa, Oklahoma (the "Trustee").

The Series 2020 Bonds are subject to redemption prior to maturity as more fully described herein. See "The Series 2020 Bonds -Redemption of The Series 2020 Bonds."

The Series 2020 Bonds do not constitute obligations or debts of the State of Oklahoma, Tulsa County, Oklahoma, the City of Sand Springs, Oklahoma, or any municipality, county, political subdivision, governmental unit or agency of the State of Oklahoma, or personal obligations of the Trustees of the Authority or general obligations of the Authority, but are limited and special obligations of the Authority payable solely from the revenues of the System and certain Sales Tax Revenues of the Authority (as hereinafter defined).

Maturities, Interest Rates and Prices - See Inside Cover

The Series 2020 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Hilborne & Weidman, a professional corporation, Tulsa, Oklahoma, Bond Counsel. Certain legal matters will be passed upon by David Weatherford, Esq., Sand Springs, Oklahoma, counsel to the Authority. Certain legal matters will be passed upon for the Underwriter by its Counsel, Winstead PC, Dallas, Texas. It is expected that the Series 2020 Bonds in definitive form will be available for delivery to the Underwriter in Tulsa, Oklahoma, on or about August 20, 2020.



*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.

MATURITY SCHEDULE

\$26,000,000*

SERIAL BONDS

Dated: Date of Delivery

Due: November 1, as shown below

<u>Due November 1</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Cusip(1)</u>
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				

TERM BONDS

(1) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Authority, the Financial Advisor, or the Underwriter is responsible for the selection or correctness of the CUSIP numbers set forth herein.

*Preliminary, subject to change.

REGARDING USE OF THE OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, this document constitutes an Official Statement of the Authority with respect to the Bonds that has been deemed “final” by the Authority as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy within any jurisdiction to any person to whom it is unlawful to make such offer or solicitation within such jurisdiction. In connection with the offering of the Bonds, no dealer, salesman, or any other person has been authorized to give any information or to make any representation other than contained herein. If given or made, such information or representation must not be relied upon.

The information contained in this instrument, including the cover page and exhibits hereto, has been obtained from public officials, official records, and from other sources which are deemed reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information, and nothing contained in this prospectus is or shall be relied upon as a promise or representation by the financial advisor or the Underwriter. The delivery of this Official Statement does not at any time imply that information contained herein is correct as of any time subsequent to its date.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Any statements in this Official Statement involving matters of opinion, estimations, or projections, whether or not expressly so stated, are intended as such and not as representations of facts. This Official Statement shall not be construed as a contract or agreement between Sand Springs Municipal Authority and the purchasers or holders of any of the Bonds.

For additional information or copies of this Official Statement, contact Mr. James O. Spoon, Chairman, Sand Springs Municipal Authority, 100 E. Broadway, Sand Springs, Oklahoma, 74063, or D.A. Davidson & Co., 401 S. Boston Avenue, Suite 2520, Tulsa, Oklahoma 74103.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE AUTHORITY, ITS FINANCIAL ADVISOR NOR THE UNDERWRITER MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING DTC OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN FURNISHED BY DTC.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT CONTAINS “FORWARD-LOOKING” STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

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SAND SPRINGS MUNICIPAL AUTHORITY

TRUSTEES

James O. Spoon	Chairman
Patty Dixon	Vice Chairman
Phil Nollan	Trustee
Mike Burdge	Trustee
Nancy Riley	Trustee
Beau Wilson	Trustee
Brian Jackson	Trustee

MAYOR AND COUNCIL OF THE CITY OF SAND SPRINGS

James O. Spoon	Mayor
Patty Dixon	Vice Mayor
Phil Nollan	Councilmember
Nancy Riley	Councilmember
Beau Wilson	Councilmember
Mike Burdge	Councilmember
Brian Jackson	Councilmember

OTHER CITY OFFICIALS

Vacant	City Manager
Kelly Lamberson	Director of Finance
David Weatherford	City Attorney

BOND COUNSEL

Hilborne & Weidman
A Professional Corporation
Tulsa, Oklahoma

FINANCIAL ADVISOR

The Baker Group LP
Oklahoma City, Oklahoma

OFFICIAL STATEMENT

\$26,000,000*

**SAND SPRINGS MUNICIPAL AUTHORITY
Utility System Revenue Bonds, Refunding Series 2020
(Sand Springs, Oklahoma)**

INTRODUCTION

This Official Statement, including the cover page and Exhibits, is being provided by the Trustees of the SAND SPRINGS MUNICIPAL AUTHORITY (the “Authority”), in connection with the issuance of the Authority’s \$26,000,000* Utility System Revenue Bonds, Refunding Series 2020 (the “Series 2020 Bonds”). The Authority is a public trust created pursuant to a Trust Indenture dated March 14, 1966, (the “Trust Indenture”), for the use and benefit of the City of Sand Springs, Oklahoma (the “City”), under authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 2011, Section 176 to 180.3, inclusive, as amended and supplemented (the “Act”) and other applicable statutes of the State of Oklahoma (the “State”). The Series 2020 Bonds are being issued under the provisions of a Fifth Supplemental Bond Indenture, dated as of August 1, 2020, by and between the Authority and BOKF, National Association, Tulsa, Oklahoma, as Trustee (the “Trustee”).

The Series 2020 Bonds are being issued to provide funds which, together with other available funds, will be used to provide funds (i) to refund the Authority’s Utility System Revenue Bonds, Series 2012 in the aggregate principal amount of \$30,510,000, of which \$25,645,000 is currently outstanding and its Promissory Note, Refunding Series 2012 in the principal amount of \$1,240,000 of which \$405,000 is currently outstanding (collectively, the “Prior Debt”); and (ii) to pay the costs of issuing the Series 2020 Bonds.

The presently existing and hereafter acquired water and sanitary sewer system of the City is leased to the Authority and to secure the payment of any such bonds, the City and the Authority have entered into a certain Lease Agreement and Operation and Maintenance Contract dated as of September 1, 1968, and a certain Lease, dated July 20, 1976, each amended and restated as one Lease in that certain Amendment to Leases, dated as of January 23, 1989 (the “Lease Agreement”), pursuant to which the City leased to the Authority its existing and after acquired proprietary, revenue producing utility systems and facilities of the City including all of the water production, storage, transportation and distribution system and facilities; and all of the sanitary sewage collection, transportation, processing and disposal system and facilities; (as more fully defined in the Lease Agreement and collectively referred to herein as the “System”) for an extended term of fifty (50) years commencing January 23, 1989, to and including January 22, 2039, or to such later date as all bonds issued or indebtedness incurred by the Authority secured by or payable from revenues derived from the System have been retired or provision therefor has been made.

*Preliminary, subject to change

The City adopted Ordinance No. 456, dated July 1, 1979, which was approved by the qualified electors of the City at an election held May 22, 1979, levying and assessing a sales tax of one percent (1.0%) to be used by the City or its duly constituted authority for the purposes of paying for capital expenditures to extend and improve its water and sanitary sewer system and for the payment of indebtedness incurred with respect, (collectively referred to as the "Sales Tax"). The Revenues derived from the existence and/or operation of the System (including Sales Tax Revenues appropriated and paid to the Authority by the City) shall be utilized to (i) pay in full all costs of operation and maintenance of the System, (ii) meet annual principal and semi-annual interest requirements on the Bonds, (ii) after satisfaction of the foregoing requirements, any remaining monies may be transferred to the Authority to be used for any lawful purpose.

Pursuant to the Sales Tax Agreement by and between the City and the Authority, dated as of August 1, 2020, the City has agreed to appropriate a portion of the Sales Tax Revenue to the Authority. The Sales Tax Revenue is pledged to the Authority on a year to year basis pursuant to the Sales Tax Agreement. The pledge of, and/or right to levy and collect, the Sales Tax Revenue is subject to revocation under certain circumstances

The Authority has covenanted in the Indenture at all times to maintain a schedule of rates and charges for services rendered through the System which will provide annually Net Revenues equal to not less than one and one quarter (1¼) times the average annual amount required to be paid into its Sinking Fund.

The Indenture requires that payments be made by the Authority in amounts and at times sufficient to pay the principal, redemption premium, if any, and interest on the Series 2020 Bonds, as well as other amounts required by the Indenture. The Authority may issue additional bonds (and subordinate indebtedness) payable from the Trust Estate to the extent and under the conditions set forth in the Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF THE BOND DOCUMENTS" attached herein as "Exhibit B." The Series 2020 Bonds will be secured under the Indenture.

The payment of the principal of and interest on the Series 2020 Bonds does not constitute an indebtedness or liability of the State of Oklahoma, any political subdivision thereof, the City or the individual trustees of the Authority. The issuance of the Series 2020 Bonds does not directly or indirectly obligate the State of Oklahoma, any political subdivision thereof or the City to provide any funds for the payment of the Series 2020 Bonds. The Series 2020 Bonds do not currently and shall never be considered a debt of the State of Oklahoma, any political subdivision thereof or the City within the meaning of the Constitution or the statutes of the State of Oklahoma, and do not currently and shall never constitute a charge against the credit or taxing power of the State, any political subdivision thereof or the City. Neither the State of Oklahoma, any political subdivision thereof nor the City shall be liable for the payment of the principal of and interest on the Series 2020 Bonds or for the performance of any Agreement or covenant of any kind which may be undertaken by the Authority. No breach by the Authority of any covenant or agreement shall create any obligation upon the State of Oklahoma or any political subdivision thereof or the City, including any charge against their credit or taxing power. **THE AUTHORITY HAS NO TAXING POWER.**

SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS

General

The Series 2020 Bonds constitute special and limited obligations of the Authority payable by the Authority from and secured by a pledge of (i) all of the property, rights, interests, and benefits (whether real, personal or mixed) described in the Indenture, all of which property, rights, interests and benefits are herein collectively called the "Mortgaged Property", and all unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained or caused to be obtained by the Authority and all

proceeds of the conversion, voluntary or involuntary, of the property or rights encumbered or conveyed hereby; (ii) all of the right, title and interest of the Authority in and to that certain Sales Tax Agreement dated August 1, 2020, between the City and the Authority, and the Sales Tax Revenue received from the City thereunder and all right, title and interest of the Authority under any other agreement in support of the Sales Tax Agreement; (iii) all revenues, funds and accounts of the Authority created hereunder (including but not limited to the Bond Account and Sinking Fund to be controlled and maintained at the Trustee (except the Rebate Fund and any monies deposited therein); (iv) all of the Collateral; and (v) all proceeds of the foregoing.

The Authority reserves the right to issue (i) additional bonds, on a parity with the Series 2020 Bonds pursuant to the Indenture, as described herein, and (ii) indebtedness subordinate to the Series 2020 Bonds.

The Oklahoma Constitution requires that any funds of the City be appropriated on a year to year basis. The payments of the City to be made pursuant to the Sales Tax Agreement shall be committed to the Authority on a year to year basis, subject to the annual appropriation of such monies by the City. It is anticipated that the City's commitment of such payments set forth in the Sales Tax Agreement will be renewed on or about July 1 of each year. If the City should decide not to appropriate such monies or should the City take action to eliminate the commitment of payments, the Authority may be unable to pay the debt service requirements of the Series 2020 Bonds.

THE SERIES 2020 BONDS

The following is a summary of certain provisions of the Series 2020 Bonds. Reference is made to the Series 2020 Bonds themselves for the complete text thereof and to the Indenture, and the discussion herein is qualified by such reference.

Authorization

The Series 2020 Bonds are issued in the principal amount of \$26,000,000* under the Indenture pursuant to, and in full compliance with, the laws of the State of Oklahoma, including particularly Sections 176 to 180.3 inclusive, of Title 60, Oklahoma Statutes, 2011 Supplement.

Description

The Series 2020 Bonds in the principal amount appearing on cover of this Official Statement are dated as of the Date of Delivery. The Series 2020 Bonds will bear interest at the rates per annum set forth on the inside cover page of the Final Official Statement, payable semi-annually on May 1 and November 1 of each year, beginning on May 1, 2021, and will mature on November 1 in the years and in each of the principal amounts set forth on the inside cover page of the Final Official Statement. Interest on the Series 2020 Bonds is payable by check or draft mailed by the Trustee to the Registered Owner at his address as it appears on the registration books kept by the Trustee under the Indenture.

*Preliminary, subject to change.

Redemption of the Series 2020 Bonds

Optional Redemption. The Bonds maturing on or after November 1, 20____, are redeemable prior to maturity in whole or in part, in inverse order of maturity, by lot within a maturity, on any date on or after November 1, 20____, at the principal amount thereof plus accrued interest to the date fixed for redemption, without premium.

Mandatory Redemption. The Series 2020 Bonds maturing on November 1, 20____, are subject to mandatory redemption prior to maturity, on thirty (30) days' notice in part by lot, on November 1, 20____, and each November 1, thereafter, out of required payments into the Sinking Fund, as described in the Indenture, at the principal amount thereof, together with accrued interest to the date of redemption. The Authority shall cause to be deposited in the Sinking Fund an amount sufficient to redeem, the following principal amounts of Series 2020 Bonds on November 1 in each of the years specified below:

<u>Year</u>	<u>Amount</u>
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*Stated Maturity

The Series 2020 Bonds maturing on November 1, 20____, are subject to mandatory redemption prior to maturity, on thirty (30) days' notice in part by lot, on November 1, 20____, and each November 1, thereafter, out of required payments into the Sinking Fund, as described in the Indenture, at the principal amount thereof, together with accrued interest to the date of redemption. The Authority shall cause to be deposited in the Sinking Fund an amount sufficient to redeem, the following principal amounts of Series 2020 Bonds on November 1 in each of the years specified below:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*Stated Maturity

Special Redemption of Series 2020 Bonds. The Series 2020 Bonds are subject to redemption, in whole or in part at any time, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, if such redemption is made from (a) insurance proceeds; (b) condemnation or expropriation awards; or (c) the proceeds of the sale of all or part of the Trust Estate.

Selection of Series 2020 Bonds to be Redeemed. Series 2020 Bonds shall be called for optional redemption or special redemption only in inverse order of maturity date, and no Series 2020 Bond shall be called for optional redemption or special redemption unless all Series 2020 Bonds of subsequent maturity date shall have been called previously or are being called simultaneously with that Series 2020 Bond: **PROVIDED**, if all Series 2020 Bonds of equal maturity date are not called for redemption at the same time, the Series 2020 Bond or Series 2020 Bonds of such equal maturity date so to be called shall be selected, by lot, by the Trustee.

Whenever, on the 25th day of the month second next preceding any interest payment date on which Series 2020 Bonds may be redeemed prior to maturity there shall have been deposited in the Sinking Fund established by the Indenture as expanded by supplemental indentures, an amount in excess of that required to have been deposited therein for the payment of interest next becoming due on all outstanding indebtedness secured under the Indenture and all supplements thereto and also for the payment of all principal of all such indebtedness maturing on that date, or the deposit of such excess amount shall have been contracted to the satisfaction of the Trustee, and such excess amount shall be sufficient to pay the principal and premium required to call for redemption one or more outstanding Series 2020 Bonds, the Trustee, upon direction in writing by the Authority so to do, shall call for redemption on the next interest payment date such number of Series 2020 Bonds as may be redeemed with such excess amount.

When any Series 2020 Bond shall be called for redemption, the Trustee, at least thirty (30) days before the date fixed for such redemption, shall mail to the Registered Holders thereof, by registered United States Mail, postage and fee prepaid, a notice of such call for redemption, specifying the date fixed for redemption, the number or numbers of the Series 2020 Bond or Series 2020 Bonds of such Registered Holder to be redeemed, and the amount of principal of each such Series 2020 Bond to be redeemed, and also stating the substance of the following two (2) paragraphs.

Money deposited with the Trustee or set aside by it for the redemption of Series 2020 Bonds shall be held in trust for the account of the Registered Holders, and shall be paid by the Trustee to the Registered Holders upon surrender of Series 2020 Bonds to the Trustee and such payment noted upon the Registration Records, and, after the date fixed for redemption and the providing of sufficient money for the redemption thereof, no Series 2020 Bond so called for redemption shall be entitled to any benefit of or under the Indenture except to receive payment of the money so held by the Trustee.

Interest on the principal of any Series 2020 Bond so called for redemption shall cease to accrue after the date fixed for redemption.

BOOK-ENTRY-ONLY-SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (also referred herein as the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered Security certificate will be issued for the Securities in the aggregate principal amount of such issue and will be deposited with DTC at the office of the Trustee on behalf of DTC utilizing the DTC FAST System of registration.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Participants”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The

Rules applicable to DTC and its Participants are on file with the United States Securities and Exchange Commission.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities are discontinued.

To facilitate subsequent transfers, all Securities deposited by Participants with DTC (or the Trustee on behalf of DTC utilizing the DTC FAST System of registration) are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose account such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Securities within the issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose account the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Securities will be made by the Bank to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants and not of DTC, Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Authority or Agent, disbursement of such payments to Direct Participant shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be

deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Authority or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfer through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered. In reading this Preliminary Official Statement is should be understood that while the Securities are in the Book-Entry-Only System, references in other sections of this Preliminary Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Securities, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to DTC. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

THE AUTHORITY

The Authority is a public trust created pursuant to a Trust Indenture, dated as of March 14, 1966, as amended, for the benefit of the City, and is governed by the present members of the City Council of the City of Sand Springs, who serve as ex-officio trustees of the Authority. The purposes of the Authority, in general, are to promote the acquisition, construction and operation of various facilities and public improvements in and for the City. Financial Statements of the City and the Authority are contained in Exhibit "C" and should be read in their entirety.

The Trustees of the Authority are as follows:

James O. Spoon	Mayor
Patty Dixon	Vice Mayor
Phil Nollan	Councilmember
Nancy Riley	Councilmember
Beau Wilson	Councilmember
Mike Burdge	Councilmember
Brian Jackson	Councilmember

Existing Indebtedness

The Authority's existing indebtedness includes its Capital Improvement Revenue Bonds, Series 2016, in the original principal amount of \$7,360,000 dated March 30, 2016, with the final maturity of January 1, 2042, with a current outstanding balance of \$6,935,000 (the "Series 2016 Bonds") and its Capital Improvement Revenue Bonds, Series 2015, in the original principal amount of \$8,640,000 dated December 30, 2015, with the final maturity of January 1, 2042 with a current outstanding balance of \$8,145,000 (the "Series 2015 Bonds"). The Series 2016 Bonds and the Series 2015 Bonds are primarily secured by a different Sales Tax levied by the City and appropriated to the Authority pursuant to a different Sales Tax Agreement and by a subordinate lien on the System.

In addition, the Authority's existing indebtedness includes its Oklahoma Water Resources Board ("OWRB") Notes in the following maturities and amounts which are also subordinate to the Series 2020 Bonds: its Oklahoma Water Resources Board ("OWRB") Notes in the following maturities and amounts: OWRB 2003A SRF Note in the original principal amount of \$1,200,000 dated January 1, 2003, with the final maturity of September 15, 2022, with an outstanding balance as of June 30, 2019, in the amount of \$209,995; OWRB 2004A Note in the original principal amount of \$950,806 dated April 1, 2004, with the final maturity of March 8, 2024, with an outstanding balance as of June 30, 2019, in the amount of \$237,702; OWRB 2005A Note in the original principal amount of \$2,314,000 dated June 29, 2006, with the final maturity of September 15, 2026, with an outstanding balance as of June 30, 2019, in the amount of \$952,061; OWRB 2006 Note in the original principal amount of \$2,250,000 dated August 30, 2005, with the final maturity of March 15, 2026, with an outstanding balance as of June 30, 2019, in the amount of \$875,087; OWRB 2009 SRF Note in the original principal amount of \$5,631,709 dated December 9, 2009, with the final maturity September 15, 2030, with an outstanding balance as of June 30, 2019, in the amount of \$1,468,719; OWRB 2013 Note in the original principal amount of \$1,020,000 dated October 1, 2013, with a final maturity of October 1, 2022, with an outstanding balance as of June 30, 2019, in the amount of \$430,000.

The Authority's Utility System Revenue Bonds, Series 2012, in the original principal amount of \$30,510,000 dated November 15, 2012, with the final maturity of November 1, 2042, and a current outstanding balance of \$25,645,000 and the Authority's OWRB Promissory Note Refunding, Series 2012, in the original principal amount of \$1,240,000 dated August 29, 2012, with the final maturity of September 1, 2022, and a current outstanding balance of \$405,000 (collectively the "Prior Debt") will both be refunded with the Series 2020 Bonds.

The Series 2020 Bonds are secured by a first mortgage on the System and its revenues and a Sales Tax Agreement, dated as of August 1, 2020, between the City and the Authority, wherein the Authority has agreed to provide funds for the refunding and refinancing of the Prior Debt and the City has agreed to provide Sales Tax Revenue for the payment of debt service on the Bonds.

THE SALES TAX

The City adopted Ordinance No. 456, dated July 1, 1979, which was approved by the qualified electors of the City at an election held May 22, 1979, levying and assessing a sales tax of one percent (1.0%) to be used by the City or its duly constituted authority for the purposes of paying for capital expenditures to extend and improve its water and sanitary sewer system and for the payment of indebtedness incurred with respect, (collectively referred to as the "Sales Tax").

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Table 1: Historical Sales Tax

			AVERAGE		
	TOTAL	1 CENT	1 CENT		
FISCAL	SALES TAX	SALES TAX	MONTHLY		%
YEAR	COLLECTIONS	COLLECTIONS	COLLECTIONS	COLLECTIONS	CHANGE
2019/20	\$ 13,737,330	\$ 3,391,933	\$ 282,661		2.78%
2018/19	\$ 13,366,290	\$ 3,300,319	\$ 275,027		4.95%
2017/18	\$ 12,735,740	\$ 3,144,627	\$ 262,052		4.33%
2016/17	\$ 11,222,559	\$ 3,013,972	\$ 251,164		-1.68%
2015/16	\$ 10,729,139	\$ 3,065,468	\$ 255,456		0.85%
2014/15	\$ 10,639,119	\$ 3,039,748	\$ 253,312		2.11%
2013/14	\$ 10,419,405	\$ 2,976,973	\$ 248,081		1.99%
2012/13	\$ 10,216,101	\$ 2,918,886	\$ 243,240		2.83%
2011/12	\$ 9,934,609	\$ 2,838,460	\$ 236,538		8.73%
2010/11	\$ 9,137,318	\$ 2,610,662	\$ 217,555		N/A
2019/20	Collections are 4.05 cents for 12 months.				
2018/19	Collections are 4.05 cents for 12 months.				
2017/18	Collections are 4.05 cents for 12 months.				
2016/17	Collections are 4.05 cents for 5 months and 3.50 cents for 7 months.				
2015/16	Collections are 3.50 cents for 12 months.				
2014/15	Collections are 3.50 cents for 12 months.				
2013/14	Collections are 3.50 cents for 12 months.				
2012/13	Collections are 3.50 cents for 12 months.				
2011/12	Collections are 3.50 cents for 12 months.				
2010/11	Collections are 3.50 cents for 12 months.				

Source: Oklahoma Tax Commission

RATING

S&P Global Ratings, Inc., (“S&P”) will assign a rating as shown on the cover to the Series 2020 Bonds. Such rating reflects the views of S&P at the time such rating was given. The Authority and the Underwriter make no representation as to the appropriateness of such rating. The explanation of the significance of such rating may be obtained from S&P. There is no assurance that such rating will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of rating may have a negative effect on the market price of the Series 2020 Bonds

THE SYSTEM

The System which is leased by the City to the Authority pursuant to the Lease consists of all existing and hereafter acquired properties of the water and sanitary sewer systems of the City. Revenues from the System are available for payment of debt service on the Bonds. Revenues accrued to or received by the System during the term of the Lease include, (i) all rates, fees, rentals, other charges, income, and monies properly allocable to the System in accordance with generally accepted accounting principles resulting from the ownership and operation of the System, excluding customer deposits and any other deposits subject to refund until such deposits have become the property of the Authority, (ii) all revenues, rates, fees, rentals, charges or proceeds received by the Authority pursuant to the Lease, (iii) the proceeds of any insurance covering interruption loss relating to the System, and (iv) interest on any monies or securities held pursuant to the Indenture.

Wastewater Treatment Plant

The City's wastewater treatment plant was constructed in the 1950's. The advanced wastewater treatment plant includes primary and secondary treatment processes. The plant has a treatment capacity of 3.1 mgd. The plant was upgraded in the 1980's, 1990's, 2000's, and 2010's. The plant is currently permitted by the Oklahoma Department of Environmental Quality and the Environmental Protection Agency at 3.1 mgd of treatment capacity. The plant is currently in full compliance with its Oklahoma Pollutant Discharge Elimination System permit.

Sanitary Sewer Collection System

The City's wastewater collections system is divided into 10 drainage basins: Pratt Creek Basin, Anderson/Fisher Creek Basin, Whispering Creek Basin, Little Bigheart Basin, Lakeside Basin, Squirrel Hollow Basin, Main Street Basin, Franklin Creek Basin, Euchee Creek Basin, and Sand Creek Basin. The collection system consists of approximately 136 miles of sanitary sewer mains ranging in size from 6 to 36 inches, 22 lift stations, and approximately 2,100 manholes.

Water Treatment Plant and Distribution

The City's raw water supply is surface water. The City's 50 year dependable yield is 7 mgd of raw water from Skiatook Reservoir and 3.5 mgd of raw water from Shell Lake for a total of 10.5 mgd of dependable raw water.

The City currently has one water treatment plant. The plant has a rated treatment capacity of 10 mgd. Average daily amount of water treated is 3.8 mgd. The maximum amount of water treated on a given day is 4.9 mgd.

The present water storage facilities consist of 3 elevated storage tanks totaling 2.1 million gallons and 10 ground storage tanks totaling 4.15 million gallons. Therefore, the City currently has a total of 6.25 million gallons of storage capacity. The distribution system has 12 booster bump stations with a total pumping capacity to handle approximately 404 miles of pipe.

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COMPARATIVE NET REVENUE

Table 2: Historical Comparative Net Revenue

	<u>2019</u>	<u>2018</u>	<u>2017</u>
OPERATING REVENUES			
Water	\$ 7,764,524	\$ 8,241,758	\$ 7,893,875
Wastewater	3,411,208	3,395,320	3,296,917
TOTAL OPERATING REVENUES	\$ 11,175,732	\$ 11,637,078	\$ 11,190,792
OPERATING EXPENSES			
Personal Services-Water	\$ 2,509,361	\$ 2,431,487	\$ 2,433,667
Personal Services-Wastewater	929,609	997,281	983,571
Operation & Maintenance-Water	2,058,626	2,566,067	1,917,282
Operation & Maintenance-Wastewater	1,535,098	1,332,324	1,246,618
TOTAL OPERATING EXPENSES	\$ 7,032,694	\$ 7,327,159	\$ 6,581,138
NET INCOME	\$ 4,143,038	\$ 4,309,919	\$ 4,609,654
NON OPERATING REVENUES (EXPENSES)			
Interest Revenue	\$ 233,388	\$ 100,450	\$ 24,030
Miscellaneous Revenue	4,251	23,936	552
TOTAL NON OPERATING REVENUES (EXPENSES)	\$ 237,639	\$ 124,386	\$ 24,582
SALES TAX (1 CENT)⁽¹⁾	\$ 3,300,319	\$ 3,144,627	\$ 3,013,972
TOTAL FUNDS AVAILABLE FOR DEBT SERVICE	\$ 7,680,996	\$ 7,578,932	\$ 7,648,208
DEBT SERVICE REQUIREMENTS			
Senior Debt Obligations			
Series 2020 Bonds (Projected)	\$ 1,450,000	\$ 1,450,000	\$ 1,450,000
Total Senior Debt Obligations	\$ 1,450,000	\$ 1,450,000	\$ 1,450,000
COVERAGE (SENIOR DEBT ONLY)	5.30	5.23	5.27
Subordinate Debt Obligations			
Series 2016 Bonds	\$ 444,484	\$ 444,484	\$ 444,484
Series 2015 Bonds	528,166	528,166	528,166
OWRB 2003A, 2004A, 2005A, 2006, 2009 & 2013 Notes	718,462	718,462	718,462
Total Subordinate Debt Obligations	\$ 1,691,112	\$ 1,691,112	\$ 1,691,112
TOTAL DEBT SERVICE REQUIREMENTS (SENIOR & SUBORDINATE)	\$ 3,141,112	\$ 3,141,112	\$ 3,141,112
COVERAGE (SENIOR & SUBORDINATE DEBT)	2.45	2.41	2.43

⁽¹⁾ Sales Tax Collections at 1 Cent as shown by the Oklahoma Tax Commission

Source: The Comparative Net Revenue is based upon Sand Springs, Oklahoma for Fiscal Year Ending June 30, 2019, Audited Financial Statements. A copy of the audit for the City of Sand Springs for the Fiscal Year Ending June 30, 2019, is included in Exhibit "C" and should be read in full. Copies of previous audits are available upon request from the Authority.

PURPOSE OF THE SERIES 2020 BOND ISSUE

The Series 2020 Bonds are being issued to provide funds which, together with other available funds, will be used to provide funds (i) for the refunding of the Authority’s obligations in the aggregate principal amount of \$30,510,000, of which \$25,645,000 is currently outstanding and its Promissory Notes, Refunding Series 2012, in the principal amount of \$1,240,000; and (ii) to pay the costs of issuing the Series 2020 Bonds.

SOURCES AND USES OF FUNDS

Sources	
Par Amount	
Premium	\$ _____
Transfer from Prior Funds	
 Total	 \$ _____
 Uses	
Deposit to Current Refunding Fund	\$
Underwriter’s Discount	
Costs of Issuance ⁽¹⁾	_____
 Total	 \$ _____

⁽¹⁾ Includes legal, printing, Trustee fees, Financial Advisor fee, rating agency fee, Bond Attorney fee, Authority Counsel fee and other costs of issuance.

RATE COVENANT

The Authority at all times will maintain, charge and collect schedules of rates, fees and charges for services rendered through the System, which will provide annually a sum equal to not less than one hundred twenty-five percent (125%) of the average annual amounts required to be paid into the Sinking Fund, after payment of all costs and expenses of operation and maintenance of the System.

RISKS OF BONDHOLDERS

An investment in the Series 2020 Bonds is subject to certain risks, including, but not limited to the following. Prospective purchasers of the Series 2020 Bonds should make such investigations and obtain such additional information directly from the Authority and others as they deem advisable in connection with their evaluation of the suitability of the Series 2020 Bonds for purchase. Prospective purchasers of the Series 2020 Bonds should carefully consider the risks and uncertainties described below and the other information in this Official Statement before deciding whether to purchase the Series 2020 Bonds.

As reflected herein, the Series 2020 Bonds constitute special and limited obligations of the Authority payable by the Authority from and secured by a pledge of the Trust Estate, including Sales Tax Revenues, if any, which may be appropriated and paid to the Authority by the City. The ability of the Authority to generate sufficient revenues to pay (i) the debt service requirements of the Series 2020 Bonds and any Additional Bonds; (ii) the operation and maintenance expenses of the System; and (iii) any other monies required to meet any other lawful needs of the Authority, will depend, in part, upon the ability of the Authority to continue to contract for the operation and maintenance of the System at a reasonable cost. Unanticipated expenditures for annual maintenance, materials or supplies in excess of the Authority budget

could affect the ability of the Authority to pay the debt service requirements of the Series 2020 Bonds. Any failure to operate and maintain the System, or cause the System to be operated and maintained, will result in a reduction or elimination of the revenues and could result in the inability of the Authority to pay the debt service requirements of the Series 2020 Bonds. Future revenues and expenses of the System will also be affected by future events and conditions relating severally to, among other things, economic developments in the State of Oklahoma, the ability to control costs during inflationary periods and government regulation. All of the aforementioned could have negative effects on the ability of the Authority to pay the principal amount, premium, if any, and interest on the Series 2020 Bonds and any additional bonds.

Furthermore, any reduction in the demand for the services of the System, any negative economic changes in the service area of the Authority, any substantial increases in the costs of operating and maintaining the System, any new technology which could render the services of the System obsolete and unneeded, and any other similar changes could negatively impact the ability of the Authority to pay the debt service requirements of the Series 2020 Bonds. If the Authority should be unable in the future to raise rates, fees and charges for services of the System, or cause such to be raised, the Authority may be unable to generate sufficient revenues to provide the monies to pay (i) through (iii) listed above.

The Oklahoma Constitution requires that any funds of the City be appropriated on a year to year basis. The payments of the City to be made pursuant to the Sales Tax Agreement shall be committed to the Authority on a year to year basis, subject to the annual appropriation of such monies by the City. It is anticipated that the City's commitment of such payments set forth in the Sales Tax Agreement will be renewed on or about November 1 of each year. If the City should decide not to appropriate such monies or should the City take action to eliminate the commitment of payments, the Authority may be unable to pay the debt service requirements of the Series 2020 Bonds.

The remedies available to the Trustee and the holders of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

GLOBAL HEALTH EMERGENCY RISK

The outbreak of COVID-19 (coronavirus disease 2019), a respiratory illness caused by a new strain of coronavirus, has affected global, national, state and local economic activity. In response to the spread of the disease, national, state and local governments, businesses and other institutions, and individuals appear to be altering behaviors in a manner that may negatively impact economies. In addition, there has been significant volatility in the U.S. and global stock and bond markets that has been attributed to concerns about the spread of COVID-19. In light of concerns regarding the spread of COVID-19, on January 31, 2020, the Secretary of Health and Human Services (HHS) declared a public health emergency under section 319 of the Public Health Service Act (42 U.S.C. 247d). On March 13, 2020, the President of the United States found and proclaimed that beginning March 1, 2020, the COVID-19 outbreak in the United States constitutes a national emergency.

As a result of the national spread of COVID-19, on April 1, 2020, the Governor of Oklahoma issued the Seventh Amended Executive Order 2020-7 (the "Order") declaring that a state of emergency caused by the impending threat of COVID-19 to the people of Oklahoma and the public's peace, health and safety existed in all 77 of Oklahoma's counties. On the same day, Executive order 2020-7 was amended to commit

the resources of all State Departments and Agencies in areas such as public health, civil emergency preparedness and actions intended to address the spread of COVID-19. Included in the Order are the following through the end of April 2020:

- Adults over the age of sixty-five (65) and people of any age who have serious underlying medical conditions, collectively referred to as "vulnerable individuals," shall stay in their home or place of residence except for working in a critical infrastructure sector, as more particularly described herein, and the conduct of essential errands. Essential errands shall mean those errands which are critical to everyday life and includes obtaining medication, groceries, gasoline, and visiting medical providers.
- Social gatherings of more than ten people are prohibited. Businesses within a critical infrastructure sector, as more particularly described herein, shall take all reasonable steps necessary to comply with this Order and protect their employees, workers, and patrons.
- Effective at 11:59 p.m. on March 25, 2020, all businesses not identified as being within a critical infrastructure sector as defined by the U.S. Department of Homeland Security or defined as essential by the Oklahoma Department of Commerce through the use of the North American Industry Classification System (NAICS) shall close to the public. A list of the essential business NAICS codes shall be published on the Oklahoma Department of Commerce website. Additional sectors may be designated as critical or essential by Executive Memorandum. Nothing in this provision shall prevent restaurants and bars from providing takeout, curbside, and delivery. This shall be effective until April 30, 2020.
- All persons who enter the State of Oklahoma from an area with substantial community spread, including but not limited to the New York Tri-State Area (Connecticut, New Jersey and New York), the state of Washington, California, and Louisiana, to quarantine for a period of 14 days from the time of entry into the State of Oklahoma or the duration of the person's presence in the State of Oklahoma, whichever is shorter. This Order shall not apply to persons employed by the airlines and those performing military, emergency or health response, or those workers coming into the State to participate in businesses defined in paragraph 20 herein and in Amended Executive Memorandum 2020-0 I. This Order shall also not apply to persons employed by utility companies and their contractors, as well as their Mutual Aid partners, and Mutual Aide First Responders, who are traveling into the State to assist with Emergency Management. This Order shall take effect immediately and apply retroactively to all persons who have entered Oklahoma after being in any area with substantial community spread within the previous 14 days. All persons quarantining under this Section shall be responsible for all costs associated with their quarantine, including transportation, lodging, food, medical care and any other expenses to sustain the person during the period of quarantine.

On March 17, 2020, the Mayor of the City declared a state of emergency as a result of the outbreak of COVID-19; further, by Resolution 20-26, the City Council approved emergency procedures for operations during the pandemic. Additionally, by proclamation dated by a proclamation dated March 18, 2020, the City recommended limited public gathering and restaurant gatherings. Thereafter, under CDC guidelines by proclamation effective March 25, 2020, the City required the limiting of the capacity of certain businesses and imposing spacing requirements. Thereafter, all City-owned sports, parks and recreational facilities were closed.

- All citizens living in the City are ordered to shelter at their place of residence pursuant to the proclamation dated March 25, 2020. For the purposes of this proclamation, residences include

houses, apartments, condominiums, hotels, motels, shared rentals, and similar facilities and accommodations. To the extent individuals are using shared or outdoor spaces, they must always reasonably maintain social distancing of at least six feet from any other person when they are outside their residence. All persons may leave their residences only for essential activities as defined herein, or to provide or perform essential governmental functions as defined by the government performing the function, or to operate essential businesses (see <https://www.okcommerce.gov/wp-content/uploads/Oklahoma-Essential-Industries-List.pdf>) as defined by the Governor of the State of Oklahoma, or his designee. Individuals may leave their residence only to perform any of the following "Essential Activities":

- To engage in activities, perform tasks, or obtain supplies essential to their health and safety, or to the health and safety of their family or household members or pets (for example, obtaining medical supplies or medication, visiting a health care professional, food and beverage, obtaining products necessary to maintain the safety, sanitation, and essential operation of residences or obtaining supplies need to work from home or for property maintenance).
- To engage in outdoor activity, provided the individuals, except for those from the same household, comply with social distancing requirements of six feet (for example, walking, biking, hiking, or running).
- To perform work at an Essential Business.
- To care for a family member or pet in another household.
- To move to another residence.
- To engage in an on-site faith-based service conducted in open space in compliance with all city codes and provided that all participants remain enclosed in their motor vehicle during such service and the vehicles maintain distancing of at least 6 feet from other motor vehicles when at such service.

The City is working to assess the economic and social effects of COVID-19 and what impact it will have on the City’s finances and service levels. At the present time, the scope of its impact and materiality is unknown. The first case of COVID-19 in Oklahoma was confirmed on March 6th, and the first case of community spread was reported on March 16th.

Numerous statewide and local directives have occurred between March and July that impact the local reaction to the COVID outbreak, with Sand Springs’ response being very similar to other cities in Oklahoma. The economic impact is unknown; however, the following sales tax reports have occurred during this period:

May (for Mar/Apr)-	\$1,207,105	up \$41,849 or 3.6%
June (for Apr/May)-	\$1,256,894	up \$119,232 or 10.5%
July (for May/Jun)-	\$1,308,854	up \$178,267 or 15.8%
Total last quarter-	\$3,772,853	up \$339,348 or 9.9%

The City has imposed, as a part of its budgeting process, a spending freeze equal to 25% of its anticipated sales tax collections, all for the purpose of minimizing the COVID and economic downturn

impact. It is anticipated the above budgetary reductions could occur with minimal impact on operations; however, if the sales tax collections continue as outlined above, no spending reductions would be needed.

FORWARD LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the Authority, that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. It is important to note that the Authority's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority. Any such assumptions could be inaccurate and, therefore, there can be no assurances that the forward-looking statements included in this Official Statement will prove to be accurate.

CERTAIN TAX MATTERS RESPECTING THE SERIES 2020 BONDS

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Bonds under the Internal Revenue Code of 1986, as amended (the "Code") and the Regulations and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. This summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. This summary does not address owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Bonds (or foreign currency) as a hedge against currency risks or as part of a straddle with other investments or as part of a "synthetic security" or other integrated investment (including a "conversion transaction") comprised of a Bond and one or more other investments, or purchasers that have a "functional currency" other than the U.S. dollar. This summary is not applicable to non-United States persons not subject to federal income tax on their worldwide income. This summary does not discuss the tax laws of any state other than Oklahoma or any local or foreign governments. Potential purchasers of the Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Bonds.

Any federal tax advice contained in this Preliminary Official Statement was written to support the marketing of the Bonds and is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding any penalties that may be imposed under the Code. All taxpayers should seek advice based on such taxpayers' particular circumstances from independent tax advisors. This disclosure is provided to comply with Treasury Circular 230.

Federal Income Taxation

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes under Section 103 of the Code. The Arbitrage and Use of Proceeds Certificate of the Authority, which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures relating to compliance with the requirements of the Code. The Authority, in executing its Arbitrage and Use of Proceeds Certificate, will certify to the effect that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Bonds is excludable from gross income under Section 103 of the Code. Noncompliance by the Authority with such provisions and procedures may require inclusion in gross income of interest on the Bonds retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

Prospective purchasers of the Bonds should be aware that (a) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Bonds (other than "qualified obligations"), and that the Bonds are not qualified obligations for this purpose, (b) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832 (b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds, (c) interest on the Bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the Code, (d) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (e) passive investment income including interest on the Bonds may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25 percent of the gross receipts of such Subchapter S corporation is passive investment income and (f) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income, receipts or accruals of interest on the Bonds.

Assuming that the Authority complies with the provisions and procedures set forth in the Arbitrage and Use of Proceeds Certificate, in the opinion of Hilborne & Weidman, a professional corporation, Bond Counsel a form of which is attached hereto as Appendix B, under existing statutes and court decisions, interest on the Bonds is excludable from the gross income of the recipients thereof pursuant to Section 103 of the Code for federal income tax purposes, and interest on the Bonds is not treated as a preference item in calculating alternative minimum taxable income.

Original Issue Discount

The resulting discount on those Bonds which are sold at an initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) which is less than the principal amount of those particular Bonds constitute Original Issue Discount, which is excludable from the gross income for federal income tax purposes. Generally, such Original Issue Discount accretes actuarially on a constant interest rate basis over the term of the respective Bonds and the basis of such Bonds acquired at such initial offering price by an initial purchaser of the particular Bonds will be increased by the amount of such accreted interest.

Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount and market discount, no later than the time such amounts are reflected on

certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. The rule generally applies to taxable years after 2017, except that in the case of income from a debt instrument having original issue discount, the rule does not apply until taxable years after 2018. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the Bonds under the Code.

Original Issue Premium

Certain maturities of the Bonds may be initially offered to the public at prices greater than the amounts payable thereon at maturity. As a result of the tax cost reduction requirements of the Code relating to amortization of bond premium, under certain circumstances an initial owner of Premium Bonds may realize a taxable gain upon disposition of such Premium Bonds even though they are sold or redeemed for an amount equal to such owner's original cost of acquiring such Premium Bonds. Owners of Premium Bonds are advised that they should consult with their own tax advisors with respect to the tax consequences of owning such Premium Bonds.

Oklahoma Taxation

In the opinion of Hilborne & Weidman, a professional corporation, Bond Counsel, to be delivered at the time of original issuance of the Bonds, the interest on the Bonds is exempt from Oklahoma income taxation.

No Other Opinions

The opinions to be rendered by Bond Counsel on the date of delivery of the Bonds are expected to be in substantially the form of Appendix B hereto. Bond Counsel expresses no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds.

State and Local Taxation

Except with respect to State of Oklahoma taxation, the discussion above does not address the tax consequences of purchase, ownership or disposition of the Bonds under any state or local tax law. Investors should consult their own tax advisors regarding state and local tax consequences.

Other Tax Consequences

The foregoing is not intended to be a complete description of all Federal or Oklahoma income tax consequences associated with an investment in the Bonds, and except as set forth in Bond Counsel's opinion (described above), Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their own tax advisors regarding the particular tax consequences to them of an investment in such bonds.

INDEPENDENT ACCOUNTANTS

The basic financial statements of the Authority for the fiscal year ended as of June 30, 2019 included in Exhibit "C" of this Official Statement, have been audited by Arledge & Associates, P.C., CPA, Edmond, Oklahoma, independent accountants, as stated in their report herein and should be read in their entirety.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2020 Bonds are subject to the approval of Hilborne & Weidman, a professional corporation, Tulsa, Oklahoma, Bond Counsel, who will render an opinion in substantially the form attached hereto as Exhibit “D”. Certain legal matters will be passed upon for the Authority by David Weatherford, Sand Springs, Oklahoma, Counsel to the Authority.

NO LITIGATION

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2020 Bonds or questioning or affecting the validity of the Series 2020 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization nor existence of the Authority, nor the title of the present trustees or officers of the Authority to their respective offices, is being contested.

UNDERWRITING

The Series 2020 Bonds are to be purchased by D. A. Davidson & Co. (the “Underwriter”), pursuant to a Contract of Purchase with the Authority (the “Contract of Purchase”). The Underwriter has agreed to purchase the Series 2020 Bonds at a price of \$_____ (which represents the principal amount of Series 2020 Bonds of \$_____, less Underwriter’s Discount of \$_____, and plus/less Original Issuer Premium/Original Issue Discount of \$_____). The Contract of Purchase provides that the Underwriter will not be obligated to purchase any Series 2020 Bonds if all Series 2020 Bonds are not available for purchase, and requires the Authority to indemnify the Underwriter against losses, claims, damages and liabilities arising out of any incorrect or incomplete statements or information contained in this Official Statement pertaining to the Projects and other matters. The initial public offering price set forth on the inside cover page hereof may be changed by the Underwriter.

FINANCIAL ADVISOR

The Authority’s financial advisor is The Baker Group LP, Oklahoma City, Oklahoma. The Baker Group LP has prepared certain information for this Official Statement in connection with its services to the Authority and has provided financial advice to the Authority in connection with the Series 2020 Bonds.

CONTINUING DISCLOSURE

The Authority will execute and deliver its Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) for the benefit of the holders and beneficial owners of the Series 2020 Bonds. The Authority is required to observe the Continuing Disclosure Agreement for so long as it remains obligated to pay the Series 2020 Bonds. Pursuant to the Continuing Disclosure Agreement, the Authority will be obligated to provide certain updated financial information and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) system at www.emma.msrb.org. See Exhibit F - Continuing Disclosure Agreement.

Annual Reports

The Authority will provide certain updated financial information annually. The Authority will update and provide this information within 6 months after the end of each fiscal year. The Authority’s fiscal year end is June 30th. The Authority will provide updated information to the Trustee who will provide it to the MSRB.

The Authority may provide updated information in full text or may incorporate by reference other publicly available documents, as permitted by United States Securities and Exchange Commission Rule 15c2-12 (the “Rule”). The updated information will include audited financial statements of the City in the form as provided in Exhibit C hereto. If audited financial statements are not available by the required time, the Authority will provide such financial statements on an unaudited basis within the required time and audited financial statements when they become available. Any such financial statements will be prepared in accordance with generally accepted (“GAAP”) accounting principles or such other accounting principles as the Authority may be required to employ from time to time pursuant to State law or regulation.

Material Event Notices

The Authority will file with the MSRB notice of any of the Material Events listed in the Continuing Disclosure Agreement with respect to the Bonds in a timely manner (and not more than 10 business days after occurrence of the event). In addition, the Authority will provide timely notice of any failure by the Authority to provide information, data, or financial statements described above under Annual Reports in accordance with the Continuing Disclosure Agreement. The Authority will provide each notice described in the Continuing Disclosure Agreement to the MSRB.

Compliance with Prior Undertakings

The Authority has entered into prior continuing disclosure undertakings pursuant to the Rule with respect to the Authority’s currently outstanding Series 2016 Bonds, Series 2015 Bonds, and its Series 2012 Bonds (the “Prior Undertakings”).

During the last five years, the Authority did not timely file operating data for its fiscal year ended 2015, did not file certain annual operating data for its fiscal years ended 2015 through 2019 with respect to its Series 2012 Utility System Revenue Bonds, and did not file or timely file notice of its failure to provide the aforementioned information on or before the date specified in its Prior Undertakings. A notice regarding these matters was filed on July 30, 2020.

The Authority has covenanted to provide the final Official Statement to the purchaser within seven business days after final agreement to purchase, offer, or sell the Bonds in an offering and in sufficient time to accompany any confirmation that request payment from any customer.

DEEMED FINAL

THE AUTHORITY HAS CERTIFIED THAT THE Official Statement WAS DEEMED FINAL AS OF ITS DATE FOR PURPOSES OF RULE 15c2-12(b), EXCEPT FOR THE INFORMATION NOT REQUIRED TO BE INCLUDED THEREIN UNDER RULE 15c2-12(b). Concurrently with the delivery of the Series 2020 Bonds, the Authority will furnish a certificate executed on behalf of the Authority by the undersigned to the effect that the Official Statement, as of the date of the Official Statement and as of the date of delivery of the Series 2020 Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make to the statements herein, in light of the circumstances under which they were made, not misleading.

MISCELLANEOUS

Information concerning the Authority, the Financial Statements and the Series 2020 Bonds contained in this Official Statement has been furnished by the Authority.

The foregoing summaries or descriptions of provisions in the Indenture and all references to other materials not purporting to be quoted in full, are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions of such provisions. For further information, reference should be made to the complete documents, copies of which are on file at the corporate trust offices of the Trustee for examination and will be furnished by the Authority upon request.

All projections and other statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the Series 2020 Bonds.

This Official Statement has been approved by the Authority.

SAND SPRINGS MUNICIPAL AUTHORITY

By: /s/ James O. Spoon
Chairman

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EXHIBIT A

DEBT SERVICE SCHEDULE

**THE SAND SPRINGS MUNICIPAL AUTHORITY
Utility System Revenue Bonds, Refunding Series 2020**

Dated: Date of Delivery

Due: November 1, as shown below

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total P&I</u>
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			

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EXHIBIT B

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE

The following excerpts from the Bond Indenture as supplemented by the Fifth Supplemental Bond Indenture, each by and between the Sand Springs Municipal Authority (the “Authority”) and BOKF, National Association, (the “Trustee”), do not purport to be complete and for the complete provisions reference is made to the Bond Indenture, a copy of which may be obtained from the Trustee or the Authority.

CERTAIN DEFINITIONS

“Bond” or **“Bonds”** means “Sand Springs Municipal Authority Utility System Revenue Bonds, Refunding Series 2020”, authorized by the Indenture and any indebtedness issued pursuant to a supplement to the Indenture.

“Bond Account” means the Sand Springs Municipal Authority Bond Account created by the Indenture.

“Bondholder” or **“Holder”** means a person in whose name any Bond in registered form is registered with the Trustee.

“City” means the City of Sand Springs, Oklahoma, a municipal corporation.

“Code” means the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

“Collateral” means all fees, revenues, charges, income, assessments, fixtures, goods to become fixtures, machinery, equipment, contract rights, accounts receivable, business records and all articles of tangible and intangible personal property, of whatever character or description, now or hereafter constituting a part of, used in connection with, derived from or relating to the operation, management or maintenance of the Mortgaged Property, and all substitutions, additions, accessions, exchanges, replacements or alterations thereof. Proceeds are also covered.

“Default” or **“Event of Default”** means the happening of any of the events specified in the Indenture, whether or not any requirement for notice or lapse of time has been satisfied.

“Indenture” means the Bond Indenture, dated as of November 1, 2001, as supplemented by the Fifth Supplemental Bond Indenture, dated as of August 1, 2020 and any amendments and supplements hereto.

“Lease” means the Amendment to Leases between the City, as lessor, and the Authority, as lessee, effective as of January 23, 1989, recorded in Book 5163 at Page 1988 and following in the Office of the County Clerk of Tulsa County, Oklahoma, and any amendments, supplements, changes or modifications thereof.

“Maintenance” of properties means ordinary repairs and replacements of properties and shall be limited to minor repairs and replacements which are customarily treated as a business expense by a going concern.

“Mortgaged Property” means collectively the properties mentioned in the Indenture, including the Collateral.

“Net Revenues”, when used with respect to the income from specified properties (including Sales Tax Revenue), means the income derived or accruing from the specified properties (together with any other income specified in the Indenture as entitled to be treated as income from such properties) and remaining after payment of, or providing for the payment of, the costs and expenses of operation and maintenance of such properties. For this purpose, the “costs and expenses of operation and maintenance” of properties shall include, but not be limited to:

The necessary costs and expenses of collecting the income involved;

All payments by the Authority under any contract for the operation and/or maintenance of such properties by others for the Authority; and

All fees and expenses paid to a bond trustee or trustees under any bond indenture or indenture mortgaging such properties and/or pledging or assigning the Net Revenues therefrom as security for the repayment of indebtedness incurred by the Authority to provide funds for the acquisition, construction, installation, extension, improvement or enlargement of the properties involved.

PROVIDED, HOWEVER, that “costs and expenses of operation and maintenance” of properties shall not include (i) interest on any debt payable from the revenues of the specified properties; (ii) depreciation and any other items not requiring the expenditure of cash; (iii) any amounts expended for capital replacements, repairs and maintenance not recurring annually (or shorter intervals) or reserves therefor; and (iv) reserves for administration, operation and maintenance occurring in the normal course of business.

“Outstanding” means, when used with respect to the Bonds, all Bonds which have been authenticated and delivered under the Indenture, except: (i) Bonds previously cancelled by the Trustee or delivered to the Trustee for cancellation; (ii) Bonds for which satisfactory payment (whether at maturity or redemption prior to maturity) has been made to the Trustee and, with respect to Bonds which are to be redeemed prior to maturity, notice of such redemption has been duly given pursuant to the Indenture or provision therefore has been made satisfactory to the Trustee; and (iii) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Indenture.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Prior Bonds” means the Authority’s Utility System Revenue Bonds, Series 2012, in the aggregate principal amount of \$30,510,000.00, of which \$25,645,000.00 is currently outstanding and the Authority’s Promissory Note, Refunding Series 2012, in the principal amount of \$1,240,000.00, of which \$405,000.00 is currently outstanding.

“Registered Holder” means a person whose name appears on the Registration Record as the owner of a Bond.

“Registration Record” means the record maintained by the Registrar for the purpose of registering the name and address of the Registered Holders of Bonds.

“Registrar” means the Trustee, and any successor thereto performing the functions of Registrar under the Indenture.

“Revenue Account” means the Sand Springs Municipal Authority Revenue Account created by the Indenture.

“Sales Tax Revenue” means (i) all monies or funds appropriated by the City and received by the Authority from the one percent (1%) sales tax levied and assessed pursuant to the City’s Ordinance No. 456, dated July 1, 1979, which was approved by the qualified electors of the City; and (ii) any other sales tax lawfully levied and assessed by the City and appropriated to the Authority.

“Series 2020 Project” means the (i) the repayment of the principal and interest due and owing on the Authority’s outstanding Prior Bonds, and (ii) to pay the cost and expense of issuance of the Series 2020 Bonds.

“Sinking Fund” means the Sand Springs Municipal Authority Sinking Fund created by the Indenture.

“Trust Estate” means property mentioned in the Indenture which is mortgaged or assigned to the Trustee as security for the Bonds.

“Trust Indenture” means the Trust Indenture and any amendments, supplements, changes or modifications thereto.

“Trustee” means BOKF, National Association, Tulsa, Oklahoma

ISSUANCE OF BONDS

Bonds Authorized. There is authorized under the Indenture, the issuance and delivery of the Sand Springs Municipal Authority Utility System Revenue Bonds, Refunding Series 2020. Each such Bond shall be dated as of the date of issuance, shall bear interest at the rate, shall be in the forms, denominations, shall mature and shall be numbered as provided in the Indenture. The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 each and, with respect to principal maturing on the same date, integral multiples thereof. Unless the Authority shall otherwise direct, the Bonds shall be lettered “R” and numbered consecutively from 1 upwards. The Trustee shall retain custody of all initially undelivered Bonds for the purpose of effecting subsequent exchanges.

Registration. No person shall be entitled to any right or benefit provided in this Bond or in the Indenture unless the name of such person is registered by the Trustee as the Registrar of the Authority on the Registration Record and such name is endorsed by such Registrar on this Bond. This Bond shall be transferable only upon delivery of this Bond to the Trustee, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by the Registered Holder hereof or his attorney duly authorized in writing, and such transfer registered on the Registration Record. No such transfer may be made after the fifteenth (15th) day of the month preceding any interest payment date until after said later date. The name of the Registered Holder endorsed hereon shall be deemed the correct name of the owner of this Bond for all purposes whatsoever. The Registrar will keep the Registration Record open for registration of ownership of Bonds during its business hours. In the event of a change of Registrar for any reason, notice thereof shall be mailed, by registered or certified United States Mail, postage prepaid, to the Registered Holder at the address shown in the Registration Record, and such notice shall be effective on the date of mailing and sufficient as to all persons. No fee will be charged for registration.

Exchange of Bonds. Whenever any Bond or Bonds shall be exchanged for another Bond or Bonds, the Trustee shall cancel the Bond or Bonds surrendered in such exchange on the face thereof and on the Registration Record. If the supply of Bonds for making exchanges shall have been exhausted, the Trustee shall cause additional Bonds to be prepared, at the expense of the Authority, and the Authority covenants that upon request of the Trustee, its appropriate officers promptly will execute such additional Bonds on behalf of the Authority.

Registrar and Registration Record. The Registrar for all Bonds issued under the Indenture shall be the Trustee, which shall maintain a Registration Record for the purpose of registering the name and address of the Registered Holder of each Bond. The Registrar will keep the Registration Record open for registrations during its business hours. In the event of a change of Registrar, notice thereof shall be mailed, registered or certified United States Mail, postage prepaid, to the Registered Holder of each Bond. The name and address of the Registered Holder as the same appear on the Registration Record shall be conclusive on all persons and for all purposes whatsoever and no person other than the Registered Holder shown on the Registration Record shall be entitled to any right or benefit under the Indenture in relation to the Bond so registered; provided, that the foregoing shall not apply to any successor by operation of law of such Registered Holder.

Transfer of Bonds. Bonds shall be transferable only upon delivery of such Bonds to the Trustee, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee executed by the Registered Holder thereof or his attorney duly authorized in writing, and such transfer registered on the Registration Record. Bonds delivered to the Trustee for registration of transfer shall be cancelled by the Trustee on the face thereof and the Trustee shall authenticate and deliver to the transferee Bonds in aggregate principal amount equal to the unpaid principal of the surrendered Bonds, new Bonds in denominations of \$5,000 each and, with respect to principal maturing on the same date, integral multiples thereof. No transfer of a Bond shall be made after the fifteenth (15th) day of the month preceding any interest payment date until after such interest payment date. If such Bond or any part of the principal of any Bond shall have been called for prior redemption in accordance with the provisions of the Indenture, any registration of transfer of such principal made subsequent to the effective date of the notice of redemption shall be subject to the notice of redemption of such principal. All fees of the Trustee in relation to registration shall be borne by the Authority.

Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond issued hereunder shall be mutilated, lost, stolen or destroyed prior to payment of the amount thereby provided to be paid, the Authority, upon terms and conditions satisfactory to and with the prior written approval thereof by the Trustee, shall cause to be prepared a new Bond of like tenor, amount and date, and bearing the same serial number, but with an appropriate letter thereafter or other appropriate indication of substitution, and the Trustee shall register or authenticate and deliver such new Bond in substitution for and in lieu of such Bond upon indemnity satisfactory to it. The Authority and the Trustee may charge the owner or holder of any such Bond with their reasonable fees and expenses.

SECURITY FOR THE BONDS

Conveyance. To secure the payment of the principal of and interest on all Bonds issued under authority of the Indenture, the performance of the covenants and agreements of the Indenture, and all other sums, liabilities, indebtedness and obligations at any time due or obligatory under the provisions of the Indenture, and to secure to the Trustee the payment of any sums which it may pay or become obligated to pay, or which shall be due to it, by reason of any provisions of the Indenture, whether by operation of law or by agreement, including, without limitation, interest thereon, attorney's fees, costs and expenses of litigation or otherwise, and in consideration of the acceptance by the Trustee of the trusts and duties set forth in the Indenture, the purchase and acceptance of the Bonds and the payment of the purchase price thereof to the Trustee for the use and benefit of the Authority, the Trustees do hereby **grant, bargain, sell, convey and mortgage** unto the Trustee, its successors and assigns, (i) all of the property, rights, interests, and benefits (whether real, personal or mixed) in and to and under the Lease, including the following:

(a) All of the following proprietary revenue-producing utility systems and facilities of the Authority:

(1) All of the water production, storage, transportation and distribution system and facilities, including all tangible property, real and personal, and all interests therein, appertaining or related thereto or used in connection therewith, and all rights-of-way, easements, licenses, and other rights and privileges, appertaining or related to such system and facilities or the use thereof, now belonging to the Authority or under its custody, management or control; and

(2) All of the sanitary sewage collection, transportation, processing and disposal system and facilities, including all tangible property, real and personal, and all interests therein, appertaining or related thereto or used in connection therewith, and all rights-of-way, easements, licenses and other rights and privileges, appertaining or related to such system and facilities or the use thereof, now belonging to the Authority or under its custody, management or control; and

(3) Any and all additions and/or improvements to the aforesaid systems, properties and facilities, and any and all tangible property, real or personal, and any and all interests therein, appertaining or related to any such system, properties or facilities, or used in connection therewith, and any and all rights-of-way, easements, licenses, or other rights or privileges, appertaining or related to any such system, properties or facilities or the use thereof, which may, hereafter, be acquired by the Authority or which shall, hereafter, come under its custody, management or control.

(b) Certain specified real estate located in Creek County, Oklahoma together with all and singular the tenements, hereditaments and appurtenances thereof; and all right, title and interest of the Authority in and to all of the revenues, issues or profits now or hereafter derived or accruing from the properties described.

(c) Sales Tax Revenue.

all of which property, rights, interests and benefits are herein collectively called the “Mortgaged Property”, and (ii) all revenues, funds and accounts of the Authority created hereunder and controlled by the Trustee (including but not limited to the Bond Account and Sinking Fund) and are hereby declared to be subject to the lien of the Indenture as security for payment of the aforesaid indebtedness and for performance of the aforesaid obligations.

Security Agreement. The Indenture shall also be, and shall be construed as, a security agreement with respect to the Collateral, the revenues, funds and accounts of the Authority created hereunder and controlled by the Trustee (including but not limited to the Bond Account and Sinking Fund). The Authority agrees to join with the Trustee in executing financing statements covering the Collateral for filing in the appropriate records of Oklahoma and Tulsa Counties; provided, the Authority shall be entitled to replace or substitute items of machinery, equipment and personal property as provided in the Indenture, without obtaining a release of the security interest created hereunder in regard to such replaced or substituted items.

To further secure to the Trustee the payment of the Bonds and other indebtedness hereby secured and the full and complete performance of each of the covenants, agreements and promises contained in the Bonds and the Indenture, the Trustees do hereby assign, grant, transfer and set over unto the Trustee, its successors and assigns, all of the revenues, issues and profits now due or to become due from the Mortgaged Property, including Sales Tax Revenue, accounts receivable, contract rights and general intangibles relating thereto, until the indebtedness and obligations above referred to shall have been fully paid and satisfied. This Assignment includes the present and continuing right to collect all of the revenues, issues and profits assigned hereunder and to take all actions which the Authority is entitled to take for the collection or

enforcement of the revenues, issues and profits assigned hereunder; provided, that this Assignment shall not impair or diminish any obligations of the Authority under the Indenture. All sums received by the Authority or the Trustee out of the revenues, issues and profits of the Mortgaged Property shall be deposited in the Revenue Account and applied as provided in the Indenture.

Defeasance. If the Authority shall pay and perform, or cause to be paid and performed, or make provision satisfactory to the Trustee for the payment and performance, or if there shall be held by the Trustee sufficient monies or obligations, the principal of and interest on which when due and payable will provide sufficient monies for the payment and performance, fully and promptly when due, all indebtedness, liabilities and obligations provided in the Indenture and in all Bonds issued under authority hereof to be paid and performed, then, in such event only, the Indenture shall become null and void, and discharged of record at the cost of the Authority, which the Authority agrees to pay, and the Trustee will assign and deliver to the Authority any monies and investments of the Authority remaining in possession of the Trustee, except funds held by the Trustee for the payment of principal of, premium, if any, and interest on the Bonds or expenses incurred or which might be incurred in carrying out the purposes hereof.

PROCEEDS OF BONDS, AND INSURANCE, AND DISPOSITION OF PROPERTY

Proceeds of Bonds. All of the proceeds of the sale of the Bonds issued under the Fourth Supplemental Bond Indenture shall be paid to the Trustee and shall be deposited or disbursed by the Trustee as follows:

First: The costs and expenses necessarily incidental to the issuance and sale of the Bonds shall be paid to the persons entitled thereto, in the respective amounts, and from the Bonds as certified to the Trustee by the Authority in accordance with the provisions of this Supplemental Bond Indenture;

Second: The Trustee shall transfer to the Sinking Fund relating to the Prior Bonds, such amount of the proceeds of the Series 2020 Bonds as shall be directed in writing by the Authority, which along with funds of the Authority to be transferred from the Prior Bonds Bond Fund and Prior Bonds Sinking Fund Reserve Fund relating to the Utility System Revenue Bond, Series 2012 Prior Bonds shall be used to redeem such Outstanding Prior Bonds on November 1, 2020;

Third: The Trustee shall transfer to the Oklahoma Water Resources Board such amount of the proceeds of the Series 2020 Bonds as shall be directed in writing by the Authority, which along with funds of the Authority to be transferred from the Bond Fund and Sinking Fund Reserve Fund relating to the Promissory Note, Refunding Series 2012 Prior Bonds shall be used to redeem such Outstanding Prior Bonds on November 1, 2020;

Proceeds of Insurance. In the event of any loss or damage covered by insurance described in the Indenture, upon collection of the proceeds of any such insurance policy, except where the provisions of this section shall provide otherwise, the Trustee shall deposit such proceeds in a special trust account in the Trustee to be established for such purpose by the Trustee to be held invested by the Trustee, for the repair or replacement of the loss or damage sustained or for reimbursing the Authority, or the beneficiary of the Authority, or the Trustee, as the case may be, for any expenditures made by them respectively for such purposes. All earnings from investments shall remain in such special trust account until disbursed in accordance with this section. The Trustee shall be entitled to reimburse itself from such proceeds for any expenditures made by it for any of the foregoing purposes and the Trustee shall disburse such proceeds to the Authority upon requisitions in writing submitted to the Trustee specifying such repairs and replacements and the cost thereof, which requisitions shall be accompanied by such other information as may be required by the Trustee. In the event that the Chairman or Vice Chairman of the Authority shall certify to the Trustee that any such repair or replacement of the loss or damage sustained is not useful or needful for trust

purposes, and such certification shall be accompanied by the written certification of a Registered Professional Engineer stating that the Net Revenues from the remaining Mortgaged Property for the preceding twelve (12) month period shall have equaled not less than the minimum Net Revenues required by the Indenture for that period, and that the Net Revenues from the remaining Mortgaged Property for the next succeeding twelve (12) month period should equal not less than the minimum Net Revenues required by the Indenture for that period, the Trustee shall deposit any such proceeds not used for repair or replacement of the loss or damage sustained or for reimbursement for any expenditures made for such purposes, in the Authority's Sinking Fund.

Authority to Sell Property and Disposition of Proceeds. The Authority shall not be authorized to sell or otherwise dispose of any part or parts of the Mortgaged Property except with the prior written consent of the Trustee.

Circumstances and Conditions for Sale or Other Disposition of Property. The circumstances and conditions for a sale or other disposition of a part or parts of the Mortgaged Property to which the Trustee shall consent are as follows:

(a) The Trustee shall consent to such sale or other disposition of any personal property constituting a portion of the Mortgaged Property upon condition that the proceeds of such sale or disposition are used immediately for the acquisition, construction or installation of other personal property of similar character of not less than equal value which shall become a part of the Mortgaged Property. The Chairman or Vice Chairman of the Authority shall certify to the Trustee prior to any such sale or disposition (i) the specific item or items of personal property to be sold or disposed of and the consideration to be received therefor, and (ii) the specific items or items of personal property to be acquired, constructed and/or installed in substitution therefor and the cost thereof; provided, that the Trustee shall not consent to such a sale or disposition unless the Net Revenues from the remaining Mortgaged Property together with the Net Revenues to be derived from the properties to be acquired, constructed or installed immediately from the proceeds of such sale or disposition, for the next succeeding twelve (12) month period as certified by a Registered Professional Engineer, should equal not less than the minimum Net Revenues required by the Indenture for that period.

(b) In the event that the Chairman or Vice Chairman of the Authority shall certify to the Trustee that certain of the personal property constituting a portion of the Mortgaged Property (which shall be specifically identified in such certification) is no longer useful or needful for trust purposes; the Trustee shall consent to the redelivery of such personal property to the City as provided in the Lease. Provided, the Trustee shall not consent to any such disposition unless (i) the Net Revenues from the remaining Mortgaged Property for the preceding twelve (12) month period, as certified by a Registered Professional Engineer, shall have equaled not less than the minimum Net Revenues required by the Indenture for that period, and (ii) the Net Revenues from the remaining Mortgaged Property for the next succeeding twelve (12) month period as certified by a Registered Professional Engineer, should equal not less than the minimum Net Revenues required by the Indenture for that period.

Conditions if Default Exists. If any Event of Default shall exist under the terms of the Indenture, none of the Mortgaged Property shall be sold or disposed of except with the prior written consent of the Trustee, in accordance with all applicable provisions of the Lease and upon such conditions as the Trustee shall prescribe in its judgment for the best protection of the security of the Outstanding Bonds issued under authority of the Indenture.

PROVISIONS FOR ADDITIONAL INDEBTEDNESS

Right to Incur. The Authority shall have the right to incur indebtedness secured equally and ratably with, but not superior to, the indebtedness evidenced by the Bonds, by issuing additional bonds or notes pursuant to a supplement to the Indenture, but only for the purposes and under the conditions set forth in the Indenture and not otherwise. Nothing in the Indenture shall be construed to prevent the Authority from incurring any indebtedness so long as such indebtedness is not secured by any lien or charge on any part of the Mortgaged Property equal or superior to the lien of the Indenture.

Purposes Authorized. Any such additional indebtedness so secured shall be incurred only for: (i) acquiring or constructing properties and facilities to be added to the Trust Estate of the Authority; (ii) improving or enlarging any of the properties of the Authority (including, but not limited to, the Mortgaged Property) or making major repairs or replacements of any of said properties; or (iii) refunding any outstanding indebtedness of the Authority incurred for any of the foregoing purposes.

Conditions on Additional Indebtedness. No additional indebtedness so secured shall be incurred for any of the purposes set forth in the Indenture unless:

(a) No Event of Default exists under the Indenture;

(b) The Net Revenues of the Authority from the Mortgaged Property for twelve (12) full calendar months constituting the fiscal year of the Authority immediately preceding the incurring of such additional indebtedness, as certified by an independent certified public accountant employed by the Authority, shall have been at least equal to one and one quarter (1 1/4) times the average annual amount required to be deposited, during a twelve (12) month period (or if one full fiscal year shall not have elapsed since the date of the last incurring of indebtedness so secured, then at the aforesaid rate for such part of a fiscal year so elapsed) into the Authority's Sinking Fund under the Indenture and any prior supplement to the Indenture. Said average shall be determined by dividing the aggregate of payments required to be made into the Sinking Fund between the date of the evidence of said indebtedness and the date of final maturity thereof by the number of years between said dates.

(c) With respect to any such additional indebtedness to be incurred for the purpose of acquiring or constructing new properties or facilities, in the written opinion of a registered professional engineer, the Net Revenues of the Authority for the past full twelve (12) calendar months prior to issuance of such Bonds, plus any increase in rates for any part of the past twelve calendar months or any increase in rates for the next twelve calendar months as evidenced by an ordinance of the City and a resolution of the Authority would be equal to not less than one and one quarter (1 1/4) times the maximum annual aggregate payments required to be paid into the Authority's Sinking Fund under the Indenture and under all indentures supplemental hereto, including the supplemental indenture relating to the incurring of such additional indebtedness.

(d) Any supplement to the Indenture relating to the incurring of any additional indebtedness so secured shall provide:

(i) That the evidences of such additional indebtedness shall be distinguishable, by series designation, from Bonds previously issued under the Indenture and any prior supplement to the Indenture;

(ii) For deposits into the Bond Account of sufficient amounts to provide for the interest and principal maturity requirements for such additional indebtedness, in addition to the deposits required under the Indenture and any prior supplement to the Indenture, and for transfers thereof

from the Bond Account to the Sinking Fund in addition to like transfers required under the Indenture and any prior supplement to the Indenture;

(iii) That no indebtedness authorized by such supplement to the Indenture shall be expressed to mature, or shall be prepaid, except to such extent and at such times as the additional deposits provided to be made thereby shall enable the same to be done; and that neither the amount of money required by the Indenture and by any prior supplement hereto to be in the Sinking Fund at any particular time shall be reduced for the prepayment or purchase of any evidence of indebtedness issued under such supplement to the Indenture; and

(iv) That all deposits or payments made under such supplement to the Indenture into the Bond Account and Sinking Fund, shall be commingled therein with all other deposits and payments made into such account or fund under the Indenture and any prior supplement to the Indenture, and that, except as provided in paragraph (iv) of this section, any payments made from any such account or fund shall be made without preference as though such additional indebtedness were initially incurred under the Indenture.

BANK ACCOUNTS, DEPOSITS AND WITHDRAWALS

Revenue Account.

(a) **Maintenance and Deposits.** The Authority shall establish and maintain in a bank or banks located in the City of Sand Springs, Oklahoma (or in such other bank or banks as the Authority from time to time shall designate), an account designated “Sand Springs Municipal Authority Revenue Account” (herein called the “Revenue Account”), into which shall be deposited, daily, all money received by or for the Authority by reason of its ownership and/or operation of the Mortgaged Property (including Sales Tax Revenue). Except as herein otherwise specifically provided, the Authority shall have sole authority to withdraw money from the Revenue Account.

(b) **Payments From Account.** The Revenue Account shall be chargeable with the following payments, in the following order of priority:

(i) Payment of the costs and expenses of and incidental to the operation and ordinary maintenance of the Mortgaged Property including but not limited to the necessary costs and expenses of and incidental to collecting the revenues to be deposited in the Revenue Account, and fees and expenses due the Trustee for its services as bond trustee under the Indenture;

(ii) Payments into the Bond Account as herein required;

(iii) Use of any remainder by the Authority for any proper purpose or purposes of the Authority, including but not limited to redemption prior to maturity of any indebtedness issued under the Indenture or any supplement thereto, and payments to or for the Authority or any fund or funds of the Authority.

Bond Account.

(a) **Creation and Purpose.** There hereby is created in a bank or banks located in the City of Sand Springs, Oklahoma (or in such other bank or banks as the Authority, from time to time, with the consent of the Trustee, shall designate), an account designated “Sand Springs Municipal Authority Bond Account” (herein called the “Bond Account”), which shall be used for the purpose of providing for the payments into the Sinking Fund of the Authority, provided for in the Indenture. However, the Trustee shall have sole

authority to withdraw money from the Bond Account. All funds deposited and held in the Bond Account are subject to the lien of the Indenture as security for the performance of the obligations of the Authority under the Indenture and the payment of any indebtedness or obligations of the Authority at any time due or obligatory under the provisions of the Indenture and the bank or banks acting as the depository of the funds deposited and held in the Bond Account shall have no right of set-off or counterclaim against such funds at any time.

(b) **Deposits in Bond Account.** During each of the annual periods hereinafter specified, the Authority shall make monthly deposits into the Bond Account in aggregate amount (less credits for interest as provided in the Indenture), not less than the amount necessary to punctually pay the principal of and interest on the Bonds as the same shall become due and payable. Each of such monthly deposits shall be made on or before the 15th day of the month (with the first of such monthly deposits to be made as of August 15, 2020), and for each annual period shall be equal, as nearly as practicable in the circumstances, to one-twelfth (1/12th) of the aggregate deposits so prescribed for that annual period.

(c) **Transfers from Bond Account to Sinking Fund.** On or before each April 25 and October 25, beginning April 25, 2021, the Trustee shall transfer from the Bond Account to the Sinking Fund an amount sufficient to enable payment of the principal of and interest on Outstanding Bonds maturing on the next ensuing interest-payment date.

(d) **Special Provisions in Event of Default.** Notwithstanding any other provision of the Indenture, so long as any uncured Event of Default shall exist under the Indenture, the Trustee may transfer all or any part of the Bond Account, to the Sinking Fund or to any other fund provided in the Indenture which the Trustee deems proper.

Sinking Fund.

(a) **Creation and Purposes.** There hereby is created, in the Trustee, a special fund designated “Sand Springs Municipal Authority Sinking Fund” (herein called the “Sinking Fund”), for the purposes of (a) paying, as the same shall become due and payable, the interest on the Bonds, and (b) paying, at maturity, the principal of the Bonds as provided herein, and (c) retiring Bonds before maturity, as provided herein, and (d) paying any money for which the Authority shall become obligated to the Trustee under the Indenture. The Trustee shall hold in trust all money transferred or paid into the Sinking Fund and promptly shall pay from the Sinking Fund money payable therefrom under the Indenture for the purposes specified in this section.

(b) **Transfers from Sinking Fund for Payment of Maturing Interest and Principal and for Redemption of Bonds.** Prior to each date on which any interest on any of the Bonds shall become due and payable, the Trustee shall transfer from the Sinking Fund, into a special trust account, an amount sufficient to pay such maturing interest plus an amount sufficient to pay the principal of any of the Bonds maturing on that interest-payment date, and shall hold the same uninvested in trust for the payment of such interest and principal; and, at the same time, the Trustee also shall transfer from the Sinking Fund, into the special trust account, an amount sufficient to pay the principal of, premium, if any, and interest on any of the Bonds which shall have been called by it, for redemption prior to maturity on that interest-payment date, and shall hold the same uninvested in trust for the redemption of such Bonds. As between the Trustee and the Authority, all money so transferred for such purposes shall be deemed to have been paid by the Authority, but such transfer shall not affect any obligation of the Authority to any other person or entity.

(c) **Purchase of Bonds.** At any time, either before or after any Bonds may be called for prior redemption, the Authority may direct the Trustee to purchase one or more Bonds on the open market, out of any money in the Sinking Fund in excess of the aggregate amount then required to be on deposit in the

Sinking Fund under the provisions of the Indenture, and, in that event, if the Trustee can so purchase any such Bond or Bonds at a price not exceeding the amount for which any Bond issued under the Indenture next shall be callable for prior redemption (but not including more interest than the next semi-annual interest thereon), it shall so purchase the same.

(d) **Credit for Principal and Interest on Redeemed Bonds.** In the event that any Bond shall be redeemed prior to maturity, or purchased by the Authority prior to maturity thereof, upon cancellation thereof, the amount of interest expressed in such Bond which would have been payable on each interest payment date following cancellation to the date of maturity expressed in such Bond shall be deemed to have been deposited in the Bond Account and transferred to the Sinking Fund fifteen (15) days prior to such interest payment date and the amount of principal of such Bond shall be deemed to have been so deposited and transferred fifteen (15) days prior to the expressed maturity date thereof.

(e) **Disposition of Redeemed and Purchased Bonds.** All Bonds which shall be redeemed (whether pursuant to maturity or call) or purchased as provided in the Indenture, shall forthwith be cancelled and destroyed by the Trustee, and the Trustee shall deliver a certificate of such fact to the Authority. No new Bond shall be issued under the Indenture in lieu of any Bond so redeemed, purchased or surrendered.

Investment of, and Security for Sinking Fund. The Trustee shall invest such portions of the Sinking Fund as shall be practicable with maturity thereof prior to the interest payment date next ensuing prior to the last maturity date of the Bonds.

All interest collected by the Trustee on such investments shall be deposited, as collected, into the Sinking Fund. The fact of such deposits and the amounts thereof during each monthly period shall be reported by the Trustee to the Authority, and shall be deemed to have been deposited by the Authority into its Bond Account during the first calendar month next following the monthly period during which such interest was so collected and deposited by the Trustee in the Authority's Sinking Fund. The Trustee shall use care, in the investment of all funds, to invest them so as not to result in the Bonds being taxable as "arbitrage bonds" within the meaning of Section 148 of the Code. Sums credited to the various funds and accounts created herein shall not be invested in such a manner as to result in the loss of exemption from Federal income taxation of interest on the Bonds or in such a manner which results in the Bonds constituting taxable "arbitrage bonds" within the meaning of Section 148 of the Code.

COVENANTS

The Authority covenants to the Trustee and to each and all of the Bondholders as follows:

Warranty of Title. The Authority covenants that (i) the Trustees have title to the Mortgaged Property and are the owners and holders of the leasehold interest therein evidenced by the Lease thereof; (ii) that the Lease constitutes a valid and subsisting Lease of the properties demised thereunder for the term therein set forth, is in full force and effect in accordance with the terms thereof and has not been modified or amended and there are no existing defaults by any party thereunder; (iii) that the fee simple title of the Mortgaged Property is free and clear of all liens, charges and encumbrances on a parity with or prior to the Indenture except easements and building restrictions of record, (iv) that the Authority has good right and lawful authority to mortgage and convey the Mortgaged Property; and (v) that the Authority hereby warrants and will forever defend the title to the Mortgaged Property against the claims of all persons whomsoever.

Creation of Liens. The Authority shall not, except as provided in the Indenture, create or assume any mortgage, pledge, lien, charge or encumbrance on the Mortgaged Property.

Impairment of Security. The Authority will not commit any action which may in any respect impair or diminish the security provided in the Indenture.

Insurance.

(a) **Hazard Insurance.** The Authority shall at all times cause the Mortgaged Property to be insured in such amounts and against such risks as ordinarily is maintained by reasonably prudent operators of like properties. Such insurance policies shall provide for payment of losses covered thereby to the Authority and the Trustee, as their interests shall appear.

(b) **Liability Insurance.** The Authority shall procure and maintain public liability and property damage insurance in such amounts as ordinarily is maintained by reasonably prudent operators of properties similar to the Mortgaged Property. Such insurance policy shall name the Trustee as an additional insured.

All policies of insurance or certificates of insurance shall be delivered to the Trustee, shall be issued by an insurer or insurers not unacceptable to the Trustee, and shall contain provisions for written notification to the Trustee thirty (30) days prior to any cancellation thereof.

Obligations. The Authority shall promptly and punctually perform all of the obligations hereunder and under the terms of any other contract or agreement entered into by the Authority in connection with the Indenture.

Maintenance of the Mortgaged Property. The Authority shall maintain the Mortgaged Property in first-class condition and good repair at all times; it will not commit or permit any waste in respect thereof; and it will not remove or in any manner dispose of any portion thereof without prior written approval of the Trustee as provided in the Indenture.

Operation of Mortgaged Property.

(a) The Authority will operate the Mortgaged Property or cause the same to be operated for it, and will do and perform all acts necessary to maintain its right to operate the Mortgaged Property for as long as any indebtedness is secured by the Indenture; and the Authority will charge for all services provided from or through the Mortgaged Property.

(b) The Authority will faithfully and fully comply with every statute, ordinance, rule or regulation, now or hereafter in force, governing the operation or maintenance of the Mortgaged Property.

Maintenance of Revenues.

(a) The Authority at all times will maintain schedules of rates and charges for services rendered through the Mortgaged Property which will provide annually Net Revenues equal to not less than one and one quarter (1¼) times the average annual amount required to be paid into its Sinking Fund, as provided in the Indenture.

(b) The foregoing shall be subject to the following proviso: If indebtedness secured equally and ratably with the Bonds subsequently be issued under the conditions provided in the Indenture, the Authority at all times will continue to maintain such schedules of rates and charges as will provide annually Net Revenues equal to not less than one and one quarter (1¼) times the average annual amount then required to be paid into its Sinking Fund.

(c) In order to enable the Authority to maintain lower schedules of rates and charges for utility services, for the purpose of calculating the annual Net Revenues produced from services rendered through the Mortgaged Property, there shall be deducted from the costs and expenses of operation and maintenance thereof any amount expended by the City for payment of the costs of such operation and maintenance or appropriated and paid by the City to the Authority for such purposes, and there shall be treated as income from the Mortgaged Property the Sales Tax Revenue and any amount appropriated by the City to the Authority and paid into the Revenue Account under the Indenture: Provided, the foregoing shall apply solely and only to amounts so expended or appropriated and paid, in cash, and in no event shall any such expenditure or appropriation be anticipated for the purpose of this section for any reason, including, but not limited to, the application of accrual principles of accounting, to that end; provided further that if, for any reason whatsoever, any such anticipated payment or appropriation be delayed or withheld, the Authority covenants that it shall immediately adjust such rates and charges as necessary to comply with its covenants hereinabove in this section expressed.

Application of Revenues. The Authority will punctually collect all charges and other money payable to it by reason of the operation of the Mortgaged Property and will apply same, in the manner provided in the Indenture. The Authority specifically covenants to cause to be made available to the Trustee from the revenues of the Mortgaged Property, in the manner provided in the Indenture, all monies necessary for the punctual payment of the principal of, premium, if any, and interest on the Bonds and all other indebtedness secured under the Indenture, as the same shall become due.

Examination of Records, Furnishing Reports Audits and Statements.

(a) **Books and Access Thereto.** The Authority will at all times keep its books, records and accounts in compliance with generally accepted accounting principles applied on a consistent basis and applicable rules and regulations of any governmental authority having jurisdiction thereof; and it shall permit access, at all reasonable times, to its properties, books, records and accounts by the Trustee, any Bondholder, or by any independent certified public accountant, registered professional engineer or other person employed by the Trustee or any such Bondholder for the purpose of inspection or examination thereof.

(b) **Annual Audits and Maintenance Reports.** On or before the 1st day of January, 1993, and on or before the 1st day of January of each year thereafter so long as any Bond or Bonds shall remain Outstanding, the Authority shall deliver to the Trustee, to the City and to each Bondholder who requests the same, an annual audit of the operation of the Mortgaged Property during the preceding fiscal year of the Authority (commencing July 1 and ending the following June 30) certified by an independent certified public accountant employed by the Authority (but not unacceptable to the Trustee, or by the Holders of not less than forty percent (40%) in aggregate principal amount of all Outstanding Bonds, if such selection is expressed in writing to the Authority). At the same time each year, the Authority shall deliver to the Trustee, to the City and to each Bondholder who requests the same, a certificate by a registered professional engineer employed by the Authority (but not unacceptable to the Trustee, or by the Holders of not less than forty percent (40%) in aggregate principal amount of all Outstanding Bonds, if such selection is expressed in writing to the Authority), as to the sufficiency of the maintenance of the Mortgaged Property.

Fees and Expenses of the Trustee. The Authority covenants and agrees to pay to the Trustee promptly upon receipt of statements of the amounts due and payable, (i) the annual fee of the Trustee for its ordinary services rendered and ordinary expenses incurred hereunder, and (ii) all other extraordinary sums which shall at any time become payable to the Trustee for enforcement of the provisions of the Indenture.

Expenditure of Bond and Insurance Proceeds. The Authority will use all proceeds of the sale of the Bonds paid to it, solely for the purposes set forth in the Indenture; the Authority will comply fully

with all of the provisions of the Indenture with respect to the expenditure of the proceeds of any insurance policy paid to the Authority; the Authority will make no use of the proceeds derived from the sale of the Bonds which, if such use had been reasonably expected on the date of issue of the Bonds, would have caused such Bonds to be “arbitrage bonds” as defined in Section 148 of the Code; and the Authority will comply with the requirements of Section 148 of the Code.

Additional Documents. The Authority agrees, from time to time, within fifteen (15) days after request by the Trustee, to execute, acknowledge and deliver any financing statement, renewal affidavit, certificate, continuation statement, inventory or other similar documents as the Trustee may request in order to protect, preserve, continue, extend or maintain the security interest created and intended to be created under the Indenture and agrees, upon demand, to pay any expenses incurred by the Trustee in preparation, execution and filing of any such documents.

Litigation. The Trustee shall be promptly furnished with written notice of any litigation affecting the Authority or the Mortgaged Property.

DEFAULTS AND ENFORCEMENT OF SECURITY

Events of Default. The following shall constitute Events of Default hereunder:

(a) **Nonpayment of Bonds.** Failure of the Authority to pay when due any principal of, premium, or interest on any Bond.

(b) **Other Nonpayment.** Failure of the Authority to pay when due any other amount payable under the terms of the Indenture.

(c) **Breach of Covenant.** Failure by the Authority in the performance or observance of any covenant contained in the Indenture, the Bonds or under the terms of any other instrument executed in connection with the issuance and sale of the Bonds, including, without limitation, the falsity or breach of any representation, warranty or covenant.

(d) **Representations and Warranties.** If any representation, statement, certificate, schedule or report made or furnished to the Trustee by the Authority proves to be false or erroneous in any material respect at the time of the making thereof or any warranty ceases to be complied with in any material respect, and the Authority fails to take or cause to be taken corrective measures satisfactory to the Trustee within thirty (30) days after written notice by the Trustee.

(e) **Bankruptcy.** The dissolution, liquidation or insolvency of the Authority, the filing by the Authority of a voluntary petition in bankruptcy, the failure by the Authority within sixty (60) days to lift any execution, garnishment or attachment affecting the Mortgaged Property, any act of bankruptcy by the Authority, the adjudication of the Authority as a bankrupt, the assignment by the Authority of any assets for the benefit of its creditors, the entry by the Authority into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Authority in any proceeding for the composition of its debts or for its reorganization instituted under the provisions of the Bankruptcy Act (11 U.S.C. §1 et seq.), as amended, or under any similar act which may hereafter be enacted.

(f) **Judgment.** Entry by any court of a final judgment against the Authority which shall not be satisfactorily discharged within sixty (60) days from the date thereof, or an attachment of any fund or account created hereunder, which shall not be released or otherwise provided for to the Trustee's satisfaction within sixty (60) days after the making thereof.

Remedies. Upon the occurrence of an Event of Default, and failure of the Authority to cure such default within the time provided, if any, the Trustee may, at its option:

(a) **Acceleration.** Declare the entire principal of all Outstanding Bonds and all interest accrued therein immediately due and payable, whereupon the Bonds shall become forthwith due and payable without presentment, demand, protest or further notice of any kind, and the Trustee shall be entitled to proceed to simultaneously or selectively and successively enforce its rights under the Bonds, the Indenture, any other instrument executed in connection with the issuance and sale of the Bonds, or any one or more of them; provided that the Trustee shall take this action upon the occurrence of an Event of Default and receipt of written instructions to take this action from the Holders of not less than twenty percent (20%) in aggregate principal amount of all Outstanding Bonds.

(b) **Foreclosure.** Foreclose the lien of the Indenture; provided, that any foreclosure sale of the Mortgaged Property may be made, at the option of the Trustee, with or without appraisal, such option to be exercised by the Trustee at the time judgment is rendered in any foreclosure action; provided further, that the Trustee or any Bondholder may bid and become the purchaser of the Mortgaged Property at any foreclosure sale if it is the highest bidder; provided further, that if the Trustee becomes the purchaser of the Mortgaged Property at any foreclosure sale or acquires the Mortgaged Property, by conveyance in lieu of foreclosure or otherwise, unless the Trustee is instructed to the contrary by the Holders of not less than twenty percent (20%) in aggregate principal amount of all Outstanding Bonds, the Trustee shall thereafter be entitled to sell, lease or otherwise deal with or dispose of the Mortgaged Property, or any part thereof, for the benefit of the Bondholders, in any manner and for such consideration as the Trustee, in its sole discretion, determines to be in the best interest of the Bondholders.

(c) **Sale of Collateral.**

(i) **Assembly of Collateral.** Upon the occurrence of an Event of Default, the Trustee may, at its discretion, require the Authority to assemble the Collateral and make it available to the Trustee at a place reasonably convenient to both parties to be designated by the Trustee.

(ii) **Manner of Sale.** All or any part of the Collateral may, at the sole discretion of the Trustee, be combined with the real property and sold together with such real property as an entirety, or the Collateral (or any part of the Collateral not sold together with the real property) may be sold separately, as one parcel or in such parcels, manner or order as the Trustee, in its sole discretion, may elect.

(iii) **Notice of Sale.** The Trustee shall give the Authority notice, by registered or certified mail, postage prepaid, of the time and place of any public sale of any Collateral or of the time after which any private sale or other intended disposition thereof is to be made by sending notice to the Authority at least ten (10) days before the time of the sale or other disposition, which provisions for notice the Authority and the Trustee agree are reasonable.

(d) **Application for Receiver.** Upon or at any time after commencement of proceedings against the Authority, the Trustee may apply to any court of competent jurisdiction for the appointment of a receiver to administer the Mortgaged Property.

(e) **General Remedies.** Take whatever action may be necessary or desirable, at law or in equity, to enforce performance and observation of any obligation, agreement or covenant of the Authority under the Indenture.

(f) **Control of Operations Through Temporary Trustees.** The Trustee may, upon its own initiative and without request, and upon written demand by the Holders of not less than twenty percent (20%) in amount of all Outstanding Bonds issued under the Indenture, the Trustee shall, appoint persons, residents of Tulsa County, Oklahoma, as temporary trustees of the Authority for the Mortgaged Property in such number that the persons so appointed shall constitute a majority of the Trustees of the Authority; and the Trustee shall fill any vacancy in any such temporary trusteeship.

(g) **Proceedings by or Against the Authority.** Upon the occurrence of an Event of Default involving either the prosecution of, the defense of, or the participation in any judicial or administrative proceedings by or against the Authority, which in any way affect the Mortgaged Property, the Trustee may, in its sole discretion, conduct or participate in such prosecution, defense or proceeding, and the Trustee may take any action whatsoever in relation thereto or in relation to the subject matter thereof which the Authority might take or do; provided that all costs and expenses incurred by the Trustee, including, without limitation, reasonable attorney's fees and court costs, shall be reimbursed to the Trustee by the Authority.

(h) **Selective Enforcement.** In the event the Trustee shall elect to selectively and successively enforce its rights under any one or more of the Bonds, the Indenture, or any other instrument executed in connection with the issuance and sale of the Bonds, such action shall not be deemed a waiver or discharge of any other lien or encumbrance securing payment of the Bonds until such time as the Trustee shall have been paid in full all sums secured by the Indenture. The foreclosure of any lien provided pursuant to the Indenture shall not merge the liens granted which are not foreclosed with any interest which the Trustee might obtain as a result of such selective and successive enforcement.

(i) **Rescission of Actions.** If at any time prior to the entry of final judgment or decree in any suit, action or proceeding instituted on account of any Event of Default, or before the completion of the enforcement of any other remedy provided by the Indenture, all Events of Default shall have been cured or remedied to the satisfaction of the Trustee, the Trustee may, and upon written request of the Holders of not less than twenty percentum (20%) in amount of all Outstanding Bonds, the Trustee shall, by written notice to the Authority, rescind and annul any remedy invoked or action taken hereunder with respect thereto and its consequences, but no such rescission or annulment shall constitute a waiver of any subsequent Event of Default.

(j) **Non-Waiver; Cumulative Remedies.** No failure on the part of the Trustee to exercise and no delay in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Trustee of any right hereunder preclude any other or further right of exercise thereof or the exercise of any further right. The remedies herein provided are cumulative and not alternative.

Remedies Vested in the Trustee. All remedies under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto; any such suit or proceeding instituted by the Trustee shall be brought in its name without the necessity of joining as plaintiffs or defendants any Bondholders; and any recovery of judgment shall be for the ratable benefit of the Bondholders and the Trustee as their respective interests may appear.

Rights and Remedies of Bondholders. No Bondholder shall have any right to institute or prosecute any action, suit or proceeding for the enforcement of the Indenture, the Bonds or any other instrument executed in connection with the issuance and sale of the Bonds until the following shall have occurred:

(a) **Event of Default.** An Event of Default shall have occurred;

(b) **Notice to the Trustee.** The Trustee shall have received notice of an Event of Default;

(c) **Bondholders' Request.** The Holders of not less than twenty percent (20%), in aggregate principal amount of all Outstanding Bonds shall have requested the Trustee to take certain action pursuant to the terms of the Indenture with respect to the Event of Default and shall have provided to the Trustee the indemnity required by the Indenture; and

(d) **Inaction by the Trustee.** The Trustee shall have taken no action whatsoever within a reasonable time after receipt of notice of facts constituting an Event of Default and a request from the Bondholders, to take certain actions with respect to the Event of Default.

No one or more Bondholders shall have any right, in any manner whatsoever, to affect, disturb or prejudice the lien of the Indenture by its, his or their action or to enforce any right hereunder, except in the manner herein provided, and all actions, suits or proceedings shall be instituted and prosecuted in the manner herein provided for the ratable benefit of all Bondholders.

Expenses. The Authority agrees to pay all reasonable fees, expenses and charges with respect to the Indenture, or in any way connected therewith, including, without limitation, all costs and expenses incurred in connection with the exercise or enforcement of any right or remedy under the Indenture or provided by law, which shall include, without limitation, all reasonable attorneys' fees and court costs, and the Authority also agrees to pay the reasonable fees and expenses of the Trustee for extraordinary services rendered under the Indenture. The Authority shall pay all such fees, expenses and charges upon demand therefor by the Trustee.

Application of Funds on Default. Upon occurrence of an Event of Default, all amounts collected and received by the Trustee in any manner hereunder shall be applied and paid out by the Trustee, from time to time as determined by the Trustee, in the following order:

(a) All charges, costs and expenses of administering and enforcing the provisions of the Indenture, including the fees and expenses of the Trustee relating thereto.

(b) Expenses of operation and maintenance of the Mortgaged Property.

(c) Unless all Outstanding Bonds shall have been declared due and payable, the balance of such amounts shall be applied in the following order:

(i) All installments of interest on the Bonds accrued and unpaid at the time of default, in order of their due dates, payable ratably;

(ii) All principal on the Bonds matured and unpaid at the time of default (other than Bonds called for redemption for the payment of which funds are held pursuant to the provisions of the Indenture) in order of maturity date, payable ratably;

(iii) Thereafter accruing installments of interest on the Bonds, in order of their due dates, payable ratably;

(iv) Thereafter maturing principal on the Bonds, in order of maturity dates, payable ratably.

(d) If all Outstanding Bonds shall have been declared due and payable, the balance of all such amounts shall be applied ratably to the payment of the Outstanding Bonds, without preference or priority.

(e) All other accrued indebtedness, liabilities, obligations and sums secured by the Indenture, payable ratably.

(f) The balance, if any, to be paid to the Authority or to whomsoever may be lawfully entitled to receive the same, as decreed by a court of competent jurisdiction.

SUMMARY OF CERTAIN PROVISIONS OF THE SALES TAX AGREEMENT

The following excerpts from the Sales Tax Agreement (the “Sales Tax Agreement”), by and between the City of Sand Springs, Oklahoma, as Lessor, and the Trustees of the Sand Springs Municipal Authority, as Lessee, do not purport to be complete and for the complete provisions reference is made to the Sales Tax Agreement, a copy of which may be obtained from the Trustee or the Authority.

Authority Agreement. The Authority shall issue the Bonds and use the net proceeds from the sale thereof to finance the refunding and refinancing of the Prior Bonds and to pay the costs of issuance of the Bonds, as more fully set out in the Bond Indenture.

City Agreement. In consideration of the issuance of the Bonds and refinancing of the Prior Bonds by the Authority, the City shall deposit in its special sales tax fund each month as received, proceeds derived from the Sales Tax as received from the Oklahoma Tax Commission, and the City agrees, subject to availability and appropriation of funds, to transfer, as received, all proceeds of the Sales Tax to the Trustee on behalf of the Authority for immediate deposit in the Authority’s Revenue Fund created under the Indenture. Such Sales Tax proceeds shall be used by the Trustee on behalf of the Authority pursuant to the terms and provisions of the Indenture, including specifically for the payment of principal and interest on the Bonds when due (whether upon the scheduled due date, upon purchase, or acceleration, or otherwise), which purpose is hereby acknowledged to be consistent with the authorized and proper use of such Sales Tax proceeds.

Purpose of Sales Tax. The Authority agrees that all proceeds of the Sales Tax received by it shall be utilized exclusively for the purposes set out in the Ordinance of the City and Section 2 of the Sales Tax Agreement and for no other purposes.

Year to Year Agreement. It is hereby acknowledged that under applicable Oklahoma law, the City may not become obligated beyond its fiscal year (July 1 through June 30) and therefore, the covenants made herein by the City shall be on a year-to-year basis. Payment of the Sales Tax proceeds as set out in the Sales Tax Agreement is subject to the availability of funds and annual appropriations thereof by the City. The Bonds issued by the Authority shall in no way be or become an obligation of the City.

Term. The Sales Tax Agreement shall be for a term commencing on the date thereof and ending on June 30, 2021. This Agreement may be renewed for successive annual periods commencing July 1, 2021, at the option of the City, upon written notice of the exercise of each such option from the City to the Authority given prior to the expiration of the then current term and the taking by the City of such official action as shall be required by applicable laws to effect such renewal and annual appropriation described in Section 2 hereof. Notice of such renewal shall be provided to the Trustee, not later than July 31 of each year.

Third Party Beneficiary. It is understood and agreed that this Sales Tax Agreement is a third party beneficiary contract for the benefit of the holders of the Bonds and may be pledged and assigned by the Authority as security for the Bonds.

City Covenants. The City is not in default in the performance, observance or fulfillment of any material obligation, covenant or condition contained in any material agreement or instrument to which the City is a party or by which the City or any of its property is bound or in any of the obligations, covenants or conditions contained in this Agreement.

The financial statements of the City as and for the period ended June 30, 2019, supplied to the Authority fairly present the financial status and operating results of the City as of such date and for the period covered thereby and there has not been any material adverse change in the financial condition of the City since such date; and to the best knowledge of the City, the Annual Report of the City dated June 30, 2019, heretofore delivered to the Authority does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

The City hereby agrees to supply to the Authority, and any holder of the Bonds who requests the same, the comprehensive annual financial report and other financial statements prepared by the City no later than December 1 annually, and such other financial information of the City as the Authority may from time to time reasonably request.

State Law Controlling. It is the intention of the parties that the laws of the State of Oklahoma shall govern the validity of this Agreement, the construction of its terms and interpretation of the rights and duties of the parties.

Amendments. No amendment or modification hereof shall be deemed valid unless first reduced to writing and signed and dated by both parties hereto and unless written consent of the Bondholders has been obtained as more fully set forth in the Indenture. Fully executed copies of this Agreement shall be deemed for all purposes as duplicate originals.

Pledge. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns. The City hereby acknowledges that this Agreement will be pledged to the Trustee for the holders of the Bonds, and the City consents to such pledge.

SUMMARY OF CERTAIN PROVISIONS OF THE AMENDMENT TO LEASES

The following excerpts from the Amendment to Leases (the "Lease"), by and between the City of Sand Springs, Oklahoma, as Lessor, and the Trustees of the Sand Springs Municipal Authority, as Lessee, do not purport to be complete and for the complete provisions reference is made to the Lease, a copy of which may be obtained from the Trustee or the Authority.

TERM OF THE LEASE

The term of the Lease is for fifty (50) years commencing on January 23, 1989 to January 22, 2039, and so long thereafter as any indebtedness incurred by Lessee secured by the revenues of any of the property described in the Lease (or any part thereof) shall remain unpaid, unless such term be sooner.

LEASE PURPOSE

The leased property is demised and leased to Lessee for the purpose of enabling Lessee to execute and perform, and to further the execution and performance of, public functions of Lessor as provided in the Trust Indenture of the above-mentioned Sand Springs Municipal Authority, and not otherwise.

COVENANTS

Lessee covenants and agrees in the Lease:

(a) That it will operate and maintain, at its own cost and expense, all of the property demised and leased under the Lease, in a good and efficient manner, and will protect and hold harmless the Lessor from any loss, cost, expense or damage directly or indirectly connected with, or arising out of, the maintenance or operation of said property.

(b) That it will comply with all valid acts, rules and regulations, orders and directions of any legislative, executive or administrative body or officer having jurisdiction applicable to said property and any part thereof, or its operation or maintenance.

(c) That it will do and perform all things necessary and practical to accomplish the purposes of Sand Springs Municipal Authority, in respect of the Lease, within the scope of the powers and duties set forth in the Trust Indenture of the Authority, and within the scope of any contract securing any indebtedness incurred by the Trustees of said Authority pursuant to said Trust Indenture.

(d) That it will not encumber or permit to be encumbered the title of the Lessor to any part of the Leased Property or any substitutions therefor, or in any manner permit any such title to said property to be charged with the payment of any obligation for the payment of any sum of money: PROVIDED, that the foregoing shall not prevent the encumbrance of the leasehold interest of the Lessee to all or any specific portion of the Leased Property in connection with the incurring of indebtedness authorized by the Trust Indenture of the Lessee or by law; PROVIDED, HOWEVER, that if and so long as the incurring of any such indebtedness is required by applicable law to have been approved by the governing body of the City of Sand Springs, or the members of such governing body, no such indebtedness shall be incurred until after, and pursuant to, such approval.

EXHIBIT C

**CITY OF SAND SPRINGS, OKLAHOMA
AUDITED FINANCIAL STATEMENT
FISCAL YEAR ENDING JUNE 30, 2019**

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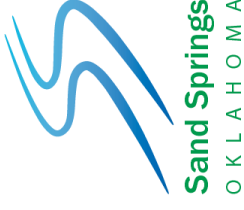
SAND SPRINGS

OKLAHOMA



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

*A Tale of One City
With Two Sides*



CITY OF SAND SPRINGS, OKLAHOMA

COMPREHENSIVE ANNUAL FINANCIAL REPORT AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

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

www.sand Springsok.org

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

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

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

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CITY OF SAND SPRINGS

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

December 31, 2019

Honorable Mayor, members of the City Council, and the Citizens of the City of Sand Springs, Oklahoma:

The Comprehensive Annual Financial Report of the City of Sand Springs (the "City") for the year ended June 30, 2019, is hereby submitted as mandated by the City Charter and state statutes. The City is required to publish, within six months of the close of each fiscal year, a complete set of financial statements presented in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts.

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

The City's financial statements have been audited by Arledge & Associates, P.C., a firm of licensed certified public accountants. The independent audit was conducted to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent auditor has issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2019. The independent auditor's report is presented as the first component of the financial section of this report.

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

INTRODUCTION SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDING JUNE 30 2019



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

Profile of the Government

Sand Springs is located in Northeast Oklahoma, six miles west of Tulsa. The City was incorporated as a city in 1912, just five years after statehood. The city is continually flourishing with an area of 22 square miles, an extended growth area of 150 square miles, and a city population estimated by INCOG at 20,527.

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

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

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

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

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

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

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

Local Economy

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

Major Initiatives

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

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

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

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

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the 29th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of

Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received its 23rd consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year 2018. This award recognizes conformance with the highest standards for preparation of state and local popular reports. The popular report is an easily understandable financial report on all activities for the general public at large.

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

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

Respectfully Submitted,



Elizabeth A Gray
City Manager



Kelly A Lamberson
Finance Director

CITY OF SAND SPRINGS, OKLAHOMA

PRINCIPAL OFFICIALS AND STAFF

JUNE 30, 2019

MAYOR AND CITY COUNCIL

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

FINANCE COMMITTEE

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

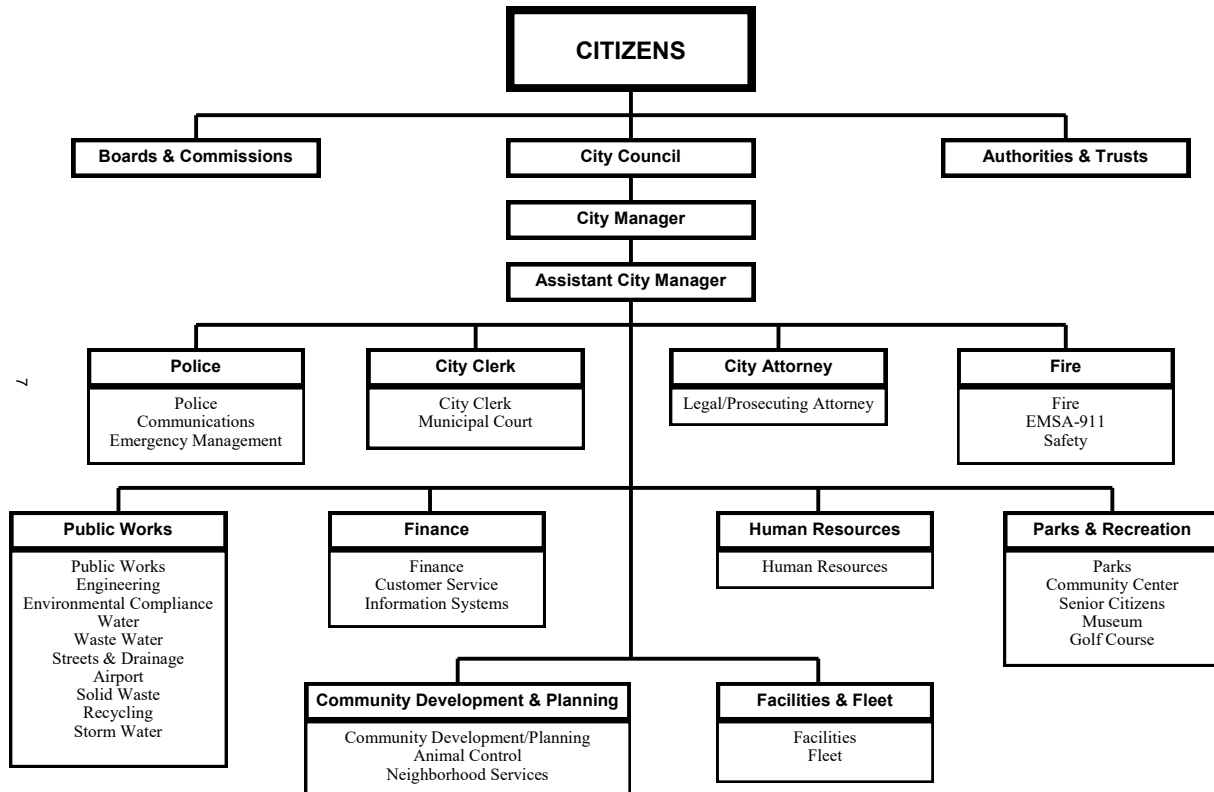
ADMINISTRATION

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

ACCOUNTING STAFF

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

CITY OF SAND SPRINGS





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Sand Springs
Oklahoma**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell
Executive Director/CEO

**FINANCIAL
SECTION**

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDING JUNE 30 2019



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sand Springs, Oklahoma (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



December 23, 2019

As Management of the City of Sand Springs, we offer readers this narrative overview and analysis of the financial activities of the City of Sand Springs for the fiscal year ended June 30, 2019. We encourage readers to use this information in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by \$8.0 million and the assets and deferred outflows of the City continued to exceed its liabilities and deferred inflows at June 30, 2019, by \$142.2 million (net position). Of this amount, \$30.0 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2019, the City's governmental funds reported combined ending fund balances of \$40.7 million.
- At the end of fiscal year 2019, unassigned fund balance for the General Fund was \$4.0 million or 19.7% of General Fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

This discussion and analysis is intended to serve as an introduction to the City of Sand Springs' basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 21 & 22, respectively) report information about the City as a whole and about its activities in a way that helps answer questions. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting. All of the current year's revenues, expenses and deferrals are taken into account regardless of when cash is received or paid.

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

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

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

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to gain understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 31-75 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which includes General Fund Budgetary Comparison Schedule, Notes to Required Supplemental Information Budgetary Comparison Schedule, Schedules of Share of Net Pension Liability (Asset) for both Police and Firefighter's Pension, Schedule of City Contributions for Police and Firefighter's Retirement Systems, and a Schedule of Changes in Total OPEB Liability and Related Ratios. Other supplementary information includes Combining and Individual Fund Financial Statements and Schedules, Budgetary Comparison Combining Schedules for Nonmajor Governmental Funds, Cash Flow Statements for the component unit, a Schedule of Debt Service and Schedule of Federal Awards. This information can be found on pages 77-104 of this report.

Also included in this report is the Statistical Section which can be found on pages 105-129. This section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of the City of Sand Springs.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The largest portion of the City's net position reflects investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. This year the net investment in capital assets amounted to \$99.0 million. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. The Discretely Presented Component Unit is excluded from the following table.

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

	Governmental Activities			Business-type Activities			Total
	2019	2018	2019	2018	2019	2018	
Assets:							
Current and other assets	\$ 30,035	\$ 36,850	\$ 29,619	\$ 28,609	\$ 59,654	\$ 65,459	
Capital assets	66,560	55,125	88,993	89,308	155,553	144,433	
Total assets	96,595	91,975	118,612	117,917	215,207	209,892	
Deferred outflows of resources:							
Deferred amounts related to pension	2,681	2,431	-	-	2,681	2,431	
Deferred amounts related to OPEB	59	14	4	7	63	21	
Total deferred outflows	2,740	2,445	4	7	2,744	2,452	
Liabilities:							
Long-term liabilities	38,099	40,681	32,511	34,002	70,610	74,683	
Other liabilities	2,297	1,406	800	1,013	3,097	2,419	
Total liabilities	40,396	42,087	33,311	35,015	73,707	77,102	
Deferred inflows of resources:							
Deferred amounts related to pension	1,551	824	-	-	1,551	824	
Deferred amounts related to OPEB	290	115	186	60	476	173	
Total deferred inflows	1,841	939	186	60	2,027	999	
Net position:							
Net investment in capital assets	41,002	40,484	57,984	56,884	98,986	97,368	
Restricted	10,746	10,453	2,498	3,681	13,244	14,134	
Unrestricted	5,350	457	24,637	22,283	29,987	22,740	
Total net position	\$ 57,098	\$ 51,394	\$ 85,119	\$ 82,848	\$ 142,217	\$ 134,242	

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

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for Services	\$ 1,337	\$ 1,361	\$ 15,727	\$ 16,090	\$ 17,064	\$ 17,451
Grants & Contributions	1,221	1,142	1	-	1,222	1,142
Capital Grants & Contributions	19	1,142	462	929	481	2,071
General Revenues:						
Sales & Use Tax	14,273	13,668	-	-	14,273	13,668
Other Taxes	3,583	3,437	-	-	3,583	3,437
Other General Revenues	2,703	1,440	515	237	3,218	1,677
Total Revenues	23,136	22,190	16,705	17,256	33,411	39,446
Program Expenses:						
General Government	1,485	1,418	-	-	1,485	1,418
Planning & Zoning	172	160	-	-	172	160
Financial Administration	909	866	-	-	909	866
Public Safety	8,397	9,182	-	-	8,397	9,182
Highways & Streets	2,131	2,070	-	-	2,131	2,070
Health & Welfare	26	30	-	-	26	30
Culture & Recreation	1,749	1,529	-	-	1,749	1,529
Economic Development	1,146	2,147	-	-	1,146	2,147
General Properties	530	586	-	-	530	586
Interest on Long-term Debt	837	684	-	-	837	684
Water	-	-	7,343	7,764	7,343	7,764
Wastewater	-	-	3,664	3,905	3,664	3,905
Solid Waste	-	-	1,470	1,523	1,470	1,523
Storm Water	-	-	390	445	390	445
Airport	-	-	807	913	807	913
Golf Course	-	-	810	852	810	852
Total Expenses	17,382	18,672	14,484	15,402	31,866	34,074
Excess/(Deficiency)	5,754	3,518	2,221	1,854	7,975	5,372
Special Item - gain on sale of capital assets	-	-	106	-	106	-
Net Transfers	(50)	169	50	(169)	-	106
Increase in Net Position	5,704	3,793	2,271	1,685	7,975	5,478
Beginning net position	51,394	47,601	82,848	81,163	134,242	128,764
Ending net position	\$ 57,098	\$ 51,394	\$ 85,119	\$ 82,848	\$ 142,217	\$ 134,242

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

Governmental Activities

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

Business-type Activities

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

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

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2019 fiscal year, the governmental funds reported a combined fund balance of \$40.7 million, or a 14.4% decrease from the prior year. The enterprise funds reported combined net position of \$71.3 million, or a 1.1% increase from 2018. The fund balance and net position restrictions are listed below.

Fund Balance Classifications:	
Nonspendable	\$ 28,627
Restricted	22,081,014
Assigned	14,490,041
Unassigned	4,117,003
Total Fund Balance	\$ 40,716,685
Enterprise Funds Net Position Restrictions:	
Restricted for debt service	\$ 2,498,430
Total Net Position Restrictions	\$ 2,498,430

Other fund highlights include:

For the year ended June 30, 2019, the General Fund's total fund balance increased by \$679,475, or 10.2%. The Council has established a policy for maintaining the unassigned fund balance in the General Fund at not less than 10% of net revenues. Net revenues equals total revenues less required sales tax transfers out. The total unassigned fund balance at year end was 31.0% of net revenues.

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

General Fund Budgetary Highlights

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

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

CAPITAL ASSETS & DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2019, the City had \$155.6 million invested in capital assets including land, buildings, machinery and equipment, park facilities, water, sewer and stormwater systems, roads and bridges. This represents a net increase of \$11.1 million over last year.

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

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

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

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

This year's more significant capital asset additions include:

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

Debt Administration

At year-end, the City had \$60.5 million in long-term debt outstanding, which represents a \$2.5 million decrease from the prior year. These debts are further detailed as follows: ²

The City of Sand Springs' Long-term Debt

(expressed in \$ 000's)

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds, Net	\$ 12,645	\$ 13,090	\$ -	\$ -	\$ 12,645	\$ 13,090
Capital Lease Obligations	447	613	-	-	447	613
Notes Payable	-	-	4,703	5,407	4,703	5,407
Revenue Bonds	15,080	15,545	26,380	27,100	41,460	42,645
Accrued Compensation	937	907	349	337	1,286	1,244
Totals	\$ 29,109	\$ 30,155	\$ 31,432	\$ 32,844	\$ 60,541	\$ 62,999

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

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

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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

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

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

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

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
Primary government							
Governmental Activities							
General government	\$ 1,484,936	\$ 197,181	\$ -	\$ -	\$ (1,287,755)	\$ (1,287,755)	\$ -
Planning and zoning	172,027	10,309	-	-	(161,718)	(161,718)	-
Financial administration	909,514	-	-	-	(909,514)	(909,514)	-
Public safety	8,396,933	1,007,835	994,153	-	(6,394,945)	(6,394,945)	-
Highways and streets	2,130,852	211	177,011	18,990	(1,934,640)	(1,934,640)	-
Health and welfare	25,629	-	-	-	(25,629)	(25,629)	-
Culture and recreation	1,749,415	121,890	50,000	-	(1,577,525)	(1,577,525)	-
Economic development	1,145,882	-	-	-	(1,145,882)	(1,145,882)	-
Facilities management and fleet maintenance	530,176	-	-	-	(530,176)	(530,176)	-
Interest on long-term debt	836,705	-	-	-	(836,705)	(836,705)	-
Total governmental activities	17,382,069	1,337,426	1,221,164	18,990	(14,804,489)	(14,804,489)	-
Business-type activities							
Water operations	7,343,452	7,978,639	-	106,099	-	741,286	741,286
Wastewater operations	3,663,633	3,422,291	-	-	-	(241,342)	(241,342)
Solid waste operations	1,469,884	2,091,316	700	-	-	622,132	622,132
Stormwater operations	389,921	1,316,046	-	-	-	926,125	926,125
Airport operations	807,343	397,863	-	355,686	-	(53,994)	(53,994)
Golf course operations	810,275	521,587	-	-	-	(288,688)	(288,688)
Total business-type activities	14,484,508	15,727,542	700	461,785	-	1,705,519	1,705,519
Total primary government	\$ 31,866,577	\$ 17,064,968	\$ 1,221,864	\$ 480,775	(14,804,489)	1,705,519	(13,098,970)
Component Units							
Culture and recreation	\$ 36,554	\$ 22,807	\$ 7,699	\$ -	-	-	(6,048)
Total component units	\$ 36,554	\$ 22,807	\$ 7,699	\$ -	-	-	(6,048)
General revenues:							
Taxes:							
Sales and use taxes					14,273,057	-	14,273,057
Property taxes					1,033,290	-	1,033,290
Franchise taxes					873,276	-	873,276
Abatement taxes					26,153	-	26,153
E-911 taxes					175,942	-	175,942
Hotel/Motel taxes					262,051	-	262,051
Payment in lieu of tax					1,212,599	-	1,212,599
Grants and contributions not restricted to specific programs					1,472,465	-	1,472,465
Unrestricted investment earnings					911,143	510,809	1,421,952
Miscellaneous					319,481	3,837	323,318
Transfers					(50,493)	50,493	-
Total general revenues and transfers					20,508,964	565,139	21,074,103
Change in net position					5,704,475	2,270,658	7,975,133
Net position - beginning					51,394,112	82,848,469	134,242,581
Net position - ending					\$ 57,098,587	\$ 85,119,127	\$ 142,217,714

See accompanying notes to the Basic Financial Statements.

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

	Primary Government		Component Unit
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and equivalents	\$ 17,357,222	\$ 18,506,631	\$ 148,426
Investments	8,017,800	8,964,619	-
Deposit with insurance pool	1,079,712	-	-
Interest receivable	11,226	14,044	-
Accounts receivable, net	801,084	1,649,615	-
Due from other governmental agencies	2,462,217	269,139	-
Inventories	27,974	214,866	-
Other assets	653	292	-
Net pension asset	276,540	-	-
Capital assets:			
Capital assets, nondepreciable	34,555,615	10,470,331	-
Other capital assets, net of depreciation	32,004,773	78,522,420	-
Total Assets	96,594,816	118,611,957	148,426
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pension	2,681,306	-	-
Deferred amounts related to OPEB	58,491	3,905	-
Total Deferred Outflows of Resources	2,739,797	3,905	-
LIABILITIES			
Accounts payable and accrued expenses	996,936	498,108	501
Accrued interest payable	750,960	939,262	235
Accrued payroll liabilities	306,627	106,382	241
Due to other governmental agencies	204,242	2,316	-
Amounts held in escrow	38,630	-	-
Unearned revenue	-	5,094	-
Long-term liabilities:			
Due within one year	1,900,811	1,523,112	-
Due in more than one year	27,304,236	30,345,831	-
Net pension liability	7,514,168	-	-
Total OPEB liability	1,379,599	642,227	-
Total Liabilities	40,396,409	33,311,372	977
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pension	1,550,758	-	-
Deferred amounts related to OPEB	288,859	185,363	-
Total Deferred Inflows of Resources	1,839,617	185,363	-
NET POSITION			
Net investment in capital assets	41,002,139	57,984,084	-
Restricted for:			
Capital projects	9,354,001	-	-
Public safety	1,013,590	-	-
Debt service	44,975	2,498,430	-
Economic development	209,939	-	-
Other projects	124,036	124,036	-
Unrestricted	5,349,907	24,636,613	147,449
Total Net Position	\$ 57,098,587	\$ 85,119,127	\$ 147,449

See accompanying notes to the Basic Financial Statements.

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

General Fund	Street Improvement	Capital Improvement Water/Wastewater	Public Safety Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ 2,817,750	\$ 3,977,389	\$ 4,253,091	\$ 3,117,370	\$ 12,846,888	\$ 27,012,498
15,322,516	6,056,414	3,016,093	-	1,580,367	12,165,410
1,911,424	-	-	-	-	1,911,424
1,271	9,844	7,088	-	1,973	20,176
288,384	-	-	-	288,384	288,384
1,876,851	-	-	-	986,141	2,462,992
100,007	-	-	-	-	100,007
62,997	-	-	-	-	62,997
27,974	-	-	-	-	27,974
653	-	-	-	-	653
\$ 8,406,175	\$ 10,043,647	\$ 7,276,272	\$ 3,117,370	\$ 15,015,399	\$ 43,858,961

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES

Accounts payable	\$ 194,616	\$ 15,015	\$ 55,149	\$ 440,820	\$ 147,221	\$ 988,621
Payable to other governments	204,242	-	-	516,692	-	720,934
Accrued interest receivable	-	-	-	-	168,638	168,638
Other accrued expenditures	277,405	-	-	247,813	-	525,218
Amounts held in escrow	21,580	-	-	-	-	21,580
Other payables	46,472	-	-	-	-	46,472
Total liabilities	744,315	15,015	55,149	1,265,325	313,659	2,489,662
Deferred inflows of resources:						
Unavailable revenues	317,283	5,616	2,227	-	347,419	672,515

Fund balances:

Nonspendable	26,627	-	-	-	-	26,627
Restricted	6,160	9,463,762	5,810,775	1,858,856	4,639,165	22,139,145
Residual	2,529,987	463,074	1,286,175	633,238	9,174,658	14,488,044
Unassigned	4,117,003	-	-	-	-	4,117,003
Total fund balances	7,344,607	9,987,706	7,216,956	1,912,046	14,354,121	40,176,685
Total liabilities, deferred inflows and fund balance	\$ 8,406,175	\$ 10,043,647	\$ 7,276,272	\$ 3,117,370	\$ 15,015,399	\$ 43,858,961

See accompanying notes to the Basic Financial Statements.

City of Sand Springs, Oklahoma
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2019

Total fund balance, governmental funds \$ 40,716,685

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$43,919,443 66,560,388

Certain other long-term assets are not available to pay current period expenditures and therefore are not reported, or reported as unavailable in the funds:

Accrued interest receivable 6,098
Court fines receivable 180,105
Receivable from other governments 423,501
Net pension asset 276,540

Deferred outflows of resources are not outflows that relate to the current period and therefore are not reported in the funds:

Pension related deferred outflows 2,681,306
OPEB related deferred outflows 58,491

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

Fund balance of the Water and Wastewater CIP Fund (7,218,896)
Fund balance of the SSMA CIP Fund (72,915)
Fund balance of the Airport CIP Fund (32,112)
Fund balance of the Stormwater CIP Fund (6,438,139)
Fund balance of the Golf Course CIP Fund (41,707)

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

Net pension liability (7,514,168)
Pension related deferred inflows (1,550,758)
OPEB related deferred inflows (288,859)
Accrued interest payable (62,327)
General obligation bonds payable (12,645,000)
Revenue bonds payable (15,080,000)
Capital lease payable (446,943)
Unamortized premium on debt (95,700)
Accrued compensated absences (937,404)
Total OPEB liability (1,379,599)

Net Position of Governmental Activities in the Statement of Net Position \$ 57,098,567

See accompanying notes to the Basic Financial Statements.

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

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

	General Fund	Street Improvement	Capital Improvement Water/Wastewater	Public Safety Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 17,111,100	\$ -	\$ -	\$ -	\$ 1,186,694	\$ 18,480,003
Fees and fines	128,450	-	-	-	-	128,450
License and permits	1,094,833	-	-	-	361,020	1,965,953
Intergovernmental	59,861	-	61,510	-	-	1,217,374
Charge for services	939,861	172,595	132,243	204,202	2,927,728	4,476,629
Grants	588,095	43,210	88,120	381,889	2,851,502	4,092,816
Miscellaneous	20,859,413	215,715	310,603	243,081	2,077,167	23,706,049
Total revenues						
EXPENDITURES						
General government	1,072,013	-	-	-	-	1,072,013
Planning and zoning	168,156	-	-	-	-	168,156
Financial administration	881,894	-	-	-	-	881,894
Public safety	6,699,216	-	-	-	-	6,699,216
Highways and streets	7,241,711	-	-	-	-	7,241,711
Water and sewer	24,462	-	-	-	-	24,462
Culture and recreation	1,202,693	-	-	-	-	1,202,693
Community and economic development	410,025	-	-	-	690,104	1,100,129
Facilities management and fleet maintenance	639,593	-	-	-	-	639,593
Debt Service:						
Interest and other charges	166,461	-	-	465,000	575,000	1,206,461
Capital Outlay	5,245	-	-	511,026	363,926	900,197
Total expenditures	77,599	1,713,912	1,636,550	10,268,238	4,031,543	17,727,802
Excess of revenues over (under) expenditures	14,074,188	1,713,912	1,636,550	11,244,284	6,660,573	34,349,487
	6,795,225	(1,498,197)	(1,325,687)	(11,001,173)	(3,603,406)	(10,633,138)
OTHER FINANCING SOURCES (USES)						
Issuance of long-term debt	-	-	-	-	130,000	130,000
Transfers in	1,484,891	2,766,055	3,287,140	1,479,213	4,182,432	13,196,831
Transfers out	(7,590,741)	-	(1,036,643)	-	(778,670)	(9,405,054)
Total other financing sources and uses	(6,105,750)	2,766,055	2,250,497	1,479,213	3,553,562	3,923,577
Net change in fund balances	679,475	1,267,659	924,610	(6,521,960)	(68,944)	(6,719,861)
Fund balances - beginning	6,655,132	8,619,158	6,294,296	11,434,005	14,423,865	47,436,546
Fund balances - ending	\$ 7,344,607	\$ 9,886,817	\$ 7,218,906	\$ 1,912,045	\$ 14,354,921	\$ 40,716,685

See accompanying notes to the Basic Financial Statements.

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

Net change in fund balances - total governmental funds:	\$	(6,719,861)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		13,912,370
Book value of capital assets disposed or sold		(14,273)
Depreciation expense		(2,462,582)
In the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures.		1,289,130
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. This is the change in unavailable revenues.		215,311
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Capital lease obligation principal payments		166,461
General obligation bond principal payments		575,000
Revenue bond principal payments		(130,000)
Revenue bond principal payments		465,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Changes in:		
Accrued interest		40,662
Amortization expense		22,830
Accrued compensated absences		(30,627)
Total OPEB liability		(104,961)
Capital project funds are used by management to purchase or construct certain capital assets for the City. The net change in fund balances of certain capital project funds are included in the business-type activities column of the Statement of Activities:		
Water and Wastewater CIP		(924,610)
SSMA Capital Fund		(11,841)
Airport CIP Fund		41,891
Stormwater CIP Fund		(605,877)
Golf Course CIP Fund		(19,528)
Change in net position of governmental activities	\$	5,591,208

See accompanying notes to the Basic Financial Statements.

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

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Air port Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 3,668,624	\$ 2,065,165	\$ 1,227,663	\$ 186,706	\$ 183,286	\$ 263,961	\$ 7,635,305
Receivables	755,661	411,224	-	-	-	-	1,166,885
Investments	2,108,626	498,070	-	-	-	-	2,606,696
Interest receivable, net	3,834	1,280	-	-	-	-	5,114
Accounts receivable, net	970,002	377,783	217,742	22,625	28,016	132,348	1,649,615
Prepaid expenses	190,356	-	-	24,510	-	-	214,866
Total current assets	7,885,102	3,071,485	1,455,005	233,841	212,313	396,309	13,354,054
Non-current assets:							
Restricted cash and cash equivalents	-	130,402	-	-	-	-	130,402
Restricted investments	2,166,483	33,400	-	2,196,673	-	-	4,396,556
Capital assets, nondepreciable	8,628,743	387,612	-	647,738	468,645	237,373	10,470,311
Other capital assets, net	31,740,661	5,343,816	656,018	4,343,816	1,984,141	5,330,548	49,349,959
Total capital assets	40,369,404	6,375,244	656,018	5,330,548	1,984,141	5,330,548	59,735,914
Total assets	55,187,986	34,415,824	2,035,423	5,625,006	1,306,454	5,726,927	104,677,620
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred amounts related to OPEB	2,026	989	752	64	-	64	3,905
LIABILITIES							
Current liabilities:							
Accounts payable	150,069	129,182	58,537	30,503	65,622	40	433,923
Accrued payroll liabilities	66,696	23,168	8,169	3,329	-	1,248	102,810
Accrued interest payable	167,374	20,028	-	-	-	-	188,302
Payable to other governments	2,316	1,269	-	-	-	-	3,585
Current portion of:							
Compensated absences	43,000	11,671	12,070	2,738	-	81	69,560
Deposits subject to refund	102,315	600,165	-	-	-	-	702,480
Revenue bonds payable	715,000	-	-	-	-	-	715,000
Total current liabilities	1,366,842	738,393	78,776	365,70	65,622	1,369	2,557,672
Noncurrent liabilities:							
Compensated absences	179,961	46,686	48,261	11,366	-	325	379,649
Deferred OPEB	409,292	-	-	-	-	-	409,292
Total OPEB liability	3,957,93	142,717	118,831	11,893	-	11,893	642,227
Notes payable	1,350,456	2,657,208	-	-	-	-	4,007,764
Revenue bonds payable	25,517,441	-	-	-	-	-	25,517,441
Total liabilities	29,223,115	3,535,804	245,988	59,859	65,622	13,587	33,243,515
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred amounts related to OPEB	88,495	54,355	37,465	2,524	-	2,521	185,365
NET POSITION							
Net investment in capital assets	17,265,239	28,522,933	580,018	5,391,165	1,094,141	5,330,598	57,664,084
Net investment in other assets	6,348,937	2,549,884	1,172,704	171,522	148,691	390,295	10,770,033
Unrestricted	25,858,366	31,277,054	1,752,722	6,562,667	1,240,832	5,710,883	71,252,647
Total net position	\$ 49,472,542	\$ 61,349,871	\$ 7,505,444	\$ 12,124,354	\$ 2,585,665	\$ 11,431,776	\$ 136,732,659

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

	Water and Wastewater CIP	SSMA Capital Fund	Airport CIP Fund	Stormwater CIP Fund	Golf Course CIP Fund
Revenue deferred in governmental capital project funds because the revenue is not available to pay fund liabilities has been recognized as revenue in the Statement of Activities for capital project funds classified as business type activities.	924,610	11,841	(41,881)	606,877	19,828
Total net position per Government-Wide Financial Statements	\$ 5,710,883	\$ 1,240,832	\$ 5,582,687	\$ 5,710,883	\$ 5,710,883

Change in net position, per above

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

	Water and Wastewater CIP	SSMA Capital Fund	Airport CIP Fund	Stormwater CIP Fund	Golf Course CIP Fund
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Change in Business-Type Activities in Net Position per Government-Wide Financial Statements

See accompanying notes to the Basic Financial Statements.

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

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Air port Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 3,668,624	\$ 2,065,165	\$ 1,227,663	\$ 186,706	\$ 183,286	\$ 263,961	\$ 7,635,305
Receivables	755,661	411,224	-	-	-	-	1,166,885
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Current liabilities:							
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Current portion of:							
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Total OPEB liability	3,957,93	142,717	118,831	11,893	-	11,893	642,227
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Total liabilities	29,223,115	3,535,804	245,988	59,859	65,622	13,587	33,243,515
DEFERRED OUTFLOWS OF RESOURCES:							
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Net investment in other assets	6,348,937	2,549,884	1,172,704	171,522	148,691	390,295	10,770,033
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Total net position	\$ 49,472,542	\$ 61,349,871	\$ 7,505,444	\$ 12,124,354	\$ 2,585,665	\$ 11,431,776	\$ 136,732,659

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

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Change in net position, per above

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

	Water and Wastewater CIP	SSMA Capital Fund	Airport CIP Fund	Stormwater CIP Fund	Golf Course CIP Fund
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Total net position per Government-Wide Financial Statements	\$ 5,710,883	\$ 1,240,832	\$ 5,582,687	\$ 5,710,883	\$ 5,710,883

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

See accompanying notes to the Basic Financial Statements.

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

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Airport Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 7,905,174	\$ 3,403,354	\$ 2,086,854	\$ 398,085	\$ 179,509	\$ 1,308,009	\$ 15,280,985
Receipts from other funds	(166,638)	-	-	-	-	-	(166,638)
Payments to suppliers	(2,194,653)	(1,445,917)	(741,462)	(337,460)	(360,243)	(195,856)	(5,275,591)
Payments to employees	(2,487,951)	(929,239)	(595,700)	(98,420)	(1,205)	(43,814)	(4,156,329)
Receipts of customer meter deposits	92,885	-	-	-	-	-	92,885
Refunds of customer meter deposits	(80,195)	-	-	-	-	-	(80,195)
Net Cash Provided by (Used in) Operating Activities	<u>3,068,622</u>	<u>1,028,198</u>	<u>749,692</u>	<u>(37,795)</u>	<u>(181,939)</u>	<u>1,068,339</u>	<u>5,695,117</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	4,087,140	-	-	50,000	175,000	-	4,312,140
Transfers to other funds	(5,970,640)	(453,000)	(457,012)	-	(25,065)	(1,200,000)	(8,105,717)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,883,500)</u>	<u>(453,000)</u>	<u>(457,012)</u>	<u>50,000</u>	<u>149,935</u>	<u>(1,200,000)</u>	<u>(3,793,577)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Principal paid on capital debt	(835,016)	(593,784)	-	-	-	-	(1,428,800)
Interest paid on capital debt	(994,279)	(85,891)	-	-	-	-	(1,080,170)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,829,295)</u>	<u>(679,675)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,508,970)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (Purchase) of investments	(172,610)	(10,080)	-	-	-	-	(182,690)
Interest and dividends	177,975	55,576	16,615	2,945	3,097	5,624	261,832
Net Cash Provided by Investing Activities	<u>5,365</u>	<u>45,496</u>	<u>16,615</u>	<u>2,945</u>	<u>3,097</u>	<u>5,624</u>	<u>79,142</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(638,808)	(58,981)	309,295	15,150	(28,907)	(126,037)	(528,288)
Balances - beginning of the year	5,284,063	2,383,763	928,368	171,556	212,205	390,028	9,369,983
Balances - end of the year	\$ 4,645,255	\$ 2,324,782	\$ 1,237,663	\$ 186,706	\$ 183,298	\$ 263,991	\$ 8,841,695
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$ 3,888,594	\$ 2,083,106	\$ 1,237,663	\$ 186,706	\$ 183,298	\$ 263,991	\$ 7,843,358
Restricted cash and cash equivalents	756,661	111,274	-	-	-	-	867,935
Noncurrent restricted cash and cash equivalents	-	130,402	-	-	-	-	130,402
	<u>\$ 4,645,255</u>	<u>\$ 2,324,782</u>	<u>\$ 1,237,663</u>	<u>\$ 186,706</u>	<u>\$ 183,298</u>	<u>\$ 263,991</u>	<u>\$ 8,841,695</u>

(Continued)

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

(Continued)

	SSMA Water Utility Fund	SSMA Wastewater Utility Fund	SSMA Solid Waste Utility Fund	SSMA Airport Fund	SSMA Golf Fund	SSMA Stormwater Fund	Total Proprietary Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 1,618,038	\$ (75,194)	\$ 621,432	\$ (411,380)	\$ (288,688)	\$ 926,125	\$ 2,390,333
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	1,578,499	1,021,695	77,475	352,213	94,630	148,629	3,273,141
Other non-operating revenues (expenses)	1,507	2,744	700	1,700	1,093	-	7,744
Change in assets and liabilities:							
Receivables, net	139,143	(10,598)	1,512	5,315	(195)	(7,191)	127,986
Inventory	4,301	-	-	(12,893)	-	-	(8,592)
Unearned revenue	-	-	-	-	(2,118)	-	(2,118)
Prepaid expenses	(285)	-	-	-	-	-	(285)
Due from other funds	(166,638)	-	-	-	-	-	(166,638)
Deferred outflows related to OPEB	1,846	764	626	61	-	61	3,358
Accounts payables	(140,043)	88,621	42,479	24,256	13,339	40	26,692
Customer meter deposits payable	12,690	-	-	-	-	-	12,690
Payable to other governments	-	560	-	-	-	-	560
Total OPEB liability	(35,074)	(34,200)	(20,167)	(713)	-	(713)	(90,867)
Accrued payroll liabilities	(5,652)	(5,255)	(6,650)	289	-	(133)	(17,421)
Accrued compensated absences	3,984	(760)	6,247	1,892	-	36	11,399
Deferred inflows related to OPEB	56,306	39,821	26,038	1,485	-	1,485	125,135
Net Cash Provided by (Used in) Operating Activities	<u>\$ 3,068,622</u>	<u>\$ 1,028,198</u>	<u>\$ 749,692</u>	<u>\$ (37,795)</u>	<u>\$ (181,939)</u>	<u>\$ 1,068,339</u>	<u>\$ 5,695,117</u>
Noncash activities:							
Contributed capital assets	\$ 1,472,834	\$ 624,713	\$ 257,012	\$ 389,637	\$ 173,774	\$ 30,100	\$ 2,948,070
Total Noncash Activities	<u>\$ 1,472,834</u>	<u>\$ 624,713</u>	<u>\$ 257,012</u>	<u>\$ 389,637</u>	<u>\$ 173,774</u>	<u>\$ 30,100</u>	<u>\$ 2,948,070</u>

See accompanying notes to the basic financial statements.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

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

NOTE 4. OTHER NOTES

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1.A. FINANCIAL REPORTING ENTITY

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

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

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

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

BLENDED COMPONENT UNITS

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

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

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

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

DISCRETELY PRESENTED COMPONENT UNITS

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

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

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

RELATED ORGANIZATIONS

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

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

Government-Wide Financial Statements:

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

NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
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Fund Financial Statements:

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

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

The funds of the financial reporting entity are described below.

GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Funds

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

Vision 2025 Fund

Debt Service Fund

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

Capital Project Funds

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

- Street Improvement Fund
- Community Development Block Grant (CDBG) Fund – EDIF
- Park and Recreation Fund
- T.I.D. Cimarron Center Fund
- Short-term Capital Improvements Fund
- Capital Improvement Fund
- Airport Construction Fund

NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
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- Stormwater Capital Improvement Fund
- SSMA Capital Fund
- 2014 General Obligation Bond Capital Improvement Fund
- Capital Improvement Water and Wastewater Fund
- Golf Course Capital Improvement Fund
- Public Safety Capital Improvement Fund
- Economic Development Capital Improvement Fund
- 2018 General Obligation Bond City Project Fund

PROPRIETARY FUNDS

Enterprise Funds

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

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

COMPONENT UNITS

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

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

Major and Nonmajor Funds

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

<u>Fund</u>	<u>Brief Description</u>
<u>Major:</u> General	See previous description.
Capital Project Funds: Street Improvement	Accounts for the permanent half-cent sales tax extension approved by the voters on September 11, 2007 with effective date of January 1, 2008. These funds are to be used to make capital improvements to the roads, streets and bridges.
Capital Improvement Water and Wastewater	Accounts for the one-cent increase in sales tax approved by the citizens in 1979. These funds are to be expended for water and wastewater capital improvement projects and retirement of debt as provided in the ordinance.

**NOTES TO BASIC FINANCIAL STATEMENTS
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Public Safety Capital Improvement	Accounts for the forty-five hundredths of one-cent increase in sales tax approved by citizens in 2015 which went into effect January 2017 to repay the debt. Also, accounts for the bonds proceeds to be expended for building and improving public safety facilities and land acquisition for public safety facilities for the benefit of the City as provided in the ordinance.
Enterprise Funds: SSMA Water Fund	Accounts for activities of the public trust in providing water services to the citizens.
SSMA Wastewater Fund	Accounts for activities of the public trust in providing wastewater services to the citizens.
SSMA Solid Waste Fund	Accounts for activities of the public trust in providing solid waste services to the citizens.
SSMA Airport Fund	Accounts for revenues and expenses related to the operations of the airport facility and financing for future airport improvements.
SSMA Golf Fund	Accounts for revenues and expenses related to the operation of the golf course, payment of debt service requirements on the debt issued related to the golf course and financing for future golf improvements.
SSMA Stormwater Fund	Accounts for revenues and expenses related to the maintenance of stormwater operations.

Nonmajor:

Special Revenue Fund Vision 2025	Accounts for grants received from Tulsa County restricted for the river park project.
Capital Project Funds: Community Development Block Grant - EDIF	Accounts for grants received from the U.S. Department of Housing and Urban Development and transfers from the City for infrastructure.
Park and Recreation	Accounts for revenues from housing developers restricted for park improvements.
Short-term Capital Improvements	Accounts for revenues, transfers from other City funds and certain bond proceeds as the City Council may designate for the City's short-term capital needs, consisting of items having a useful life of ten years or less.
T.I.D. #1 Cimarron Center	Accounts for tax increment financing revenues initially collected by the General Fund and related economic development expenditures.
Capital Improvement	Accounts for contributions and specific revenues and transfers from other City funds and expenditures for various capital projects as the City Council may designate.
Stormwater Capital Improvement	Accounts for transfers from the Municipal Authority stormwater revenues set aside for stormwater capital improvement projects.

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
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Airport Construction	Accounts for governmental grants and transfers from the City set aside for capital improvement projects of the airport.
SSMA Capital	Accounts for transfers from the Municipal Authority water, wastewater, solid waste, airport and golf revenues set aside for capital improvement projects.
2014 General Obligation Bond CIP Fund	Accounts for the proceeds of general obligation bond issues. These funds are to be expended for public parks and park land and culture and recreation facilities.
Golf Course Capital Improvement	Accounts for transfers from the Golf Course Fund set aside for golf course capital improvement projects.
Economic Development Capital Improvement	Accounts for the ten hundredths of one-cent increase in sales tax approved by citizens in 2015 which went into effect January 2017 for the purpose of promoting economic development and repayment of any debt issued for that purpose for the benefit of the City as provided in the ordinance.
2018 General Obligation Bond City Project Fund	Accounts for the proceeds of general obligation bond issues. These funds are to be expended for streets, bridges, public safety equipment, park improvement, and municipal facilities improvements.
Debt Service Fund	See previous description.

I.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
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Basis of Accounting

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

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

Receivables and Related Deferred Inflows

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

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

NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
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Inventories and Prepaids

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

Capital Assets

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

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

Restricted Assets

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

Long-Term Debt

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

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

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

Compensated Absences

All regular and part-time employees are granted vacation benefits in amounts from 10 to 20 days depending upon tenure with the City. These benefits accumulate pro rata by pay period. Accumulated vacation leave vests and the City is obligated to make payment even if the employee terminates. After a probationary period, police officers receive vacation ranging from 168 to 248 hours per year depending upon years of service. Members of the Fire Department receive vacation ranging from 4 to 15 shifts per year, after a probationary period, depending upon years of service. Employees may accrue ten days of sick leave per year up to a maximum of 100 days accrued. Employees with accrued sick leave in excess of 100 days on or about December 15 of each year are paid for the excess accrual at the rate of one day's pay for each three days of accumulated sick leave. The City did not have a liability for this excess leave at June 30, 2019. However, any employee leaving the service of the City after a period of 10 years are paid at the rate of one day's pay for each four days of accumulated leave and the City reports a liability for this leave type.

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

Equity Classifications

Government-Wide Financial Statements:

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

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

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

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

Fund Financial Statements:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance of the City's governing body.
- d. Assigned – includes amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by City Council action or management decision when the City Council has delegated that authority to the City Manager, which is currently the case here. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

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

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

I.E. REVENUES, EXPENDITURES AND EXPENSES

Sales Tax

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

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

Property Tax

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

**NOTES TO BASIC FINANCIAL STATEMENTS
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At the present time the City levies a property tax to fund the annual debt service requirements of the general obligation bonds. The property tax levy, as determined by the City's debt service needs, is submitted to the County Excise Board for approval. County assessors, elected officials, determine the taxable value of real estate and personal property in the County. A State Board of Equalization hears complaints on real estate values with the goal to equalize assessments. Under present State law, the ratio of assessed value to true value cannot be less than 11 percent or more than 1 1/2 percent.

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

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

Program Revenues

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

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

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

Pledge of Future Revenues

Sales Tax and Utility Net Revenues Pledge - The City has pledged one cent (or 24.7%) of future sales tax revenues to repay \$30,510,000 of the Series 2012 Revenue Bonds and \$14,606,515 of OWRB Notes Payable Series 2003, 2004, 2005, 2006, 2009, 2012, and 2013. Proceeds from the bonds and notes provided financing for capital assets. The bonds and notes are payable from pledged sales tax revenues and further secured by net water and wastewater revenues. The bonds and notes are payable through 2023, 2024, 2027, 2026, 2030, 2023, and 2023 respectively. If the net utility revenues are sufficient to service the debt, the pledged sales taxes are transferred to the Capital Improvement Water and Wastewater Fund to be used for capital purchases. The total principal and interest payable for the remainder of the life of these bonds and notes is \$44,817,042. Pledged sales taxes received in the current year were \$3,287,140 and the net utility revenues were \$4,143,038. Debt service payments of \$2,508,970 for the current fiscal year were 76.3% of the pledged sales taxes and 33.8% of both pledged sales taxes and utility revenues.

**NOTES TO BASIC FINANCIAL STATEMENTS
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Sales Tax Revenues Pledge - The City, as approved by a vote of the citizens, added an additional .45% of one cent of sales tax for the repayment of the Series 2015 and 2016 Capital Improvement Revenue Bonds. This sales tax went into effect January 2017. Proceeds of these bonds provided financing for public safety capital assets, including facilities. These bonds are payable through 2042. The total principal and interest payable for the remainder of the life of these bonds and notes is \$22,157,981. Pledged sales taxes received in the current year were \$1,479,213. Debt service payments of \$980,650 for the current fiscal year were 66.3% of the pledged sales taxes. If the pledged sales tax is not sufficient at any time, the remaining net utility revenues can be used to service the debt.

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

Governmental Funds - By Character:	Current (further classified by function)
	Capital outlay
	Debt service
Proprietary Funds - By Operating and Non-Operating	
In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.	

I.F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

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

Fund Financial Statements:

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

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

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

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

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

I.G. USE OF ESTIMATES

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

I.H. PENSIONS

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

I.I. ACCOUNTING PRONOUNCEMENTS IMPLEMENTED

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

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

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

2.A. FUND ACCOUNTING REQUIREMENTS

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

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

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at no more than market value. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, surety bonds, or certain letters of credit. As required by 12 U.S.C.A., Section 1823(c), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., the City's uninsured deposits were sufficiently collateralized in accordance with these provisions for the year ended June 30, 2019.

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

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

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

- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
 - c. With certain limitations, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements.
 - d. County, municipal or school district tax-supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
 - e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
 - f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c. and d.
- Public trusts created under O.S. Title 60 are not subject to the above noted investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2019, the City and its public trusts complied, in all material respects, with these investment restrictions.

2.C. REVENUE RESTRICTIONS

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

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

For the year ended June 30, 2019, the City complied, in all material respects, with these revenue restrictions.

2.D. DEBT RESTRICTIONS AND COVENANTS

General Obligation Debt

Article 10, Sections 26 and 27 of the Oklahoma Constitution limits the amount of outstanding general obligation bonded debt of the municipality for non-utility or non-street purposes to no more than 10% of net assessed valuation. For the year ended June 30, 2019, the City complied with this restriction.

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

Other Long-Term Debt

As required by the Oklahoma State Constitution, the City (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without first obtaining voter approval. For the year ended June 30, 2019, no such debt was incurred by the City.

Revenue Bond and Note Payable Debt

The bond indenture and note agreements relating to the long-term debt issues of the Sand Springs Municipal Authority contains a number of restrictions or covenants that are financial related. These include covenants such as a required flow of funds through special accounts, required reserve account balances, and debt service coverage requirements. The following schedule presents a brief summary of the most significant requirements and the Authority's level of compliance thereon as of June 30, 2019.

<u>Requirement</u>	<u>Level of Compliance</u>
a. Flow of Funds: - 2003 Bond Account - 2003 Reserve Account - 2004 Bond Account - 2004 Project Account - 2004 Reserve Account - 2012 Bond Account - 2012 Project Account - 2012 Reserve Account	All required accounts have been established and are used per Bond Indenture requirements.
b. Reserve Account Requirement: 2012 OWRB Promissory Note: Required balance is \$129,666. 2012 Revenue Bonds: Required balance is \$1,678,162.	Balance in Reserve Account at June 30, 2019 is \$130,402. Balance in Reserve Account at June 30, 2019 is \$1,717,340.
c. 2003, 2004 2005, 2006, 2009, 2012 and 2013 Series OWRB Notes: Net revenues of the Authority plus transferred sales tax should be at least 125% of maximum annual principal and interest requirements on this note and any senior debt.	For the year ended June 30, 2019, net revenues plus sales tax amounted to \$7,430,178. Maximum annual principal and interest requirements were \$1,794,578. Actual coverage was 414%.
2012 Revenue Bonds: Net revenues of the Authority plus transferred sales tax should be at least 125% of average annual principal and interest requirements on the bonds and OWRB notes listed above.	For the year ended June 30, 2019, net revenues plus sales tax amounted to \$7,430,178. Average annual principal and interest requirements were \$1,675,657. Actual coverage was 443%.

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

2.E. BUDGETARY COMPLIANCE

Budget Law

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

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

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

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

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

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

NOTE 3. DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

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

3.A. DEPOSIT AND INVESTMENT RISKS

Primary Government:

The City of Sand Springs, including its blended component units held the following deposits and investments at June 30, 2019:

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

Type	Maturities	Rating	Fair Value Hierarchy	Carrying Value
Deposits:				
Demand deposits				\$ 32,709,565
Time deposits			N/A	15,191,708
Total deposits				<u>47,901,273</u>
Investments:				
Invesco Prem US Gov Money Market - Inst 1949			Level 1	2,198,498
Cavalal Hill US Money Market Treas-Admin #0002		Aaa-mf	Level 1	2,646,775
Money Market Funds		Aaa	N/A	99,726
Total investments				<u>4,944,999</u>
Total deposits and investments				<u>\$ 52,846,272</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents				\$ 35,863,853
Investments				16,982,419
				<u>\$ 52,846,272</u>

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

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

At June 30, 2019, the City was not exposed to custodial credit risk as defined above.

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
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The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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

At June 30, 2019, the City had no concentration of credit risk.

Component Units:

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

3.B. ACCOUNTS RECEIVABLE

Accounts receivable of the business-type activities consist of customers’ utilities, airport and golf accounts receivable. Accounts receivable of the governmental activities consists primarily of police fines. Receivables detail at June 30, 2019 is as follows:

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

3.C. RESTRICTED ASSETS

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

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

The restricted assets as of June 30, 2019 were as follows:

Types of Restricted Assets	Current Cash and Cash Equivalents	Noncurrent Cash and Cash Equivalents	Noncurrent Investments
ENTERPRISE FUND:			
Trustee Accounts:			
2009 OWRB Notes:	\$ -	\$ -	\$ 39,881
Bond Fund Account	-	-	-
2012 OWRB Notes:			
Reserve Fund Account	111,274	130,402	-
Bond Fund Account	-	-	33,490
2012 Revenue Bonds:			
Bond Fund Account	654,346	-	-
Reserve Fund Account	-	-	1,717,340
Deposits held for refund	102,315	-	409,262
Total	\$ 867,935	\$ 130,402	\$ 2,199,973

3.D. CAPITAL ASSETS

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

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

	Balance at July 1, 2018	Additions	Deductions	Transfers	Balance at June 30, 2019
PRIMARY GOVERNMENT:					
<i>Governmental Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 15,598,999	\$ -	\$ -	\$ -	\$ 15,598,999
Construction-in-progress	12,046,006	10,180,816	-	(3,270,206)	18,956,616
Total capital assets not being depreciated	27,645,005	10,180,816	-	(3,270,206)	34,555,615
Other capital assets:					
Buildings	9,794,510	17,107	135,839	1,627,811	11,303,589
Other improvements	4,636,312	2,271,821	255,319	646,109	7,298,923
Machinery and equipment	10,798,327	1,463,359	779,694	975,554	12,457,546
Infrastructure	44,864,158	-	-	-	44,864,158
Total other capital assets at historical cost	70,093,307	3,752,287	1,170,852	3,249,474	75,924,316
Less accumulated depreciation for:					
Buildings	2,867,179	243,712	118,151	-	2,992,740
Other improvements	2,047,853	280,500	246,291	-	2,032,062
Machinery and equipment	7,549,273	708,780	771,404	(20,732)	7,465,917
Infrastructure	30,149,134	1,279,590	-	-	31,428,724
Total accumulated depreciation	42,613,439	2,462,582	1,135,846	(20,732)	43,919,443
Other capital assets, net	27,479,868	1,289,705	35,006	3,270,206	32,004,773
Governmental activities capital assets, net	\$ 35,124,873	\$ 11,470,521	\$ 35,006	\$ -	\$ 66,560,388

Business-Type Activities:

Capital assets not being depreciated:					
Land	\$ 2,169,204	\$ -	\$ -	\$ -	\$ 2,169,204
Intangible assets	6,702,666	-	-	-	6,702,666
Construction in progress	2,996,160	1,732,701	-	(3,130,400)	1,598,461
Total capital assets not being depreciated	11,868,030	1,732,701	-	(3,130,400)	10,470,331
Other capital assets:					
Buildings	47,788,298	44,603	-	-	47,832,901
Improvements other than buildings	41,301,706	-	-	3,130,400	44,432,106
Machinery and equipment	6,094,419	1,034,564	18,063	20,732	7,131,652
Infrastructure	57,808,082	136,200	-	-	57,944,282
Total other capital assets at historical cost	152,992,505	1,215,367	18,063	3,151,132	157,349,941
Less accumulated depreciation for:					
Buildings	11,612,696	610,278	-	-	12,222,974
Improvements other than buildings	18,611,649	1,265,003	-	-	19,876,652
Machinery and equipment	4,180,010	361,668	18,063	20,732	4,544,347
Infrastructure	41,138,356	1,036,192	-	-	42,174,548
Total accumulated depreciation	75,542,711	3,273,141	18,063	20,732	78,818,521
Other capital assets, net	77,449,794	(2,057,774)	-	3,130,400	78,522,420
Business-type activities capital assets, net	\$ 89,317,824	\$ (325,073)	\$ -	\$ -	\$ 88,992,751

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

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

<i>Governmental Activities:</i>	
General Government	\$ 232,530
Financial Administration	18,516
Public Safety	398,421
Highways and Streets	1,371,798
Health and Welfare	1,282
Culture and Recreation	431,651
Economic Development	8,384
Total depreciation expense for governmental activities	<u>\$ 2,462,582</u>
<i>Business-Type Activities:</i>	
Water	\$ 1,578,499
Wastewater	1,021,695
Solid Waste	77,475
Storm Water	148,629
Airport	352,213
Golf	94,650
Total depreciation expense for business-type activities	<u>\$ 3,273,141</u>

3.E. LONG-TERM DEBT

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

Governmental Activities:

At June 30, 2019, the governmental activities long-term debt consisted of the following:

<u>General Obligation Bonds:</u>	\$3,500,000
\$3,500,000 General Obligation Bonds of 2018, used for streets, parks and municipal facilities, due in annual installments of \$185,000, final payment due April 1, 2038, with interest rates of 2.0% to 3.25%	
\$6,180,000 General Obligation Limited Tax Bonds of 2018, used for economic development purposes, due in annual installments of \$325,000, final payment due April 1, 2038, with interest rates of 2.9% to 3.45%	6,180,000
\$2,310,000 General Obligation Refunding Bonds of 2016, used for advanced refunding of the 2006, due in annual installments of \$450,000, final payment due March 1, 2021, with interest rates of 3.7% to 5.0%	960,000
\$2,365,000 General Obligation Refunding Bonds of 2014B, used for park lands and culture and recreation facilities, due in annual installments varying from \$115,000 to \$125,000, final payment due March 1, 2034, with interest rates of 2.0% to 3.5%	1,875,000
\$130,000 Advance on \$6,500,000 General Obligation Bonds of 2019, used for capital improvement purposes, due in annual installments of \$340,000, final payment due July 1, 2039, with interest rate of 3.0%	<u>130,000</u>
Total General Obligation Bonds	<u>\$12,645,000</u>
Current portion	\$1,070,000
Non-current portion	<u>11,575,000</u>
Total General Obligation Bonds	<u>\$12,645,000</u>

**NOTES TO BASIC FINANCIAL STATEMENTS
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Revenue Bonds:
\$8,640,000 Capital Improvement Revenue Bonds of 2015 dated January 1, 2016, used for capital improvements for public safety, issued by Sand Springs Municipal Authority, secured by dedicated sales tax, interest rates 2.0% to 4.25%, due in annual installments varying from \$245,000 to \$310,000, final payment due January 1, 2042.

\$7,360,000 Capital Improvement Revenue Bonds of 2016 dated January 1, 2016, used for capital improvements for public safety, issued by Sand Springs Municipal Authority, secured by dedicated sales tax, interest rates 2.0% to 4.0%, due in annual installments varying from \$210,000 to \$430,000, final payment due January 1, 2042.

Plus: Unamortized Premium
Total Revenue Bonds, net

Current portion
Non-current portion, net
Total Revenue Bonds

Capital Leases Payable:

\$647,799 capital lease with Motorola for police radio equipment, due in annual installments of \$92,543, final payment due August 1, 2021, with no interest

\$66,418 capital lease with Motorola for fire radio equipment, due in annual installments of \$10,411, final payment due May 1, 2022, with interest rate of 3.21%

\$496,304 capital lease with Community First National Bank for fire pumper, due in monthly installments of \$5,747, final payment due July 1, 2021, with interest rate of 2.406%

Total Capital Leases Payable

Current portion
Non-current portion
Total Capital Leases Payable

Accrued Compensated Absences:

Current portion
Non-current portion
Total Accrued Compensated Absences

Business-Type Activities:

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

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

Notes Payable (direct borrowings):

2003A OWRB SRF Note Payable dated January 1, 2003, original amount of \$1,200,000 with an annual administration fee of 0.5%, semiannual installments of principal and interest final installment September 15, 2022, used for sewer improvements. The loan is collateralized by the pledge of revenues. In the event of default, the lender may file suit to require any or all of the borrower covenants to be performed; accelerate the payment of principal and interest accrued on the note; appoint temporary trustees to take over, operate and maintain the System on a profitable basis; or file suit to enforce or enjoin the action or inaction of the Borrower under the provisions of the loan agreement.

\$209,995

2004A OWRB Note Payable dated April 1, 2004, original amount of \$950,806, with an annual interest rate of 0% plus 0.5% admin fee, installments due semiannually, final installment March 8, 2024, used for sewer improvements. The loan is collateralized by the pledge of revenues. In the event of default, the Secured Party may file suit to require any or all of the borrower covenants to be performed; accelerate the payment of principal and interest accrued on the note; appoint temporary trustees to take over, operate and maintain the System on a profitable basis; or file suit to enforce or enjoin the action or inaction of the Debtor under the provisions of the loan agreement.

237,702

2005A OWRB Note Payable dated June 29, 2006, original amount of \$2,314,000 with an annual interest rate of 2.60%, semiannual installments of principal and interest, final installment September 15, 2026, used for sewer improvements. The loan is collateralized by the pledge of revenues. In the event of default, the Secured Party may, at its' discretion, require the Debtor to assemble the collateral and make available to the Secured Party.

952,061

2006 OWRB Note Payable dated August 30, 2005, original amount of \$2,250,000 with an interest rate of 2.60% plus a .5% admin fee, with semi-annual payments, final payment due March 15, 2026, used for sewer improvements. The loan is collateralized by the pledge of revenues. In the event of default, the Secured Party may, at its' discretion, require the Debtor to assemble the collateral and make available to the Secured Party.

875,087

2009 OWRB SRF Note Payable dated December 9, 2009, original amount of \$5,631,709 with an interest rate of 3.11% with semi-annual payments, final payment due September 15, 2030, used for water improvements; remaining funds left to draw are \$187,337. The loan is collateralized by the pledge of revenues. In the event of default, the lender may file suit to require any or all of the borrower covenants to be performed; accelerate the payment of principal and interest accrued on the note; appoint temporary trustees to take over, operate and maintain the System on a profitable basis; or file suit to enforce or enjoin the action or inaction of the Borrower under the provisions of the loan agreement.

1,468,719

2012 OWRB Note Payable dated August 29, 2012, original amount of \$1,240,000 with a variable interest rate ranging from 0.25% to 4.00% plus a .5% admin fee, with semi-annual payments, final payment due September 1, 2022, used for refinancing 2003B OWRB Note that was issued for sewer improvements. The loan is collateralized by the pledge of revenues. In the event of default, the lender may file suit to require any or all of the borrower covenants to be performed; accelerate the payment of principal and interest accrued on the note; appoint temporary trustees to take over, operate and maintain the System on a profitable basis; or file suit to enforce or enjoin the action or inaction of the Borrower under the provisions of the loan agreement.

530,000

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
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2013 Note Payable dated October 1, 2013, original amount of \$1,020,000 with an annual interest rate ranging of 3.05%, semiannual installments of principal and interest, final installment October 1, 2022, used for refinancing 2004B OWRB Note that was issued for sewer improvements. The loan is collateralized by the pledge of revenues. In the event of default, the lender accelerate the payment of principal and interest accrued on the note; foreclose on the lien of mortgaged property; sale of collateral and real property; appoint temporary trustees to take over, operate and maintain the System on a profitable basis.

Total Notes Payable	4,30,000
Plus: Unamortized Premium	22,664
Total Notes Payable, net	<u>\$4,726,228</u>
Current portion	718,462
Non-current portion, net	4,007,766
Total Notes Payable	<u>\$4,726,228</u>

Revenue Bonds:

2012 Series Utility System Revenue Bonds dated November 1, 2012, original amount of \$30,310,000, issued by Sand Springs Municipal Authority, secured by utility revenues and pledged sales tax, interest rates from 2.0% to 4.0%, final maturity November 1, 2042, used for water and sewer improvements and pay off notes payable.

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

Accrued Compensated Absences:

Current portion	869,650
Non-current portion	279,049
Total Accrued Compensated Absences	<u>\$348,699</u>

Deposits Subject to Refund:

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

Changes in Long-Term Debt:

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
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Type of Debt	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Amounts Due Within One Year
<u>Primary Government</u>					
Governmental Activities:					
General Obligation Bonds	\$ 13,090,000	\$ 130,000	\$ 575,000	\$ 12,645,000	\$ 1,070,000
Revenue Bonds	15,545,000	-	465,000	15,080,000	475,000
Capital Leases Payable	613,406	-	166,461	446,945	168,331
Accrued Compensated Absences	906,776	680,343	649,715	937,404	187,480
Total Governmental Activities	<u>\$ 30,155,182</u>	<u>\$ 810,343</u>	<u>\$ 1,856,176</u>	<u>\$ 29,109,349</u>	<u>\$ 1,900,811</u>
Plus: Unamortized bond premium (See Note 3E)				95,698	
				<u>\$ 29,205,047</u>	

Reconciliation to Statement of Net Position:

Due in one year	\$ 1,900,811
Due in more than one year	27,304,236
	<u>\$ 29,205,047</u>

Business-Type Activities:

Notes Payable (direct borrowing)	\$ 5,406,695	\$ -	\$ 703,131	\$ 4,703,564	\$ 718,462
Revenue Bonds Payable	27,100,000	-	720,000	26,380,000	735,000
Accrued Compensated Absences	337,300	226,041	214,642	348,699	69,650
Total Business-Type Activities	<u>\$ 32,843,995</u>	<u>\$ 226,041</u>	<u>\$ 1,637,773</u>	<u>\$ 31,432,263</u>	<u>\$ 1,523,112</u>

Plus: Unamortized bond premium (See Note 3E)

22,664

Deposits subject to refund

511,577

Less: Unamortized bond discount (See Note 3E)

97,561

\$ 31,868,943

Reconciliation to Statement of Net Position:

Due in one year	1,523,112
Due in more than one year	30,345,831
	<u>\$ 31,868,943</u>

Debt Service Requirements to Maturity - Primary Government

The debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2019 are as follows:

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

Year Ending June 30,	Governmental Activities			
	General Obligation Bonds	Revenue Bonds	Capital Leases Payable	Interest
2020	\$ 1,070,000	\$ 475,000	\$ 168,331	\$ 3,581
2021	1,275,000	485,000	170,248	1,665
2022	635,000	495,000	108,366	336
2023	635,000	505,000	-	-
2024	635,000	510,000	-	-
2025-2029	3,175,000	2,770,000	-	-
2030-2034	3,175,000	3,215,000	-	-
2035-2039	2,045,000	3,905,000	-	-
2040-2042	-	2,720,000	-	-
Totals	\$ 12,645,000	\$ 15,080,000	\$ 707,798	\$ 5,582

Business-Type Activities

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

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

3.F. INTERFUND TRANSACTIONS AND BALANCES

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

TRANSFER TO	GENERAL FUND	CAPITAL IMPROVEMENT FUND	WATER FUND	WASTEWATER FUND	SMA WATER FUND	SMA SOLID WASTE FUND	SMA SOLID WASTE FUND	SMA SOLID WASTE FUND	SMA SOLID WASTE FUND	OTHER GOVERNMENTAL FUNDS
Major Account										
Capital Project Fund	\$ 1,641,570	-	-	-	-	-	-	-	-	\$ (104,991)
Capital Improvement Water Wastewater Fund	2,287,140	-	-	-	-	-	-	-	-	608,442
Public Safety Capital Improvement Fund	1,479,213	-	-	-	-	-	-	-	-	625,121
Capital Project Fund	-	276,643	-	-	-	-	-	-	-	284,331
SMA Golf Fund	-	276,643	-	-	-	-	-	-	-	284,331
Nonmajor Funds	1,129,813	1,129,813	-	-	-	-	-	-	-	14,023
Total Governmental Activities	4,289,696	2,766,443	-	-	-	-	-	-	-	778,216
Business-Type Activities	4,995,140	800,000	-	-	-	-	-	-	-	-
Major Funds	4,995,140	800,000	-	-	-	-	-	-	-	-
SMA Airport Fund	173,000	-	-	-	-	-	-	-	-	-
SMA Golf Fund	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	5,168,280	800,000	-	-	-	-	-	-	-	-
Total Primary Government	\$ 9,457,976	\$ 3,566,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 778,216

Transfer From

Transfer From	Amount	Purpose of Transfer
General Fund	\$ 10,000	E911 wireless system
Short-Term Capital Improvement	152,000	Capital asset purchases
Capital Improvement	9,981	Fire hydrant system
Sliding Fund	9,981	Interest subsidy
General Fund	980,000	Budgeted subsidy
SMA Wastewater Fund	200,000	Budgeted subsidy
SMA Solid Waste Utility Fund	200,000	Budgeted subsidy
Water Fund	115,000	Capital asset purchases
SMA Water Fund	1,643,570	Capital asset purchases
General Fund	1,479,213	Sales tax transfer
Public Safety Capital Improvement Fund	276,643	Sales tax transfer
Short-Term Capital Improvement	15,007	Capital asset purchases
Economic Development Capital Imp Fund	328,714	Capital asset purchases
General Fund	328,714	Sales tax transfer
SMA Golf Course Fund	25,065	Capital asset purchases
Capital Improvement W&W Fund	800,000	Debt service
General Fund	3,287,140	Sales tax transfer
Street Imp Capital Improvement	1,200,000	Budgeted subsidy
SMA Water Fund	1,200,000	Budgeted subsidy
Capital Improvement W&W Fund	3,287,140	Capital asset purchases
Capital Improvement W&W Fund	10,000	Sales tax transfer
CDBG - EDFJ Fund	10,000	Budgeted subsidy
Airport Construction Fund	1,124,500	Budgeted subsidy
SMA Water Fund	177,000	Capital asset purchases
SMA Water Fund	177,000	Capital asset purchases
SMA Short-Term Capital Improvement Fund	175,000	Budgeted subsidy
General Fund	50,000	Budgeted subsidy
SMA Airport Fund	138,000	Capital asset purchases
SMA Wastewater Fund	138,000	Capital asset purchases
SMA Solid Waste Fund	138,000	Capital asset purchases
SMA Short-Term Capital Improvement Fund	138,000	Capital asset purchases
Total	\$ 17,511,921	

Denotes major fund

Subtotal of Nonmajor Governmental Fund Transfers In 4,182,432 Sum of A

Sub-total of Nonmajor Governmental Fund Transfers Out (778,870) Sum of B

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

Reconciliation to Statement of Activities:

Net Transfers Governmental Funds	\$ -	\$ 3,793,577
Net transfers for Capital project funds reported as business-type activities	-	251,281
Capital outlay for governmental capital project funds reported as transfers to business-type activities	-	(4,095,321)
Net Transfer Internal Activity	\$ -	\$ (50,463)

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
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Interfund receivables/payables reported in the fund financial statements for the year ended June 30, 2019 were as follows:

Receivable Fund	Payable Fund	Amount	Nature of Interfund Balance
SSMA Water	Airport Construction	\$ 1,666,638	Expenses reimbursement
		\$ 1,666,638	
Due From Other Funds	Due To Other Funds		Net Activity/ Interfund Balances
		\$ (1,666,638)	\$ (1,666,638)
		\$ 1,666,638	\$ 1,666,638
		\$ (1,666,638)	\$ (1,666,638)

Reconciliation to Fund Financial Statements:
Enterprise Funds
Enterprise Funds
Total Interfund Balances

3.G. FUND EQUITY

Fund Balance and Net Position:

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

Fund Balance:	General Fund	Street Improvement	Major Capital Project Funds		Public Safety	Other Governmental Funds	TOTAL
			Capital Improvement	Water & Wastewater			
Nonspendable:							
Inventory & prepaids	28,627	-	-	-	-	-	28,627
Restricted for:							
Capitalization	8,545	-	-	-	-	-	8,545
Air Reserves	100,269	-	-	-	-	-	100,269
Substance Abuse	114,801	-	-	-	-	-	114,801
Juvenile Programs	71,320	-	-	-	-	-	71,320
Economic Development	205,259	9,463,342	-	-	-	-	9,668,601
Streets	-	-	-	-	-	-	40,180
License Plates	40,180	-	-	-	-	-	40,180
Public Safety Capital Improvements	-	-	1,358,806	-	-	-	1,358,806
Capital Improvements	-	-	-	3,165,045	-	-	3,165,045
Airport Wages	-	-	-	124,056	-	-	124,056
E911	124,056	-	-	-	678,475	-	678,475
Dues/Service	-	-	5,949,721	-	-	-	5,949,721
Unassigned Restricted	-	-	-	-	792,935	-	792,935
Assigned to:	669,090	9,463,342	5,949,721	1,358,806	4,639,453	22,080,101	28,627
Subsequent Year Budget	1,922,443	-	-	-	-	-	1,922,443
Encumbrances	137,996	-	-	-	-	-	137,996
Economic Development Capital Improvements	281,342	-	-	681,286	-	-	962,628
Community Center	193,383	-	-	-	-	-	193,383
Police	1,223	-	-	-	-	-	1,223
Fire	21,795	-	-	-	-	-	21,795
Municipal Court Technology	5,191	-	-	-	-	-	5,191
Streets	-	423,074	-	-	-	-	423,074
Public Safety Capital Improvements	-	-	-	553,239	-	-	553,239
Capital Improvements	-	-	-	-	1,088,481	-	1,088,481
Streets	-	-	-	-	1,088,481	-	1,088,481
Beck City Casing	-	-	-	-	1,325,606	-	1,325,606
South Side Park	-	-	-	-	10,750	-	10,750
Stromwater Projects	-	-	-	-	6,438,139	-	6,438,139
Utility Capital Projects	-	-	1,269,175	-	-	-	1,269,175
Water Treatment Plant	-	-	-	-	72,915	-	72,915
Dues/Service	-	-	-	-	7,484	-	7,484
Other	12	-	-	-	-	-	12
Sub-total Assigned	2,229,887	423,074	1,269,175	553,239	9,714,666	14,409,041	28,627
Unassigned	4,117,003	-	-	-	-	-	4,117,003
TOTAL FUND BALANCES	\$ 7,344,607	\$ 9,887,016	\$ 7,218,896	\$ 1,912,645	\$ 14,354,121	\$ 14,354,121	\$ 40,180

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

Enterprise Funds:
Restricted for Debt Service:

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

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)	Defined Contribution Plan
	Defined Contribution Plan – CMO
	Defined Contribution Plan – CMO Special Incentive

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

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

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

Oklahoma Police Pension and Retirement Systems

Summary of Significant Accounting Policies

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

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

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

Benefits provided. - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later. Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

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

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

Contributions. - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$253,949. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$226,571 this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$226,573. These on-behalf payments did not meet the criteria of a special funding situation.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2019, the City reported an asset of \$276,540 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2018. Based upon this information, the City's proportion was .5805540%.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,633	\$ 259,119
Changes of assumptions	120,775	
Net difference between projected and actual earnings on pension plan investments	144,006	-
Changes in proportion and differences between City contributions and proportionate share of contributions	13,218	3,402
City contributions during the measurement date	17,446	4,119
City contributions subsequent to the measurement date	253,949	-
Total	<u>\$ 531,027</u>	<u>\$ 266,640</u>

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

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

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

- Inflation: 2.75%
- Salary increases: 3.5% to 17% average, including inflation
- Investment rate of return: 7.5% net of pension plan investment expense
- Cost-of-living adjustments: Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary.
- Mortality rates: Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.
Active employees (post-retirement) and non-disabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.
Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years.

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

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

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

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

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

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

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

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

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

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

Oklahoma Fire Pension and Retirement Systems

Summary of Significant Accounting Policies

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

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

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

Normal Retirement:

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
CITY OF SAND SPRINGS, OKLAHOMA
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Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$288,518. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$682,139 this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$669,768. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2019, the City reported a liability of \$7,514,168 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2018. Based upon this information, the City's proportion was .667543%.

For the year ended June 30, 2019, the City recognized pension expense of (\$54,820). At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,569,498	\$ -
Net difference between projected and actual earnings on pension plan investments	-	624,367
Changes in proportion and differences between City contributions and proportionate share of contributions	262,632	652,130
City contributions during the measurement date	9,631	7,621
City contributions subsequent to the measurement date	288,518	-
Total	\$ 2,130,279	\$ 1,284,118

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Defined Contribution Plan - OKMRF

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

For the year ended June 30, 2019, the following amounts related to the defined contribution plan:

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

Defined Contribution Plan - OkMRF - CMO Plan

The City has also provided a defined contribution plan in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OKMRF). The defined contribution plan is available to any person who is in the position of City Manager as of August 14, 2006. Employees are eligible on the employee's employment commencement date. The City has elected the variable funding option. The City intends to make a contribution to the Plan for the benefit of the participants on a monthly basis. The contribution may be varied from year to year by the City. The City's contributions for each employee (and interest allocated to the employee's account) are vested at 100% immediately upon the participation date. Benefits depend solely on amounts contributed to the plan plus investment earnings. The authority to establish and amend the provisions of the plan rests with the City Council. The City contributes 13% to the plan and the employee does not contribute to the plan. The total contributions by the City for fiscal year 2019 were \$13,528 which is 100% of the required contribution.

Other Post-Employment Benefits

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

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

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

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

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

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

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

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

Retirement Age:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.B. TAX ABATEMENTS

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

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

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

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

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

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

4.C. RISK MANAGEMENT

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

Type of Loss	Method Managed	Risk of Loss Retained
a. General Liability:		
- Torts	Purchased commercial insurance.	None
- Errors and omissions		
- Police liability		
- Vehicle		

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

- b. Physical Property:
- Theft
 - Damage to assets
 - Natural disasters

All physical property except vehicles is insured through commercial insurance with deductible of \$1,000.

All physical property except vehicles - None

Vehicle damage is not covered by insurance.

Vehicles - entire risk of loss retained through fund incurring the loss.

- c. Workers' Compensation:
- Employee injuries

Participates in OMAG risk entity pool. Participation fee includes an actuarially determined amount held by OMAG as the loss reserve fund, to pay claims incurred. Claims are administered by the State Insurance Fund.

Specific aggregate stop loss coverage is provided by the State Insurance Fund and covers all claims above the loss reserve fund.

- d. Health and Life:
- Medical
 - Dental

All group health and life coverage is insured through a commercial carrier.

OMAG Workers Compensation

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

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

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

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

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

4.D. COMMITMENTS AND CONTINGENCIES

Contingencies:

Grant Program Involvement

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

Litigation

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

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

Asset Retirement Obligation

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

Commitments:

Construction Projects

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

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

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

Tax Increment Financing District

The City established a tax increment financing district (the "District") for the purpose of assisting an existing company within the City to expand its business. Under terms of the agreement, the Company agreed to relocate/expand its business on an underdeveloped parcel of land within the City. Pursuant to the agreement, sales tax generated within the District would be rebated by the City to the company on allowable construction costs incurred in the District as defined in the agreement. In addition, one hundred percent of the ad valorem tax generated within the District in excess of the base assessed value of the District is to be apportioned and used to reimburse the company for certain allowable project costs. The apportionment of ad valorem will terminate upon the final payment for all allowable project costs incurred, less previous apportionments of sales tax, but in no case shall extend beyond twenty-five years from the original effective date. During fiscal 2019, the ad valorem assessments on the District totaled \$742,335.

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REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

	2015	2016	2017	2018	2019
City's proportion of the net pension liability (asset)	0.5255%	0.5557%	0.5755%	0.5571%	0.5806%
City's proportionate share of the net pension liability (asset)	\$ (176,923)	\$ 22,670	\$ 881,406	\$ 42,849	\$ (276,540)
City's covered payroll	\$ 1,497,869	\$ 1,522,161	\$ 1,649,772	\$ 1,802,485	\$ 1,847,846
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(11.81%)	1.49%	53.49%	2.38%	(14.97%)
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%

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

Notes to Schedule:

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

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

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

Notes to Schedule:

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

**Schedules of Required Supplementary Information
CITY OF SAND SPRINGS, OKLAHOMA
SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019
City's proportion of the net pension liability	0.696229%	0.7066%	0.7441%	0.71246%	0.66754%
City's proportionate share of the net pension liability	\$ 7,159,629	\$ 7,489,699	\$ 9,090,642	\$ 8,980,763	\$ 7,514,168
City's covered payroll	\$ 1,765,586	\$ 1,941,928	\$ 2,020,060	\$ 2,030,414	\$ 2,067,307
City's proportionate share of the net pension liability as a percentage of its covered payroll	401%	386%	450%	441%	363%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%

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

Notes to Schedule:

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

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

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

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

Notes to Schedule:

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

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

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

	Budgeted Amounts		Actual Amounts	Variance with Budget (Positive/Negative)
	Original	Final		

Beginning Budgetary Fund Balance: \$6,543,729

Resources (Inflows): \$6,543,729

TAXES:
 Sales tax 12,761,026
 Property tax 13,312,916
 Hotel tax 100,000
 Municipal tax 145,147
 Incremental tax 154,853
 Franchise tax 745,335
 Franchise tax 844,000
 Video Provider Fee 21,500
 Telephone tax 2,893
 Abatement fees 20,000
 Payment in lieu of taxes 1,258,456
 Total Taxes 16,259,992

INTERGOVERNMENTAL:
 Taxes 209,000
 Cigarette tax 136,000
 Grants 149,205
 Total Intergovernmental 494,205

CHARGES FOR SERVICES:
 Zoning 148,100
 Zoning and inspection fees 87,000
 Park and recreation fees 76,500
 Fire run fees 90,000
 Fire run fees 160,000
 First responder fees 13,000
 First responder fees 247,000
 EMSA fees 271,000
 Other fees 21,650
 Total Charges for Services 1,025,000

FINES AND FORFEITURES:
 Licenses 190,200
 Permits 42,000
 Total Licenses and Permits 232,200

OTHER:
 Transfers from other funds 1,478,500
 Interest 56,000
 Other 297,000
 Total Other 1,831,500

Total Resources (Inflows) 19,848,832

Amounts available for appropriation 26,554,201

General Administration:
 Personal services 551,880
 Materials and supplies 526,000
 Other services and charges 154,853
 Total General Administration 1,232,733

Municipal Court:
 Personal services 193,787
 Materials and supplies 4,775
 Other services and charges 20,510
 Total Municipal Court 219,072

City Manager:
 Personal services 357,887
 Materials and supplies 1,881
 Other services and charges 2,600
 Total City Manager 362,368

City Clerk:
 Personal services 177,910
 Materials and supplies 2,500
 Other services and charges 13,520
 Total City Clerk 193,930

Information Services:
 Materials and supplies 154,527
 Other services and charges 8,425
 Total Information Services 162,952

TOTAL GENERAL GOVERNMENT 1,280,253

PLANNING AND ZONING:
 Personal services 154,886
 Materials and supplies 1,280
 Other services and charges 21,815
 Total Planning and Zoning 177,981

Human Resources:
 Personal services 199,160
 Materials and supplies 4,310
 Other services and charges 9,640
 Total Human Resources 213,110

Finance:
 Personal services 444,657
 Materials and supplies 155,883
 Other services and charges 587,318
 Total Finance 1,187,858

City Attorney:
 Personal services 22,397
 Materials and supplies 110,000
 Other services and charges 132,397
 Total City Attorney 264,794

TOTAL FINANCIAL ADMINISTRATION 1,029,688

Charges to Appropriations (Outflows): 2,513,110

Actual Amounts: 2,513,110

Variance with Budget (Positive/Negative): -

Final: 2,513,110

Actual Amounts: 2,513,110

Variance with Budget (Positive/Negative): -

(Continued)

(Continued)

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

	Budgeted Amounts	Actual Amounts	Variance with Budget
	Original	Final	Positive (Negative)
PUBLIC SAFETY:			
Police:			
Personal services	\$ 3,195,951	\$ 3,312,230	\$ 116,614
Materials and supplies	152,584	116,476	38,108
Other services and charges	87,244	57,446	31,258
Capital outlay			
Total Police	3,435,779	3,526,152	246,020
Emergency Management:			
Personal services	46,845	46,850	3,815
Materials and supplies	5,921	7,121	2,822
Other services and charges	15,116	13,916	2,855
Capital outlay			
Total Emergency Management	61,882	67,887	7,880
Animal Control:			
Personal services	105,437	105,447	11,257
Materials and supplies	16,153	16,143	2,542
Other services and charges	8,410	8,424	976
Capital outlay	8,100	5,850	2
Total Animal Control	138,100	126,864	14,777
Communications:			
Personal services	512,637	512,138	54,118
Materials and supplies	10,500	30,969	5,746
Other services and charges	163,055	182,558	14,851
Capital outlay			
Total Communications	686,192	725,665	74,715
Fire:			
Personal services	3,193,655	3,219,414	230,397
Materials and supplies	11,816	11,816	24,567
Other services and charges	331,774	334,340	3,000
Capital outlay	3,000		
Total Fire	3,639,245	3,685,570	287,009
Neighborhood Services:			
Personal services	178,379	207,297	21,977
Materials and supplies	8,816	4,914	4,312
Other services and charges	11,110	9,902	31,110
Capital outlay	4,600	4,600	97
Total Neighborhood Services	202,905	226,713	57,797
TOTAL PUBLIC SAFETY	8,052,702	8,484,197	688,087
HIGHWAYS AND STREETS:			
Street and Alley			
Personal services	522,676	552,575	161,637
Materials and supplies	206,977	208,959	72,411
Other services and charges	233,506	249,141	50,266
Capital outlay			
Total HIGHWAYS AND STREETS	963,159	1,010,675	283,744
HEALTH AND WELFARE:			
Senior Citizens:			
Personal services	20,866	20,856	1,263
Materials and supplies	2,185	2,185	2,445
Other services and charges	1,494	1,494	45
Capital outlay			
Total HEALTH AND WELFARE	24,545	24,535	3,951

(Continued)

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

	Budgeted Amounts	Actual Amounts	Variance with Budget
	Original	Final	Positive (Negative)
CULTURE AND RECREATION:			
Parks and Recreation:			
Personal services	\$ 600,883	\$ 723,678	\$ 578,068
Materials and supplies	118,889	181,055	157,477
Other services and charges	477,818	494,305	70,405
Capital outlay	9,689	426,757	386,347
Total Parks and Recreation	1,207,279	1,825,795	625,340
Museum:			
Personal services	9,670	9,827	2,640
Materials and supplies	5,400	6,400	1,387
Other services and charges	34,808	34,302	3,284
Capital outlay			
Total Museum	49,878	50,529	7,311
TOTAL CULTURE AND RECREATION	1,257,056	1,876,324	632,251
ECONOMIC DEVELOPMENT:			
Personal services	112,670	137,224	130,615
Materials and supplies	8,720	11,480	3,084
Other services and charges	285,671	300,069	276,346
Capital outlay			
Total ECONOMIC DEVELOPMENT	407,061	448,803	38,778
FACILITIES MANAGEMENT AND FLEET MAINTENANCE:			
Facilities Management:			
Personal services	253,611	253,611	220,955
Materials and supplies	113,350	117,600	30,003
Other services and charges	185,715	206,644	154,386
Capital outlay			
Total Facilities Management	552,676	577,855	462,348
Fleet Maintenance:			
Personal services	243,977	243,079	161,061
Materials and supplies	15,207	16,707	12,028
Other services and charges	16,707	16,707	2,628
Capital outlay	3,880	3,960	3,980
Total Fleet Maintenance	279,771	280,453	188,576
TOTAL FACILITIES MANAGEMENT AND FLEET MAINTENANCE	832,447	858,308	643,523
OTHER FINANCING USES:			
Debt service:			
Transfer to other funds	7,351,285	7,371,265	7,590,741
Capital lease principal	166,461	166,461	166,461
Capital lease interest	5,451	5,451	206
Other financing uses			
Total Other Financing Uses	7,523,197	7,543,197	6,219,250
Total Charges to Appropriations	21,694,474	22,772,277	20,730,634
Ending Budgetary Fund Balance	\$ 2,827,045	\$ 3,780,924	\$ 7,243,788

(Continued)

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance:
Total Revenues per Budgetary Comparison Schedule \$ 21,430,691
Add State Fire and Police pension on-behalf payments 908,710
Add Special Programs sub-land account revenues 5,003
Less transfer in (6,484,991)
Total Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance \$ 20,859,413

Total Charges to Appropriations per Budgetary Comparison Schedule \$ 20,730,634
Add State Fire and Police pension on-behalf payments 908,710
Add Special Programs sub-land account expenditures 25,525
Less transfer in (7,594,341)
Total Expenditures per Statement of Revenues, Expenditures, and Changes in Fund Balance \$ 14,074,188

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

Budgetary Accounting

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

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

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

Notes to Schedule:

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

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

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

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City of Sand Springs, Oklahoma
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund Accounts
 For the Year Ended June 30, 2019

City of Sand Springs, Oklahoma
 Combining Balance Sheet
 General Fund Accounts
 June 30 2019

	General Fund	Special Programs Account	Total
ASSETS			
Cash and cash equivalents	\$ 2,749,251	\$ 68,499	\$ 2,817,750
Investments	1,482,644	49,872	1,532,516
Deposits with insurance pool	1,079,712	-	1,079,712
Accrued interest receivable	1,271	-	1,271
Taxes receivable, net	268,364	-	268,364
Receivable from other governments	1,876,851	-	1,876,851
Court fines receivable, net	180,097	-	180,097
Other receivables	620,987	-	620,987
Inventories	27,974	-	27,974
Prepaid items	653	-	653
	<u>\$ 8,287,804</u>	<u>\$ 118,371</u>	<u>\$ 8,406,175</u>

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES

Liabilities:			
Accounts payable	\$ 194,316	\$ 300	\$ 194,616
Payable to other governments	204,242	-	204,242
Other accrued expenses	277,405	-	277,405
Amounts held in escrow	21,580	-	21,580
Other payables	29,222	17,250	46,472
	<u>726,765</u>	<u>17,550</u>	<u>744,315</u>
Total liabilities			
Deferred inflows of resources:			
Unavailable revenues	317,253	-	317,253

Fund balances:

Non-spendable	28,627	-	28,627
Restricted	669,090	-	669,090
Assigned	2,429,066	100,821	2,529,887
Unassigned	4,117,003	-	4,117,003
	<u>7,243,786</u>	<u>100,821</u>	<u>7,344,607</u>
Total fund balances			
Total liabilities, deferred inflows and fund balances	<u>\$ 8,287,804</u>	<u>\$ 118,371</u>	<u>\$ 8,406,175</u>

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

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

	SPECIAL REVENUE FUND	CAPITAL PROJECT FUNDS						
	Vision 2025	Short-Term Capital Improvements	Community Development Block Grant - EDIF	T.I.D. #1 Cimarron Center	Park and Recreation	Airport Construction	Capital Improvement	Stormwater Capital Improvement
	ASSETS							
Cash and cash equivalents	\$ 166,282	\$ 726,539	\$ 68,961	\$ -	\$ 48,296	\$ -	\$ 2,175,901	\$ 5,295,873
Investments	-	-	-	-	-	-	89,769	1,141,857
Accrued interest receivable	-	-	-	-	-	-	-	1,862
Receivable from other governments	-	13,169	3,662	-	-	269,139	-	-
Total assets	\$ 166,282	\$ 739,708	\$ 72,623	\$ -	\$ 48,296	\$ 269,139	\$ 2,265,670	\$ 6,439,592
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ 329	\$ 1,714	\$ -	\$ -	\$ 11,258	\$ 2,030	\$ -
Due to other funds	-	-	-	-	-	166,638	-	-
Total liabilities	-	329	1,714	-	-	177,896	2,030	-
Deferred inflows of resources:								
Unavailable revenues	-	-	-	-	-	59,131	-	1,453
Fund balances:								
Restricted	166,282	678,475	70,909	-	-	32,112	-	-
Assigned	-	60,904	-	-	48,296	-	2,263,640	6,438,139
Total fund balances	166,282	739,379	70,909	-	48,296	32,112	2,263,640	6,438,139
Total liabilities, deferred inflows and fund balances	\$ 166,282	\$ 739,708	\$ 72,623	\$ -	\$ 48,296	\$ 269,139	\$ 2,265,670	\$ 6,439,592

(continued)

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

	CAPITAL PROJECT FUNDS					DEBT SERVICE FUND		Total Other Governmental Funds
	SSMA Capital	2018 General Obligation Bond City Project Fund	2014 GO Capital Improvement	Golf Course Capital Improvement	Economic Development Capital Improvement	Debt Service Fund		
	ASSETS							
Cash and cash equivalents	\$ 72,915	\$ 3,008,388	\$ 100,295	\$ 43,057	\$ 699,180	\$ 441,211	\$ 12,846,898	
Investments	-	-	-	-	-	346,761	1,580,387	
Accrued interest receivable	-	-	-	-	-	111	1,973	
Receivable from other governments	-	-	-	-	-	300,171	586,141	
Total assets	\$ 72,915	\$ 3,008,388	\$ 100,295	\$ 43,057	\$ 699,180	\$ 1,090,254	\$ 15,015,399	
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ 112,646	\$ -	\$ 1,350	\$ 17,894	\$ -	\$ 147,221	
Due to other funds	-	-	-	-	-	-	166,638	
Total liabilities	-	112,646	-	1,350	17,894	-	313,859	
Deferred inflows of resources:								
Unavailable revenues	-	-	-	-	-	286,835	347,419	
Fund balances:								
Restricted	-	2,895,742	-	-	-	795,935	4,639,455	
Assigned	72,915	-	100,295	41,707	681,286	7,484	9,714,666	
Total fund balances	72,915	2,895,742	100,295	41,707	681,286	803,419	14,354,121	
Total liabilities, deferred inflows and fund balances	\$ 72,915	\$ 3,008,388	\$ 100,295	\$ 43,057	\$ 699,180	\$ 1,090,254	\$ 15,015,399	

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

	SPECIAL REVENUE FUND		CAPITAL PROJECT FUNDS						
	Vision 2025	Short-Term Capital Improvements	Community Development Block Grant - EDIF	T.I.D. #1 Cimarron Center	Park and Recreation	Airport Construction	Capital Improvement	Stormwater Capital Improvement	
REVENUES									
Taxes	\$ -	\$ 156,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	-	-	18,990	-	-	342,030	-	-	
Charges for services	-	25,648	-	-	6,025	-	-	-	
Investment earnings	3,436	13,260	(1)	-	773	716	39,237	109,384	
Miscellaneous	-	-	2,000	-	-	-	195,860	-	
Total revenues	3,436	195,501	20,989	-	6,798	342,746	235,097	109,384	
EXPENDITURES									
Current:									
Community development	-	-	-	690,104	-	-	-	-	
Debt Service:									
Principal	-	-	-	-	-	-	-	-	
Interest and other charges	-	-	-	-	-	-	-	-	
Capital Outlay	86,447	202,949	18,990	-	-	389,637	214,139	44,665	
Total expenditures	86,447	202,949	18,990	690,104	-	389,637	214,139	44,665	
Excess (deficiency) of revenues over expenditures	(83,011)	(7,448)	1,999	(690,104)	6,798	(46,891)	20,958	64,719	
OTHER FINANCING SOURCES (USES)									
Issuance of long-term debt	-	-	-	-	-	-	-	-	
Premiums from issuance of long-term debt	-	-	-	-	-	-	-	-	
Transfers in	-	177,037	10,000	690,104	-	5,000	50,000	1,200,000	
Transfers out	-	(95,000)	-	-	-	-	-	(658,842)	
Total other financing sources and uses	-	82,037	10,000	690,104	-	5,000	50,000	541,158	
Net change in fund balances	(83,011)	74,589	11,999	-	6,798	(41,891)	70,958	605,877	
Fund balances - beginning	249,293	664,790	58,910	-	41,498	74,003	2,192,682	5,832,262	
Fund balances - ending	\$ 166,282	\$ 739,379	\$ 70,909	\$ -	\$ 48,296	\$ 32,112	\$ 2,263,640	\$ 6,438,139	

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(continued)

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

	CAPITAL PROJECT FUNDS					DEBT SERVICE FUND		Total Other Governmental Funds
	SSMA Capital	2018 General Obligation Bond City Project Fund	2014 GO Capital Improvement	Golf Course Capital Improvement	Economic Development Capital Improvement	Debt Service Fund		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,013,101	\$ -	\$ 1,169,694
Intergovernmental	-	-	-	-	-	-	-	361,020
Charges for services	-	-	-	-	-	-	-	31,673
Investment earnings	5,724	59,392	2,419	600	9,844	13,494	-	258,278
Miscellaneous	-	50,000	-	-	8,642	-	-	256,502
Total revenues	5,724	109,392	2,419	600	18,486	1,026,595	-	2,077,167
EXPENDITURES								
Current:								
Community development	-	-	-	-	-	-	-	690,104
Debt Service:								
Principal	-	-	-	-	-	575,000	-	575,000
Interest and other charges	-	-	-	-	-	383,926	-	383,926
Capital Outlay	565,895	2,286,595	98,897	6,137	117,192	-	-	4,031,543
Total expenditures	565,895	2,286,595	98,897	6,137	117,192	958,926	-	5,680,573
Excess (deficiency) of revenues over expenditures	(560,171)	(2,177,203)	(96,478)	(5,537)	(98,706)	67,669	-	(3,603,406)
OTHER FINANCING SOURCES (USES)								
Issuance of long-term debt	-	130,000	-	-	-	-	-	130,000
Premiums from issuance of long-term debt	-	-	-	-	-	-	-	-
Transfers in	572,012	1,124,500	-	25,065	328,714	-	-	4,182,432
Transfers out	-	-	-	-	(15,037)	(9,991)	-	(778,870)
Total other financing sources and uses	572,012	1,254,500	-	25,065	313,677	(9,991)	-	3,533,562
Net change in fund balances	11,841	(922,703)	(96,478)	(19,528)	214,971	57,678	-	(69,844)
Fund balances - beginning	61,074	3,818,445	196,773	22,179	466,315	745,741	-	14,423,965
Fund balances - ending	\$ 72,915	\$ 2,895,742	\$ 100,295	\$ 41,707	\$ 681,286	\$ 803,419	\$ -	\$ 14,354,121

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

	SPECIAL REVENUE - VISION 2025				CAPITAL PROJECT - SHORT-TERM CAPITAL IMPROVEMENTS			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 145,000	\$ 145,000	\$ 156,593	\$ 11,593
Charges for services	-	-	-	-	20,526	20,526	25,648	5,122
Investment income	-	-	3,436	3,436	200	200	13,260	13,060
Total Revenues	-	-	3,436	3,436	165,726	165,726	195,501	29,775
Expenditures:								
Public Works:								
Capital outlay	-	-	-	-	-	7,808	-	7,808
Communications:								
Capital outlay	-	-	-	-	5,000	8,000	7,458	542
Animal Control:								
Capital outlay	-	-	-	-	40,000	40,000	35,347	4,653
Parks & Recreation:								
Capital outlay	-	256,685	86,447	170,238	112,000	116,028	115,108	920
Facilities Management:								
Capital outlay	-	-	-	-	-	44,000	-	44,000
Streets:								
Capital outlay	-	-	-	-	-	117,900	-	117,900
Economic Development:								
Capital outlay	-	-	-	-	30,000	45,037	45,036	1
Total Expenditures	-	256,685	86,447	170,238	187,000	379,773	202,949	175,824
Revenues over (under) expenditures	-	(256,685)	(83,011)	173,674	(21,274)	(213,047)	(7,448)	205,599
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	142,000	177,637	177,637	-
Transfers out	-	-	-	-	(95,000)	(95,000)	(95,000)	-
Total Other Financing Sources (Uses)	-	-	-	-	47,000	82,637	82,637	-
Revenues and other sources over (under) expenditures and other uses	-	(256,685)	(83,011)	173,674	25,726	(131,010)	74,589	205,599
Fund Balance - beginning of year	1	256,685	249,293	(7,392)	464,255	664,790	664,790	-
Fund Balance - end of year	\$ 1	\$ -	\$ 166,282	\$ 166,282	\$ 489,981	\$ 533,780	\$ 739,379	\$ 205,599

(Continued)

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

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

(Continued)

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

	CAPITAL PROJECT - T.I.D. #1 CIMARRON CENTER				CAPITAL PROJECT - CAPITAL IMPROVEMENT			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	15,000	15,000	30,237	24,237
Miscellaneous	-	-	-	-	-	-	195,860	195,860
Total Revenues	-	-	-	-	15,000	15,000	236,097	220,097
Expenditures:								
Current:								
Emergency Management:								
Capital Outlay	-	-	-	-	-	4,660	-	4,660
Parks and Recreation:								
Capital Outlay	-	-	-	-	-	77,630	-	77,630
Neighborhood Services:								
Capital Outlay	-	-	-	-	-	32,072	-	32,072
Facilities Management:								
Capital Outlay	-	-	-	-	-	31,500	-	31,500
Public Works:								
Capital Outlay	-	-	-	-	158,239	485,462	172,794	312,668
Economic Development:								
Capital Outlay	750,000	750,000	690,104	59,896	20,000	340,406	20,365	320,041
Golf Course:								
Other Services and Charges	-	-	-	-	-	108,252	-	108,252
Airport:								
Capital Outlay	-	-	-	-	150,000	150,000	-	150,000
Street:								
Capital Outlay	-	-	-	-	75,000	97,017	20,980	76,037
Water:								
Capital Outlay	-	-	-	-	-	50,000	-	50,000
Total Expenditures	750,000	750,000	690,104	59,896	403,239	1,376,999	214,139	1,162,860
Revenues over (under) expenditures	(750,000)	(750,000)	(690,104)	59,896	(388,239)	(1,361,999)	20,958	1,382,957
Other Financing Sources (Uses):								
Transfers in	750,000	750,000	690,104	(59,896)	50,000	50,000	50,000	-
Total Other Financing Sources (Uses)	750,000	750,000	690,104	(59,896)	50,000	50,000	50,000	-
Revenues and other sources over (under) expenditures and other uses	-	-	-	-	(338,239)	(1,311,999)	70,958	1,382,957
Fund Balance - beginning of year	-	-	-	-	1,567,667	2,192,682	2,192,682	-
Fund Balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ 1,229,428	\$ 880,683	\$ 2,263,640	\$ 1,382,957

(Continued)

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

	CAPITAL PROJECT - STORMWATER CAPITAL IMPROVEMENT				CAPITAL PROJECT - SSMA CAPITAL			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	30,000	30,000	109,384	79,384	15	15	5,724	5,709
Total Revenues	30,000	30,000	109,384	79,384	15	15	5,724	5,709
Expenditures:								
Current:								
Water:								
Capital Outlay	-	-	-	-	77,000	75,145	74,323	822
Wastewater:								
Capital Outlay	-	-	-	-	138,000	138,000	134,095	3,905
Customer Service:								
Capital Outlay	-	-	-	-	-	50,000	-	50,000
Public Works:								
Capital Outlay	-	-	-	-	-	1,740	918	822
Golf Course:								
Capital Outlay	-	-	-	-	100,000	100,000	89,547	453
Sanitation:								
Capital Outlay	-	-	-	-	250,000	257,012	257,012	-
Stormwater:								
Capital Outlay	1,269,999	6,380,885	44,665	6,336,220	-	-	-	-
Total Expenditures	1,269,999	6,380,885	44,665	6,336,220	565,000	621,897	565,895	56,002
Revenues over (under) expenditures	(1,239,999)	(6,350,885)	64,719	6,415,604	(564,985)	(621,882)	(560,171)	61,711
Other Financing Sources (Uses):								
Transfers in	1,200,000	1,200,000	1,200,000	-	565,000	572,012	572,012	-
Transfers out	-	(658,842)	(658,842)	-	-	-	-	-
Total Other Financing Sources (Uses)	1,200,000	541,158	541,158	-	565,000	572,012	572,012	-
Revenues and other sources over (under) expenditures and other uses	(39,999)	(5,809,727)	605,877	6,415,604	15	(49,870)	11,841	61,711
Fund Balance - beginning of year	65,969	5,832,262	5,832,262	-	4,332	61,074	61,074	-
Fund Balance - end of year	\$ 25,970	\$ 22,535	\$ 6,438,139	\$ 6,415,604	\$ 4,347	\$ 11,204	\$ 72,915	\$ 61,711

(Continued)

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

	CAPITAL PROJECT - GOLF COURSE CAPITAL IMPROVEMENT				CAPITAL PROJECT - 2018 G.O. CITY PROJECT			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	400	400	600	200	-	59,392	59,392	59,392
Miscellaneous	-	-	-	-	-	50,000	50,000	50,000
Total Revenues	400	400	600	200	-	109,392	109,392	109,392
Expenditures:								
Current:								
Information Services:								
Capital Outlay	-	-	-	-	-	216,866	40,755	176,111
Police:								
Capital Outlay	-	-	-	-	-	627,458	419,330	208,128
Fire:								
Capital Outlay	-	-	-	-	-	103,780	86,638	17,242
Streets:								
Capital Outlay	-	-	-	-	-	670,170	18,435	651,735
Museum:								
Capital Outlay	-	-	-	-	-	197,000	8,771	188,229
Parks & Recreation:								
Capital Outlay	-	-	-	-	-	2,505,830	1,259,575	1,246,255
Golf Course:								
Capital Outlay	-	29,023	6,137	22,886	-	200,000	68,090	131,910
Wastewater:								
Capital Outlay	-	-	-	-	-	412,000	385,101	26,899
Total Expenditures	-	29,023	6,137	22,886	-	4,933,104	2,286,595	2,646,509
Revenues over (under) expenditures	400	(28,623)	(5,537)	23,086	-	(4,933,104)	(2,177,203)	2,755,901
Other Financing Sources (Uses):								
Issuance of long-term debt	-	-	-	-	-	-	130,000	130,000
Transfers in	25,500	25,500	25,065	(435)	-	1,124,500	1,124,500	-
Total Other Financing Sources (Uses)	25,500	25,500	25,065	(435)	-	1,124,500	1,254,500	130,000
Revenues and other sources over (under) expenditures and other uses	25,900	(3,123)	19,528	22,651	-	(3,808,604)	(922,703)	2,885,901
Fund Balance - beginning of year	3,417	22,179	22,179	-	-	3,818,445	3,818,445	-
Fund Balance - end of year	\$ 29,317	\$ 19,056	\$ 41,707	\$ 22,651	\$ -	\$ 9,841	\$ 2,895,742	\$ 2,885,901

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

	CAPITAL PROJECT - 2014 G.O. CAPITAL IMPROVEMENT				CAPITAL PROJECT - AIRPORT CONSTRUCTION			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	569,495	342,030	(227,465)
Investment income	750	750	2,419	1,669	600	600	716	116
Total Revenues	750	750	2,419	1,669	600	570,096	342,746	(227,349)
Expenditures:								
Park and Recreation:								
Capital Outlay	1,659	77,047	40,415	36,632	-	-	-	-
Facilities Management:								
Capital Outlay	-	100,000	38,250	61,750	-	-	-	-
Museum:								
Capital Outlay	-	20,232	20,232	-	-	-	-	-
Airport:								
Capital Outlay	-	-	-	-	-	641,133	389,637	251,496
Total Expenditures	1,659	197,279	98,897	98,382	-	641,133	389,637	251,496
Revenues over (under) expenditures	(909)	(196,529)	(96,478)	100,051	600	(71,038)	(46,891)	24,147
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	5,000	5,000	5,000	-
Total Other Financing Sources (Uses)	-	-	-	-	5,000	5,000	5,000	-
Revenues and other sources over (under) expenditures and other uses	(909)	(196,529)	(96,478)	100,051	5,600	(66,038)	(41,891)	24,147
Fund Balance - beginning of year	909	196,773	196,773	-	2,145	74,003	74,003	-
Fund Balance - end of year	\$ -	\$ 244	\$ 100,295	\$ 100,051	\$ 7,745	\$ 7,965	\$ 32,112	\$ 24,147

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

	CAPITAL PROJECT - ECONOMIC DEVELOPMENT CAPITAL IMPROVEMENT FUND				DEBT SERVICE FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,801,639	\$ 1,029,791	\$ 1,013,101	\$ (16,600)
Investment income	500	500	9,844	9,344	3,750	3,500	13,494	9,994
Miscellaneous	-	-	8,642	8,642	-	-	-	-
Total Revenues	500	500	18,486	17,986	1,805,389	1,033,291	1,026,595	(8,696)
Expenditures:								
Economic Development:								
Capital Outlay	-	456,109	117,192	338,917	-	-	-	-
Debt Service	-	-	-	-	850,520	959,027	958,926	101
Total Expenditures	-	456,109	117,192	338,917	850,520	959,027	958,926	101
Revenues over (under) expenditures	500	(455,609)	(98,706)	356,903	954,869	74,264	67,669	(8,595)
Other Financing Sources (Uses):								
Transfers in	315,087	315,087	328,714	13,627	-	-	-	-
Transfers out	-	(15,037)	(15,037)	-	(3,500)	(3,500)	(9,991)	(6,491)
Total Other Financing Sources (Uses)	315,087	300,050	313,677	13,627	(3,500)	(3,500)	(9,991)	(6,491)
Revenues and other sources over (under) expenditures and other uses	315,587	(155,559)	214,971	370,530	951,369	70,764	57,678	(13,086)
Fund Balance - beginning of year	47,262	466,315	466,315	-	707,332	745,741	745,741	-
Fund Balance - end of year	\$ 302,849	\$ 310,756	\$ 681,286	\$ 370,430	\$ 1,658,701	\$ 816,505	\$ 803,419	\$ (13,086)

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

	CAPITAL PROJECT - STREET IMPROVEMENT				CAPITAL PROJECT - CAPITAL IMPROVEMENT WATER/WASTEWATER			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,750,000	-	(1,750,000)	-	-	-	-
Charges for services	-	-	-	-	90,000	90,000	91,500	1,500
Investment income	56,190	56,190	172,505	116,315	39,800	39,800	132,743	92,943
Miscellaneous	-	-	43,210	43,210	-	-	86,420	86,420
Total Revenues	56,190	1,806,190	215,715	(1,590,475)	129,800	129,800	310,663	180,863
Expenditures:								
Water:								
Capital Outlay	-	-	-	-	2,136,595	4,534,439	1,458,595	3,075,844
Wastewater:								
Capital Outlay	-	-	-	-	550,000	3,363,699	177,955	3,185,744
Public Works:								
Capital Outlay	-	-	-	-	-	170,869	-	170,869
Street:								
Capital Outlay	2,209,813	12,718,960	1,713,912	11,005,048	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Total Expenditures	2,209,813	12,718,960	1,713,912	11,005,048	2,686,595	8,069,007	1,636,550	6,432,457
Revenues over (under) expenditures	(2,153,623)	(10,912,770)	(1,498,197)	9,414,573	(2,556,795)	(7,939,207)	(1,325,887)	6,613,320
Other Financing Sources (Uses):								
Transfers in	1,800,435	2,697,920	2,766,055	68,135	3,150,871	3,150,871	3,287,140	136,269
Transfers out	-	-	-	-	(800,000)	(1,036,643)	(1,036,643)	-
Total Other Financing Sources (Uses)	1,800,435	2,697,920	2,766,055	68,135	2,350,871	2,114,228	2,250,497	136,269
Revenues and other sources over (under) expenditures and other uses	(353,188)	(8,214,850)	1,267,858	9,482,708	(205,924)	(5,824,979)	924,610	6,749,589
Fund Balance - beginning of year	394,013	8,619,158	8,619,158	-	451,430	6,294,286	6,294,286	-
Fund Balance - end of year	\$ 40,825	\$ 404,308	\$ 9,887,016	\$ 9,482,708	\$ 245,506	\$ 469,307	\$ 7,218,896	\$ 6,749,589

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(Continued)

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

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

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

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

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

	Series 2003, 2004, 2005, 2006, 2009, 2012 & 2013 OWRE Notes and Series 2017 Revenue Bonds
Gross Revenue Available for Debt Service:	
Charges for services:	
Water charges	7,764,524
Wastewater charges	3,411,208
Sales tax pledged and transferred	3,287,140
Total Gross Revenues Available	14,462,872
Operating Expenses:	
Water	4,567,987
Wastewater	2,464,707
Total Operating Expenses	7,032,694
Net Revenues Available for Debt Service	7,430,178
Debt Service Requirements:	
Average annual debt service - 2012 Revenue Bonds	1,675,637
Maximum annual debt service - 2003, 2004, 2005, 2006, 2009, 2012 and 2013 OWRE Notes	1,794,578
Total Debt Service Requirements	3,470,215
Computed Coverage	214%
Coverage Requirement	125%

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

**CITY OF SAND SPRINGS, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal/State Grantor/Pass Through Agency Statement/Program Title	Federal CFDA#	Award Amount	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION:			
Airport Improvement Program	20.106	\$ 364,629	\$ 278,553
		<u>364,629</u>	<u>278,553</u>
Passed Through Oklahoma Highway Safety Office: State and Community Highway Safety State and Community Highway Safety	20.698 20.698	67,510 45,000	14,863 20,897
		<u>102,610</u>	<u>35,653</u>
Total U. S. Department of Transportation		497,518	311,186
U. S. DEPARTMENT OF JUSTICE:			
Ballproof vests	16.607	2,755	693
Ballproof vests	16.607	4,125	4,125
Total Department of Justice		6,880	4,818
U.S. DEPARTMENT OF HOMELAND SECURITY:			
Federal Emergency Management Agency:			
Passed through Oklahoma Civil Emergency Management: Emergency Management Preparedness Grant Emergency Management Preparedness Grant	97.042 97.042	20,000 20,000	5,000 5,000
Total Federal Emergency Management Agency		40,000	20,000
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Passed through Oklahoma Department of Commerce: Community Development Block Grant - Non-entitlement	14.218	94,748	18,980
Total U. S. Department of Housing and Urban Development		94,748	18,980
TOTAL FEDERAL AWARDS		\$ 639,146	\$ 354,994

STATISTICAL SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDING JUNE 30 2019



STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF SAND SPRINGS, OKLAHOMA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
June 30, 2019
TABLE 1

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 28,851,218	\$ 30,526,321	\$ 30,816,820	\$ 32,505,624	\$ 33,255,246	\$ 33,248,179	\$ 18,346,326	\$ 37,376,826	\$ 40,483,621	\$ 41,002,139
Restricted	7,722,731	8,138,469	8,213,492	8,213,492	9,112,520	10,589,915	25,072,566	11,329,895	10,452,886	10,746,541
Unrestricted (deficit)	4,256,358	4,835,252	4,649,538	7,604,073	4,246,875	(1,844,109)	(7,163,744)	604,043	457,805	\$ 349,907
Total governmental activities net position	\$ 40,830,307	\$ 43,300,042	\$ 45,679,850	\$ 48,323,188	\$ 46,614,641	\$ 42,193,985	\$ 42,702,516	\$ 49,310,784	\$ 51,384,112	\$ 57,098,587
Business-type activities										
Net investment in capital assets	\$ 49,617,735	\$ 51,590,911	\$ 51,114,327	\$ 50,561,549	\$ 50,419,150	\$ 51,548,644	\$ 53,054,629	\$ 54,851,506	\$ 56,884,600	\$ 57,984,084
Restricted	623,522	602,187	573,042	2,698,557	2,468,184	2,385,880	2,403,088	2,420,288	2,450,805	2,498,430
Unrestricted	10,182,084	11,623,672	14,033,434	18,929,049	22,510,729	22,744,600	23,551,877	24,278,798	23,513,064	24,636,613
Total business-type activities net position	\$ 60,423,341	\$ 63,816,770	\$ 65,720,803	\$ 72,190,055	\$ 75,398,063	\$ 76,679,124	\$ 79,009,594	\$ 81,550,592	\$ 82,848,469	\$ 85,119,127
Primary government										
Net investment in capital assets	\$ 78,468,953	\$ 82,117,232	\$ 81,931,147	\$ 83,067,173	\$ 83,674,396	\$ 84,796,823	\$ 71,400,955	\$ 92,228,332	\$ 97,368,221	\$ 98,986,223
Restricted	8,346,253	8,740,656	8,786,534	10,912,049	11,580,704	12,975,795	27,475,654	13,750,183	12,903,691	13,244,971
Unrestricted	14,438,442	16,259,924	20,652,972	26,534,022	28,757,604	21,100,491	22,835,503	24,852,841	23,970,669	29,885,630
Total primary government net position	\$ 101,253,648	\$ 107,116,812	\$ 111,400,653	\$ 120,513,244	\$ 122,012,704	\$ 118,873,109	\$ 121,712,112	\$ 130,861,356	\$ 134,242,581	\$ 142,217,714

FINANCIAL TRENDS

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Government activities:										
Government government	\$ 945,967	\$ 1,082,775	\$ 1,433,226	\$ 1,164,073	\$ 2,862,169	\$ 1,322,426	\$ 1,382,934	\$ 1,452,911	\$ 1,418,445	\$ 1,484,936
Planning and zoning	155,859	156,231	107,071	123,879	136,407	101,842	155,897	152,884	159,519	172,027
Financial administration	635,064	677,511	655,916	778,035	891,880	826,352	797,905	814,019	865,794	909,514
Public safety	7,183,822	7,184,873	7,824,047	8,239,023	8,482,160	8,211,241	8,831,758	8,731,211	9,182,181	8,396,933
Highways and streets	2,110,331	2,136,980	2,562,148	2,306,716	2,296,442	2,280,869	1,917,536	2,666,478	2,069,886	2,130,852
Health and welfare	78,942	220,668	55,807	35,958	38,152	34,322	31,587	30,003	29,626	25,629
Culture and recreation	988,997	712,249	1,103,527	1,181,165	1,334,749	1,286,258	1,368,145	1,431,405	1,528,516	1,749,415
Economic development	169,517	186,419	346,436	503,795	718,360	614,822	887,161	930,693	2,147,387	1,145,882
Facilities mgmt & fleet maint	523,629	486,409	453,988	606,146	600,341	595,485	619,711	625,920	586,998	530,176
Interest on long-term debt	352,741	316,308	222,039	186,830	202,090	220,338	491,729	647,373	684,270	836,705
Total governmental activities expenses	13,144,869	13,160,423	14,764,205	15,125,620	17,361,750	15,493,955	16,484,365	17,482,901	18,671,922	17,382,069
Business-type activities:										
Water	5,710,896	5,468,136	5,643,653	7,276,661	7,217,517	6,950,079	7,582,078	7,542,148	7,763,775	7,343,452
Wastewater	3,267,638	3,111,019	4,082,209	3,454,771	3,542,099	3,899,133	3,483,844	3,676,656	3,805,987	3,653,633
Solid Waste	1,264,220	1,286,736	1,316,341	1,343,240	1,373,312	1,383,708	1,356,840	1,379,454	1,522,908	1,469,884
Stormwater	344,514	341,465	324,183	325,681	387,534	341,828	673,179	403,009	445,087	389,921
Airport	523,944	547,780	645,081	646,802	765,017	706,851	869,466	843,452	912,916	807,343
Golf course	896,336	787,816	837,127	788,392	818,843	914,669	1,042,559	869,605	852,479	810,275
Total business-type activities expenses	11,917,548	11,552,754	12,843,594	13,835,547	14,104,322	13,996,267	14,987,766	14,813,324	15,402,252	14,484,508
Total primary government expenses	\$ 25,062,417	\$ 24,713,177	\$ 27,607,799	\$ 28,961,167	\$ 31,466,072	\$ 29,490,222	\$ 31,472,131	\$ 32,296,225	\$ 34,074,174	\$ 31,866,577
Program Revenues										
Government activities:										
Charges for services:										
General government	\$ 214,752	\$ 258,705	\$ 276,483	\$ 306,843	\$ 303,965	\$ 214,664	\$ 210,245	\$ 208,693	\$ 297,522	\$ 197,181
Planning and zoning	10,206	8,424	10,033	10,220	9,873	5,492	5,190	6,679	6,781	10,309
Public safety	1,262,554	1,127,012	1,217,555	1,134,480	1,201,771	1,101,018	1,103,750	961,100	921,272	1,007,835
Highways and streets	1,545	1,180	1,475	1,298	1,294	386	114	497	400	211
Culture and recreation	59,997	71,802	84,991	99,001	104,868	100,759	101,860	117,420	135,398	121,890
Operating grants and contributions	967,138	1,231,916	1,650,439	1,366,190	1,105,579	1,013,534	1,296,996	3,213,149	1,141,401	1,221,164
Capital grants and contributions	821,415	182,110	395,186	3,237,687	78,024	1,434,539	620,064	3,096,037	1,142,314	19,990
Total governmental activities program revenues	3,337,607	2,881,148	3,636,182	6,155,718	2,805,374	3,870,382	3,338,218	7,604,575	3,645,088	2,577,580

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TABLE 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Water	\$ 6,383,640	\$ 6,743,572	\$ 7,444,684	\$ 7,692,277	\$ 7,838,862	\$ 7,394,814	\$ 7,676,330	\$ 8,032,553	\$ 8,444,082	\$ 7,978,639
Wastewater	2,615,660	2,783,389	2,928,048	3,122,031	3,305,188	3,269,735	3,233,067	3,315,927	3,413,943	3,422,291
Solid Waste	1,519,914	1,575,918	1,622,290	1,725,143	1,794,651	1,841,535	1,906,505	1,985,233	2,032,671	2,091,316
Stormwater	495,067	575,355	701,081	848,193	1,016,272	1,143,193	1,185,770	1,220,985	1,238,509	1,316,046
Airport	222,551	242,640	344,829	340,534	399,421	410,053	418,815	396,386	405,962	397,663
Golf course	414,739	470,904	512,909	506,516	535,236	524,171	571,012	566,917	554,969	521,587
Operating grants and contributions	-	167,252	25,100	-	-	2,208	-	43,926	335	700
Capital grants and contributions	1,399,517	1,428,524	304,391	3,347,274	673,634	157,268	354,139	458,814	929,426	461,785
Total business-type activities program revenues	13,051,088	13,987,644	15,883,332	17,581,968	15,562,264	14,745,977	15,343,638	16,020,641	17,019,897	16,190,027
Total primary government program revenues	\$ 16,388,695	\$ 16,868,793	\$ 17,519,494	\$ 23,737,687	\$ 18,367,638	\$ 18,616,359	\$ 18,681,857	\$ 23,625,216	\$ 20,664,985	\$ 18,767,607
Net (Expense)/Revenue										
Government activities:	\$ (9,807,262)	\$ (10,279,274)	\$ (11,128,043)	\$ (8,969,901)	\$ (14,556,376)	\$ (11,623,573)	\$ (13,146,146)	\$ (9,878,326)	\$ (15,026,834)	\$ (14,804,489)
Business-type activities:	1,333,540	2,434,890	1,039,738	3,746,421	1,457,942	749,710	355,872	1,207,317	1,617,645	1,705,519
Total primary government net expense	\$ (8,673,722)	\$ (7,844,384)	\$ (10,088,305)	\$ (5,223,480)	\$ (13,098,434)	\$ (10,873,863)	\$ (12,790,274)	\$ (8,671,009)	\$ (13,409,189)	\$ (13,098,970)
General Revenues and Other Changes in Net Assets										
Government activities:										
Taxes:										
Sales and use taxes	\$ 9,238,802	\$ 9,595,485	\$ 10,493,465	\$ 10,555,793	\$ 10,883,650	\$ 11,070,144	\$ 11,114,194	\$ 11,897,949	\$ 13,668,341	\$ 14,273,057
Property taxes	1,246,910	1,207,441	1,145,387	1,172,499	1,066,950	1,497,025	1,256,849	1,182,844	815,000	1,033,290
Franchise and public service taxes	850,678	845,865	817,700	796,444	853,193	856,339	792,394	841,487	898,716	873,276
Other taxes	1,156,779	1,213,471	1,321,145	1,396,360	1,479,104	1,446,920	1,539,932	1,568,453	1,722,928	1,676,745
Unrestricted grants and contributions	328,756	337,019	306,994	526,006	723,417	1,079,758	399,296	789,523	757,328	1,472,465
Investment earnings	181,840	187,952	221,243	192,065	189,547	201,361	274,233	320,110	642,317	911,143
Miscellaneous	28,495	277,837	38,446	75,382	36,714	48,281	134,148	75,248	40,287	319,481
Special item	296,703	-	-	-	-	-	-	1,077,719	105,876	-
Transfers	(1,094,411)	(916,062)	(936,527)	(3,016,162)	(1,704,747)	(397,664)	(1,856,367)	(1,296,761)	169,929	(50,493)
Total governmental activities	12,234,552	12,749,008	13,507,853	11,696,387	12,847,828	15,804,164	13,654,719	16,486,572	18,819,722	20,508,964
Business-type activities:										
Investment earnings	120,158	40,910	26,365	42,218	39,496	48,937	75,790	64,926	231,774	510,809
Special item	-	-	(1,523)	-	-	-	-	-	-	-
Miscellaneous	873	-	3,844	2,798	5,823	84,750	42,441	1,994	5,296	3,837
Transfers	1,094,411	916,062	832,213	3,016,162	1,704,747	397,664	1,856,367	1,296,761	(169,929)	50,493
Total business-type activities	1,215,442	958,539	868,899	3,063,118	1,750,066	531,351	1,974,598	1,333,681	68,101	565,139
Total primary government	\$ 13,449,994	\$ 13,707,547	\$ 14,376,752	\$ 14,759,505	\$ 14,597,894	\$ 16,335,515	\$ 15,629,277	\$ 17,820,253	\$ 18,887,823	\$ 21,074,103
Change in Net Position										
Government activities:	\$ 2,427,290	\$ 2,469,734	\$ 2,379,810	\$ 2,726,486	\$ (1,708,548)	\$ 4,180,591	\$ 508,533	\$ 6,608,246	\$ 3,792,888	\$ 5,704,475
Business-type activities:	2,348,892	3,393,429	1,904,637	6,809,539	3,208,068	1,281,081	2,330,470	2,540,998	1,685,746	2,270,658
Total primary government	\$ 4,776,182	\$ 5,863,163	\$ 4,284,447	\$ 9,536,025	\$ (430,460)	\$ 5,461,672	\$ 2,839,003	\$ 9,148,494	\$ 5,478,634	\$ 7,975,133

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 484,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,645,547	-	-	-	-	-	-	-	-	-
Nonspendable	-	23,616	22,597	22,982	30,035	18,653	21,720	17,607	18,816	28,627
Restricted	-	269,763	319,094	400,085	524,551	680,401	712,637	560,464	662,747	669,090
Committed	-	-	-	-	-	240,318	-	-	-	-
Assigned	-	1,052,274	1,322,428	1,432,738	1,825,667	2,283,351	1,718,537	1,753,911	1,916,526	2,529,887
Unassigned	-	<u>2,785,293</u>	<u>3,161,144</u>	<u>3,320,280</u>	<u>3,129,894</u>	<u>3,268,415</u>	<u>3,172,263</u>	<u>3,492,317</u>	<u>4,067,043</u>	<u>4,117,003</u>
Total general fund	\$ 3,130,337	\$ 4,130,946	\$ 4,825,263	\$ 5,176,085	\$ 5,510,147	\$ 6,491,138	\$ 5,625,157	\$ 5,824,299	\$ 6,665,132	\$ 7,344,607
All Other Governmental Funds										
Reserved	\$ 4,198,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	599,264	-	-	-	-	-	-	-	-	-
Debt service funds	1,080,982	-	-	-	-	-	-	-	-	-
Capital project funds	7,832,523	-	-	-	-	-	-	-	-	-
Restricted	-	11,987,586	13,041,167	16,346,865	17,488,846	17,685,547	32,247,352	31,996,951	30,292,777	21,411,924
Committed	-	26,000	43,536	-	-	-	-	-	-	-
Assigned	-	2,985,162	4,787,572	4,395,998	7,643,981	7,357,725	6,842,117	10,059,269	10,478,637	11,960,154
Unassigned	-	(697,538)	(973,423)	(36,627)	-	(33)	(34,926)	-	-	-
Total all other governmental funds	\$ 13,711,517	\$ 14,301,210	\$ 16,898,852	\$ 20,706,236	\$ 25,132,827	\$ 25,043,239	\$ 39,054,543	\$ 42,056,220	\$ 40,771,414	\$ 33,372,078
GRAND TOTAL	\$ 16,841,854	\$ 18,432,156	\$ 21,724,115	\$ 25,882,321	\$ 30,642,974	\$ 31,534,377	\$ 44,679,700	\$ 47,880,519	\$ 47,436,546	\$ 40,716,685

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

CITY OF SAND SPRINGS, OKLAHOMA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 June 30, 2019
TABLE 4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	Revenues									
Taxes	\$ 12,444,830	\$ 12,909,683	\$ 13,786,404	\$ 14,096,209	\$ 14,018,930	\$ 15,373,972	\$ 14,786,346	\$ 15,984,007	\$ 17,593,384	\$ 18,480,803
Intergovernmental	1,769,104	1,675,578	2,356,440	4,430,432	1,973,647	2,753,093	2,643,976	6,484,625	1,658,566	1,965,953
Charges for services	1,023,287	1,069,579	1,145,909	1,099,110	1,142,732	1,064,055	1,064,286	1,123,472	1,131,286	1,037,494
Fines and forfeitures	302,569	371,277	413,805	416,268	432,401	393,102	317,676	202,411	154,171	132,093
Licenses and permits	115,305	147,757	131,722	194,444	179,498	141,721	138,566	129,844	195,881	128,450
Investment income	250,813	112,131	62,485	69,717	68,370	114,015	161,670	189,198	557,892	907,309
Miscellaneous	591,137	465,838	199,827	288,330	561,977	287,885	295,991	190,401	226,973	993,347
Total Revenues	\$ 16,497,045	\$ 16,751,843	\$ 18,096,572	\$ 20,593,710	\$ 18,377,555	\$ 20,127,843	\$ 19,408,511	\$ 24,393,958	\$ 21,518,153	\$ 23,706,048
Expenditures:										
General government	\$ 756,851	\$ 671,627	\$ 778,817	\$ 875,356	\$ 835,759	\$ 856,027	\$ 1,051,201	\$ 1,037,386	\$ 1,064,084	\$ 1,072,013
Planning and zoning	156,007	154,985	103,903	121,776	140,977	101,272	152,352	151,910	156,593	166,156
Financial administration	643,633	571,438	654,358	763,850	795,667	795,137	786,834	782,783	835,743	881,904
Public safety	6,798,342	6,750,855	7,071,741	7,465,352	8,012,482	8,194,641	8,896,588	8,170,498	8,490,471	8,699,216
Highways and streets	853,007	827,665	648,994	643,840	675,929	664,245	626,541	606,133	646,379	726,931
Health and welfare	71,857	51,842	51,572	32,088	34,219	31,108	28,577	27,287	27,291	24,452
Culture and recreation	845,083	700,856	919,003	934,028	1,086,835	1,055,016	1,066,160	1,124,552	1,098,999	1,202,663
Economic development	143,509	137,435	341,095	493,817	697,993	586,018	874,858	871,292	808,600	1,100,129
Facilities mgmt & fleet maint	523,870	478,511	454,319	703,484	716,874	709,666	728,308	739,918	729,145	639,563
Water	-	42,221	14,989	-	-	-	-	-	-	-
Capital outlay	5,055,225	6,649,063	5,097,127	7,293,491	5,966,389	21,014,013	18,065,850	10,141,265	20,229,861	17,727,802
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	946,030	943,896	507,667	991,142	1,030,859	1,035,360	1,173,192	1,212,860	1,404,638	1,206,461
Interest	361,914	325,066	233,420	179,312	172,495	212,626	499,308	655,503	638,497	900,197
Total Expenditures	\$ 17,155,328	\$ 18,305,460	\$ 16,877,305	\$ 20,497,536	\$ 20,166,378	\$ 35,255,329	\$ 33,931,769	\$ 25,521,387	\$ 36,130,301	\$ 34,349,487
Excess of revenues over/under expenditures	\$ (658,283)	\$ (1,553,617)	\$ 1,219,267	\$ 96,174	\$ (1,788,823)	\$ (15,127,486)	\$ (14,523,258)	\$ (1,217,429)	\$ (14,612,148)	\$ (10,643,438)
Other financing sources(uses)										
Issuance of debt	\$ -	\$ -	\$ 2,540,000	\$ 496,304	\$ 2,367,241	\$ 714,217	\$ 18,436,354	\$ -	\$ 9,717,203	\$ 130,000
Transfers in	7,922,227	8,808,201	8,856,527	10,696,533	11,118,523	22,278,068	18,080,343	9,309,506	12,191,177	13,199,831
Transfers out	(5,899,323)	(5,464,282)	(6,307,866)	(7,130,805)	(6,936,288)	(6,973,396)	(6,538,116)	(7,277,798)	(8,391,801)	(9,406,254)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	2,386,540	651,596	-
Payment of issue costs	-	-	(74,611)	-	-	-	-	-	-	-
Transfer to bond escrow	-	-	(2,941,356)	-	-	-	(2,310,000)	-	-	-
Total other financing sources(uses)	\$ 2,022,904	\$ 3,143,919	\$ 2,072,694	\$ 4,062,032	\$ 6,549,476	\$ 16,018,889	\$ 27,668,581	\$ 4,418,248	\$ 14,168,175	\$ 3,923,577
Net change in fund balances	\$ 1,364,621	\$ 1,590,302	\$ 3,291,961	\$ 4,158,206	\$ 4,780,653	\$ 891,403	\$ 13,145,323	\$ 3,200,819	\$ (443,973)	\$ (6,719,861)
Debt service as a percentage of noncapital expenditures	8.6%	7.8%	4.7%	9.7%	8.5%	9.6%	5.5%	9.0%	9.5%	11.5%

REVENUE CAPACITY

CITY OF SAND SPRINGS, OKLAHOMA
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 Last Ten Fiscal Years
 June 30, 2019
 TABLE 5

<u>Fiscal Year</u>	<u>Ad Valorem Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Hotel/Motel Tax</u>	<u>Use Tax</u>	<u>Emergency Telephone Tax</u>	<u>Payment in Lieu of Taxes</u>	<u>Abatement Tax</u>	<u>Incremental Property Tax</u>	<u>Totals</u>
2010	1,246,910	8,982,429	850,678	94,065	256,373	131,685	905,686	25,343	-	12,493,169
2011	1,207,441	9,220,076	845,865	96,017	375,409	140,836	964,375	12,243	-	12,862,262
2012	1,145,387	10,096,850	817,700	98,154	396,615	139,986	1,045,046	37,959	-	13,777,697
2013	1,160,778	10,133,835	796,444	123,728	421,958	146,279	1,103,053	23,300	186,834	14,096,209
2014	419,689	10,492,846	833,193	157,200	390,804	142,163	1,149,337	30,404	403,294	14,018,930
2015	1,300,930	10,631,021	856,339	153,898	439,123	135,272	1,124,972	18,762	713,655	15,373,972
2016	1,250,740	10,708,375	792,394	193,952	405,819	129,772	1,161,172	34,015	110,107	14,786,346
2017	1,182,844	11,445,609	841,487	179,577	452,340	150,745	1,201,702	36,429	499,304	15,990,037
2018	815,375	12,859,605	898,716	249,941	808,736	171,718	1,244,157	57,112	450,987	17,556,347
2019	1,013,101	13,312,916	873,276	140,147	960,141	175,942	1,212,599	26,153	742,335	18,456,610

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund Operations	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %	2.000 %
TIF District (Economic Development)	-	-	-	-	-	-	-	-	-	-
Water & Wastewater Improvements	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Street Improvements	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Public Safety Improvements	-	-	-	-	-	-	-	0.450	0.450	0.450
Economic Development Improvements	-	-	-	-	-	-	-	0.100	0.100	0.100
Sand Springs Total	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	3.500 %	4.050 %	4.050 %	4.050 %
Osage County	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %	1.250 %
Tulsa County	1.017	1.017	0.850	0.850	0.850	0.920	0.920	0.367	0.367	0.367
State of Oklahoma	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %	4.500 %
Total (Osage County)	9.250 %	9.250 %	9.250 %	9.250 %	9.250 %	9.250 %	9.250 %	9.800 %	9.800 %	9.800 %
Total (Tulsa County)	9.017 %	9.017 %	8.850 %	8.850 %	8.850 %	8.920 %	8.920 %	8.917 %	8.917 %	8.917 %

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

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

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CITY OF SAND SPRINGS OKLAHOMA
TAXABLE SALES BY CATEGORY
Last Ten Fiscal Years
June 30, 2019
TABLE 7

Category	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Manufacturing	\$ 4,579,167	\$ 4,865,836	\$ 6,474,226	\$ 6,733,569	\$ 7,564,199	\$ 7,255,899	\$ 7,135,431	\$ 8,295,991	\$ 9,918,200	\$ 9,594,475
Telecommunications & Other	10,464,868	10,386,773	11,683,916	8,223,040	6,143,900	6,439,582	6,368,003	6,674,048	5,936,649	5,839,059
Public Utilities	11,989,841	17,945,755	18,032,682	16,426,109	18,203,837	19,469,901	18,374,328	20,164,230	21,195,677	21,441,429
Wholesale trade	8,751,312	10,278,070	17,835,578	15,467,491	18,781,723	16,877,375	18,999,974	16,356,165	17,298,837	18,724,960
Retail - Building Materials	7,407,764	6,342,063	8,787,999	8,603,061	7,670,664	9,717,333	7,205,809	7,471,911	8,281,968	7,491,029
Retail - General Merchandise	112,456,892	106,016,119	109,547,834	104,402,935	105,798,783	106,713,323	104,434,347	104,257,661	106,560,567	107,839,421
Retail - Food	26,092,097	27,023,835	28,800,036	36,373,046	32,841,537	34,151,564	42,613,748	46,866,946	51,916,906	55,976,128
Retail - Automotive	9,084,846	9,753,355	9,957,077	10,541,623	10,321,611	10,662,095	9,040,752	8,303,499	8,141,945	8,089,889
Retail - Apparel	2,784,830	2,937,195	3,043,655	3,391,412	3,428,369	3,332,375	3,594,669	3,101,555	2,868,340	2,891,581
Retail - Furniture & Accessories	8,025,192	7,776,746	6,990,153	10,123,520	11,209,826	10,823,357	9,952,364	10,780,993	12,776,588	12,459,135
Retail - Restaurants	30,529,296	33,419,129	38,597,334	36,561,022	36,421,806	38,056,035	41,034,691	41,434,696	42,208,637	45,738,166
Retail - Miscellaneous	13,908,037	14,647,439	16,173,648	17,209,459	18,972,661	19,403,128	15,673,799	14,260,866	14,143,759	15,725,363
Retail - Hotel	1,853,185	1,917,219	1,923,991	2,060,773	2,487,256	376,134	1,691,857	2,244,784	3,522,902	3,639,076
Services - Business	1,509,937	1,432,019	1,335,123	2,843,803	1,847,657	2,370,215	884,919	750,809	931,537	1,055,136
Services - Other	8,785,053	8,660,226	10,557,317	9,040,125	11,781,384	11,509,395	11,975,167	12,171,906	12,171,191	12,868,507
All Other Categories	1,469,187	1,494,020	1,363,093	1,853,813	8,659,817	9,287,849	8,874,337	3,208,498	789,259	856,569
Total	\$ 259,691,504	\$ 264,895,799	\$ 290,813,662	\$ 289,854,801	\$ 302,135,010	\$ 306,645,560	\$ 307,854,225	\$ 306,344,548	\$ 318,660,962	\$ 330,230,543

Source:
1. Oklahoma Tax Commission

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

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CITY OF SAND SPRINGS OKLAHOMA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 June 30, 2019
 TABLE 8

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Assessed Value	Homestead Exemption	Net Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value
2010	94,163,935	25,551,946	8,459,397	128,175,278	4,238,669	123,936,609	10.06	1,165,229,800
2011	96,715,793	18,912,594	8,387,535	124,015,922	4,247,420	119,768,502	10.08	1,127,417,473
2012	98,591,088	17,445,941	8,108,272	124,145,301	4,205,921	119,939,380	9.55	1,128,593,645
2013	100,441,255	18,670,079	8,284,161	127,395,495	4,176,081	123,219,414	9.52	1,158,140,864
2014	102,534,222	19,974,137	7,652,889	130,161,248	4,146,411	126,014,837	3.23	1,183,284,073
2015	104,590,024	20,304,774	6,397,195	131,291,993	4,073,410	127,218,583	10.50	1,193,563,573
2016	107,629,055	19,617,887	6,364,548	133,611,490	4,020,860	129,590,630	9.70	1,214,649,909
2017	111,031,577	22,243,308	6,511,249	139,786,134	3,960,860	135,825,274	8.70	1,270,783,036
2018	113,632,937	19,172,369	7,077,847	139,883,153	3,908,371	135,974,782	5.99	1,271,665,027
2019	117,201,300	19,575,863	6,989,751	143,766,914	3,810,371	139,956,543	7.38	1,279,212,909

Source:
 1. Tulsa County Excise Board

Note:
 1. Property in the county is reassessed annually. The ratio of assessed value to true value cannot be less than 11% nor more than 13.5%.
 2. Tax rates are per \$1,000 of assessed value.

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CITY OF SAND SPRINGS, OKLAHOMA
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 (PER \$1,000 OF ASSESSED VALUE)
 Last Ten Fiscal Years
 June 30, 2019
 TABLE 9

Fiscal Year	City Direct Rate	(2) Overlapping Rates				Total Sand Springs City Resident
	Debt Service Fund*	Sand Springs School District	Tulsa County	Tulsa Community College	Tulsa Technology Center	
2010	10.06	69.71	22.21	7.21	13.33	122.52
2011	10.08	73.92	22.21	7.21	13.33	126.75
2012	9.55	73.42	22.24	7.21	13.33	125.75
2013	9.52	72.83	22.24	7.21	13.33	125.13
2014	3.23	73.27	22.23	7.21	13.33	119.27
2015	10.50	72.61	22.23	7.21	13.33	125.88
2016	9.70	72.31	22.22	7.21	13.33	124.77
2017	8.70	71.51	22.24	7.21	13.33	122.99
2018	5.99	71.74	22.24	7.21	13.33	120.51
2019	7.38	72.29	22.74	7.21	13.33	122.95

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

2020	10.00	73.04	22.66	7.21	13.33	126.24
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Source:
 1. Tulsa County Excise Board

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

* Direct rate is solely for direct and overlapping debt

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CITY OF SAND SPRINGS, OKLAHOMA
 PRINCIPAL PROPERTY TAXPAYERS
 Current Year And Nine Years Ago
 June 30, 2019
 TABLE 10

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

Source:
 1. Tulsa County Assessors Office

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

116

Fiscal Year	Actual Levy Year	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date		Net Assessed Value	Mill Levy
			Amount	Percentage of Levy		Amount	Percentage of Levy		
2010	2009	\$ 1,246,887	\$ 1,202,135	96%	\$ 15,691	\$ 1,217,826	97.7%	\$ 123,936,609	10.06
2011	2010	\$ 1,207,455	\$ 1,184,282	98%	\$ 20,533	\$ 1,204,815	99.8%	\$ 119,768,502	10.08
2012	2011	\$ 1,145,387	\$ 1,111,816	97%	\$ 17,474	\$ 1,129,290	98.6%	\$ 119,937,191	9.55
2013	2012	\$ 1,172,499	\$ 1,126,854	96%	\$ 19,268	\$ 1,146,122	97.8%	\$ 123,219,414	9.52
2014	2013	\$ 406,950	\$ 387,732	95%	\$ -	\$ 387,732	95.3%	\$ 126,014,837	3.23
2015	2014	\$ 1,335,530	\$ 1,281,373	96%	\$ 19,557	\$ 1,300,930	97.4%	\$ 127,218,583	10.50
2016	2015	\$ 1,256,849	\$ 1,201,748	96%	\$ 48,992	\$ 1,250,740	99.5%	\$ 129,590,630	9.70
2017	2016	\$ 1,182,844	\$ 1,141,493	97%	\$ 35,321	\$ 1,176,814	99.5%	\$ 135,825,274	8.70
2018	2017	\$ 815,001	\$ 798,676	98%	\$ 16,699	\$ 815,375	100.0%	\$ 135,974,782	5.99
2019	2018	\$ 1,033,291	\$ 993,652	96%	\$ 19,449	\$ 1,013,101	98.1%	\$ 139,956,543	7.38

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

DEBT CAPACITY

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CITY OF SAND SPRINGS, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years
June 30, 2019
TABLE 12

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Fiscal Year	Population	Net Assessed Value	Gross Bonded Debt (1)	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2010	18,868	123,936,609	8,310,000	1,225,238	7,084,762	5.72%	375
2011	18,906	119,768,402	7,425,000	1,132,394	6,292,606	5.25%	333
2012	19,140	119,937,191	6,650,000	1,139,037	5,510,963	4.59%	288
2013	19,116	123,219,414	5,720,000	1,198,452	4,521,548	3.67%	237
2014	19,339	126,014,837	7,165,000	547,774	6,617,226	5.25%	342
2015	19,553	127,218,583	6,255,000	738,998	5,516,002	4.34%	282
2016	19,783	129,590,630	5,245,000	783,195	4,461,805	3.44%	226
2017	19,822	135,825,274	4,195,000	788,253	3,406,747	2.51%	172
2018	20,558	135,974,782	13,090,000	745,741	12,344,259	9.08%	600
2019	20,527	139,956,543	12,645,000	44,975 *	12,600,025	9.00%	614

Note:

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

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

CITY OF SAND SPRINGS, OKLAHOMA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2019
TABLE 13

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Jurisdiction	Net Debt Outstanding	Percentage (1) Applicable to City of Sand Springs	Amount Applicable to City of Sand Springs
City of Sand Springs	\$ 28,267,643	100.00%	\$ 28,267,643
Overlapping Debt:			
Sand Springs School District	17,995,000	75.05%	13,505,248
Berryhill School District	3,610,000	21.07%	760,627
Tulsa County	0	2.44%	0
Tulsa Community College	0	2.49%	0
Total overlapping debt	21,605,000		14,265,875
Total Direct and Overlapping Debt	\$ 49,872,643		\$ 42,533,518

Source:

1. Tulsa & Osage County Assessors Office

Note:

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

CITY OF SAND SPRINGS, OKLAHOMA
 LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
 June 30, 2019
 TABLE 14

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

Legal Debt Margin Calculation for Fiscal Year 2019

Net assessed valuation	\$ 139,956,543
Debt limit (10% of total assess value)	\$ 13,995,654
Debt applicable to limit:	
General obligation bonds	\$ 12,645,000
Less: Street bonds outstanding	<u>6,335,000</u>
Total net debt applicable to limit	<u>6,310,000</u>
Legal debt margin	<u>\$ 7,685,654</u>

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

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CITY OF SAND SPRINGS, OKLAHOMA
 MUNICIPAL AUTHORITY
 PLEDGED REVENUE COVERAGE
 Last Ten Fiscal Years
 June 30, 2019
 TABLE 15

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Average Annual Debt Service (1)	Debt Service Coverage
2010	11,387,089	5,250,446	6,136,643	779,905	7.87
2011	12,028,674	5,292,914	6,735,760	779,905	8.64
2012	13,069,529	5,465,821	7,603,708	0	N/A
2013	13,544,073	5,715,422	7,828,651	1,675,637	4.67
2014	14,053,576	6,023,712	8,029,864	1,675,637	4.79
2015	13,527,517	6,334,327	7,193,190	1,675,637	4.29
2016	13,912,884	6,595,546	7,317,338	1,675,637	4.37
2017	14,224,955	6,581,138	7,643,817	1,675,637	4.56
2018	14,812,289	7,328,159	7,484,130	1,675,637	4.47
2019	14,462,872	7,032,694	7,430,178	1,675,637	4.43

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

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds Payable	Unamortized Discount/Premium	Capital Leases Payable	Revenue Bonds Payable	Unamortized Discount/Premium	Notes Payable	Capital Leases Payable			
2010	8,310,000	-	-	307,769	1,390,000	-	13,946,941	35,601	23,990,311	3%	1,271
2011	7,425,000	-	-	248,085	620,000	-	13,328,720	12,279	21,634,084	3%	1,144
2012	6,650,000	-	-	190,017	-	-	12,867,801	-	19,707,818	2%	1,030
2013	5,720,000	-	-	625,673	30,510,000	66,348	9,070,394	-	45,992,415	4%	2,406
2014	7,165,000	-	-	514,814	29,830,000	67,773	8,146,832	-	45,724,419	4%	2,364
2015	6,255,000	-	-	1,104,003	29,170,000	69,197	7,411,830	-	44,010,030	4%	2,248
2016	5,245,000	16,000,000	123,220	940,810	28,495,000	70,621	6,757,973	-	57,491,382	5%	2,900
2017	4,195,000	16,000,000	102,422	777,950	27,805,000	72,050	6,089,553	-	54,897,875	5%	2,758
2018	13,090,000	15,545,000	118,529	613,406	27,100,000	73,470	5,406,695	-	61,800,160	5%	3,006
2019	12,645,000	15,080,000	95,698	446,945	26,380,000	74,897	4,703,564	-	59,276,310	5%	2,888

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**DEMOGRAPHIC AND ECONOMIC
INFORMATION**

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

Calendar Year	Number of Building Permits	Construction Values			Estimated Actual Value of Taxable Property	Bank Deposits
		Residential	Commercial	Total		
2009	195	12,901,230	7,665,365	20,566,595	1,061,829,882	272,193,000
2010	190	10,910,659	27,059,845	37,970,504	1,127,417,473	275,391,000
2011	178	37,056,719	12,670,862	49,727,581	1,128,593,645	301,579,000
2012	250	15,046,585	7,292,732	22,339,317	1,158,140,864	311,563,000
2013	290	15,610,436	7,816,622	23,427,058	1,183,284,073	304,006,000
2014	238	14,969,551	17,720,381	32,689,932	1,193,563,573	329,335,000
2015	179	9,875,122	12,403,063	22,278,185	1,214,649,909	319,397,000
2016	158	7,861,535	19,058,803	26,920,338	1,270,783,036	321,528,000
2017	189	11,699,939	25,506,012	37,205,951	1,271,665,027	319,563,000
2018	159	9,695,049	6,347,082	16,042,131	1,279,212,909	329,866,000

Source:
 1. City Neighborhood Services Department

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

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

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

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

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

Source:

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

Note:

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

OPERATING INFORMATION

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CITY OF SAND SPRINGS OKLAHOMA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 June 30, 2019
TABLE 20

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

Source:
 1. City Finance Office

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	33	33	38	38	40	36	33	37	37	39
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Trucks	11	13	13	9	10	10	10	10	12	13
Highways and Streets										
Roadways (arterial lane miles)	170	170	172	173	173	173	173	173	173	174
Streetlights	1,209	1,209	1,211	1,211	1,214	1,214	1,214	1,253	1,284	1,284
Signalized Intersections	18	18	18	18	19	19	19	19	19	19
Culture and Recreation										
Acreage *	1,583	1,623	1,623	1,623	1,623	1,629	1,629	1,635	1,655	1,680
Tennis Courts	6	6	6	6	6	4	4	4	4	4
Ball diamonds	13	13	11	11	11	11	11	11	17	19
Community Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Water Operations										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Water Mains (miles)	448	452	452	454	454	455	455	456	404	404
Storage capacity (thousands of gallons)	7,023	7,023	6,523	6,523	6,523	6,523	6,523	6,523	6,178	6,178
Wastewater Operations										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (miles)	126	126	126	127	128	128	128	128	136	136
Treatment capacity (thousands of gallons)	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120
Solid Waste Operations										
Collection Trucks	10	10	10	8	8	9	9	10	10	10
Stormwater Operations										
Storm sewers (miles)	50	50	50	51	51	51	51	51	55	51

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

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

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

Source: City Departments

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sand Springs, Oklahoma, (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 23, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



December 23, 2019

THE CITY OF SAND SPRINGS

Past & Present Mayors



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

H. C. Tingley.....	1912-1915	John M. Hess.....	1963-1969
John Gladson.....	1916-1917	Dale C. Morrow.....	1969-1972
W. E. Bartlett.....	1918-1919	Ed Everett.....	1972-1973
B. L. Waddle.....	1920-1920	William D. Bigby.....	1973-1974
George S. Brown.....	1920-1921	Ed Everett.....	1974-1975
L. C. Hinz.....	1921-1924	Don Sullivan.....	1975-1977
George Ruppert.....	1924-1927	Charles Keightley.....	1977-1978
Holly L. Anderson.....	1927-1933	Artie Palk.....	1978-1983
Joe Kraus.....	1933-1934	Jerry A. Hanner.....	1983-1987
E. C. Hubbard.....	1934-1936	George Hooper.....	1987-1988
H. H. Snow.....	1936-1937	George W. Hilsheimer.....	1988-1990
Homer Akers.....	1938-1939	A. Lyle Crowder.....	1990-1993
Morris Ruppert.....	1941-1943	Charles P. Garner.....	1993-1994
Isham P. Nelson.....	1943-1947	E. Bruce Ford.....	1994-1997
Paul Burtner.....	1947-1949	Tom Ferguson.....	1997-1999
Ruby DeBolt.....	1949-1951	Mike Burdge.....	1999-2002
George Gilmore.....	1951-1953	Michael Titus.....	2002-2003
Lester Leed.....	1953-1956	Mike Burdge.....	2003-2005
Harold Aitken.....	1956-1958	Robert "Bob" Walker.....	2005-2011
Stanley Martin.....	1958-1959	Mike Burdge.....	2011-2019
Ray Brown.....	1959-1963	James O. Spoon.....	2019-Present
Tom Wiley.....	1963-1963		

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EXHIBIT D

August _____, 2020

Trustees of the Sand Springs Municipal Authority
Sand Springs, Oklahoma

Re: \$ _____ Sand Springs Municipal Authority Utility System
Revenue Bonds, Refunding Series 2020

Gentlemen:

We have acted as Bond Counsel to the Sand Springs Municipal Authority in connection with the issuance and sale of the captioned Bonds.

In connection with the opinions expressed below, we have examined (i) originals or certified copies of the proceedings relating to the issuance of the Bonds, as contained in a Transcript of Proceedings had in connection therewith, and (ii) executed Bond No. R-1. In addition, we have examined such other documents and instruments as we have deemed necessary to express the opinions hereinafter set forth.

Based upon our examination of all of the foregoing, and in reliance thereon, and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable law, we are of the opinion that:

1. The Authority is a duly created and validly existing public trust under the laws of the State of Oklahoma;
2. The Bond Indenture, dated as of November 1, 2001 as amended and supplemented by the Fifth Supplemental Bond Indenture dated as of August 1, 2020 (the "Indenture"), authorizing the issuance of the captioned Bonds has been duly and lawfully authorized by the Authority and has been executed and delivered by duly authorized officers of both the Authority and BOKF, National Association, Tulsa, Oklahoma, as trustee, and such Indenture is in full force and effect and is valid, binding and enforceable in accordance with its terms, except to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency, debt arrangement or other laws affecting creditors' rights generally and further subject to judicial limitations on rights to specific performance;
3. The Bonds are validly authorized and constitute the valid, binding and enforceable obligations of the Authority, except as enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency, debt arrangement or other laws affecting creditors' rights generally and further subject to judicial limitations on rights to specific performance;
4. The form of Bond No. R-1 and its execution are regular and proper; and
5. The interest on the Bonds (a) is excluded from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in clause (a) above is subject to the condition that the Authority comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the

issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Authority has covenanted to comply with all such requirements.

6. The interest on the Bonds are excluded from gross income for State of Oklahoma income taxation purposes.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

Respectfully submitted,

EXHIBIT E

ECONOMIC AND SYSTEM INFORMATION

GENERAL INFORMATION

Sand Springs Municipal Authority (SSMA)

SSMA created March 14, 1966, to finance, develop and operate the water, wastewater, stormwater, and solid waste disposal facilities. Also, the Authority operates and maintains the golf course and airport facilities. The current City Council serves as the entire governing body (Trustees) of the SSMA.

The System

The System which is leased by the City to the Authority pursuant to the Lease consists of all existing and hereafter acquired properties of the water and sanitary sewer systems of the City. Revenues from the System are available for payment of debt service on the Bonds. Revenues accrued to or received by the System during the term of the Lease include, (i) all rates, fees, rentals, other charges, income, and monies properly allocable to the System in accordance with generally accepted accounting principles resulting from the ownership and operation of the System, excluding customer deposits and any other deposits subject to refund until such deposits have become the property of the Authority, (ii) all revenues, rates, fees, rentals, charges or proceeds received by the Authority pursuant to the Lease, (iii) the proceeds of any insurance covering interruption loss relating to the System, and (iv) interest on any monies or securities held pursuant to the Indenture.

Wastewater Treatment Plant

The City's wastewater treatment plant was constructed in the 1950's. The advanced wastewater treatment plant includes primary and secondary treatment processes. The plant has a treatment capacity of 3.1 mgd. The plant was upgraded in the 1980's, 1990's, 2000's, and 2010's. The plant is currently permitted by the Oklahoma Department of Environmental Quality and the Environmental Protection Agency at 3.1 mgd of treatment capacity. The plant is currently in full compliance with its Oklahoma Pollutant Discharge Elimination System permit.

Sanitary Sewer Collection System

The City's wastewater collections system is divided into 10 drainage basins: Pratt Creek Basin, Anderson/Fisher Creek Basin, Whispering Creek Basin, Little Bigheart Basin, Lakeside Basin, Squirrel Hollow Basin, Main Street Basin, Franklin Creek Basin, Euchee Creek Basin, and Sand Creek Basin. The collection system consists of approximately 136 miles of sanitary sewer mains ranging in size from 6 to 36 inches, 22 lift stations, and approximately 2,100 manholes.

Water Treatment Plant and Distribution

The City's raw water supply is surface water. The City's 50 year dependable yield is 7 mgd of raw water from Skiatook Reservoir and 3.5 mgd of raw water from Shell Lake for a total of 10.5 mgd of dependable raw water.

The City currently has one water treatment plant. The plant has a rated treatment capacity of 10 mgd. Average daily amount of water treated is 3.8 mgd. The maximum amount of water treated on a given day is 4.9 mgd.

The present water storage facilities consist of 3 elevated storage tanks totaling 2.1 million gallons and 10 ground storage tanks totaling 4.15 million gallons. Therefore, the City currently has a total of 6.25 million gallons of storage capacity. The distribution system has 12 booster bump stations with a total pumping capacity to handle approximately 404 miles of pipe.

UTILITY RATES

**City of Sand Springs
Current Utility Rates
(For the period of 5/1/19 through 4/30/20)**

Water Rates (Does not include Water Districts)

	Rate per 1,000 gallons	
Inside City Limits:		
Residential, Commercial, Industrial		
First 1,000 gal/mo	\$ 11.88	
2,000 - 50,000 gal/mo	6.14	
51,000 & above gal/mo	7.32	
Industrial Only		
201,000 - 500,000 gal/mo	\$ 5.63	
501,000 - 2,000,000 gal/mo	5.34	
2,001,000 & above gal/mo	5.02	
Outside City Limits:		
Residential, Commercial, Industrial		
First 3,000 gal/mo	\$ 25.50	
4,000 - 50,000 gal/mo	12.28	
51,000 & above gal/mo	9.20	
Industrial Only		
201,000 - 500,000 gal/mo	\$ 8.72	
501,000 - 2,000,000 gal/mo	8.37	
2,001,000 & above gal/mo	8.07	

Example Water Cost		
Gallons Used		6,000
1 @	\$ 11.88	\$ 11.88
5 @	6.14	30.70
Total Cost		\$ 42.58

Example Water Cost		
Gallons Used		6,000
1 @	\$ 25.50	\$ 25.50
3 @	12.28	36.84
Total Cost		\$ 62.34

Sewer Rates

	Rate per 1,000 gallons	
Inside City Limits:		
Residential		
First 1,000 gal/mo	\$ 12.06	
2,000 & above gal/mo	6.33	
<i>Residential sewer volume billed is based on your average water volume used during the previous months of December thru February.</i>		
Commercial		
First 1,000 gal/mo	\$ 12.06	
2,000 & above gal/mo (w/o winter sew)	5.92	
2,000 & above gal/mo (with winter sew)	6.33	
<i>Industrial- see Master Fee Schedule for rates</i>		
Outside City Limits:		
Residential		
First 3,000 gal/mo	\$ 24.11	
4,000 & above gal/mo	12.66	
Commercial		
First 3,000 gal/mo	\$ 24.11	
4,000 & above gal/mo (w/o winter sew)	11.84	
4,000 & above gal/mo (with winter sew)	12.66	
<i>Industrial- see Master Fee Schedule for rates</i>		

Example Sewer Cost		
Gallons Used		6,000
1 @	\$ 12.06	\$ 12.06
5 @	6.33	31.65
Total Cost		\$ 43.71

Example Water Cost		
Gallons Used		6,000
1 @	\$ 24.11	\$ 24.11
3 @	12.66	37.98
Total Cost		\$ 62.09

Refuse Rates

Residential		
Polykart Service (pickup 1 cart per wk)	\$ 19.98	
Extra pickup	28.14	
<i>Commercial- see Master Fee Schedule for dumpster rates</i>		

Stormwater Rates

Per Unit (1 unit for residential)	\$ 5.80	
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Source: City of Sand Springs website (www.sandspringsok.org)

THE CITY OF SAND SPRINGS

Governmental Structure and General Information

Sand Springs has grown dramatically since its incorporation in 1912. The estimated current population for Sand Springs is 20,527. The population of the Tulsa MSA (comprised of Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa and Wagoner counties), as reflected in the 2010 census is 937,478.

The City has been governed by the Council-Manager form of government since the adoption of a charter in 1969. This form of government most closely resembles the private sector with the Manager serving as the Chief Executive Officer, the Mayor as the Chairman of the Board, and the Council as the Board of Directors. The City Council is the legislative body for the City of Sand Springs. It is comprised of the Mayor, Vice-Mayor and five council members who are elected to serve three-year terms. The seven members represent each of the City's six wards; one member serving an at-large position. The City Council members are also Trustees of the Sand Springs Municipal Authority.

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

Principal Government Services

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

Historically, the City and public trusts established for the City's benefit, have financed capital projects with: earmarked sales tax revenues, General Obligation bonds, revenue bonds backed by user fees and federal and state grants.

FINANCIAL MANAGEMENT AND CONTROL

Accounting and Reporting Practices

The accounting and reporting policies of the City conform to generally accepted accounting principles for state and local governments. Generally accepted accounting principles for municipalities are defined as those principles promulgated by the Governmental Accounting Standards Board ("GASB").

In accordance with GASB Statement 39, "The Financial Reporting Entity", the City, for financial reporting purposes, includes all funds, account groups, agencies, boards, commissions and other authorities for which the City is financially accountable.

The City's financial statements are prepared in conformity with generally accepted accounting principles. For primary government activities (General, Special Revenue, Capital Projects, and Debt Service), revenues are recognized when measurable and available to finance current expenditures. Expenditures are recognized when a liability is incurred. The City's business type activities (Enterprise and Internal Service) are accounted for on the accrual basis. Revenues are recognized when earned and expenses when incurred.

In developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

Estimated purchase orders and contract amounts are encumbered prior to issuance to a vendor or the signing of a contract. Purchase orders and contracts which result in an overrun of encumbered balances are not issued or approved unless additional appropriations are made available. Open encumbrances are reported as reservations of fund balances for governmental activities.

The City has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018 and for each of the previous 28 years. The Certificate of Achievement for Excellence in Financial Reporting is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR, the content of which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

Eligible CAFRs are evaluated by an impartial special review committee composed of government finance officers, independent certified public accountants, educators, and others with particular expertise in governmental accounting and financial reporting. The basic financial statements of the City for the year ended June 30, 2019, are included in Appendix A which should be read in its entirety. The CAFR may be obtained from the City Controller, 100 Broadway Avenue, Sand Springs, Oklahoma 74063. These and other financial reports may also be found on the City's website (<https://www.sandspringsok.org/125/Financial-Reports>)

Government-Wide Highlights

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position – the difference between the City's assets and liabilities – is one way to measure the City's financial health, or position.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds-not the City as a whole. Funds are grouping of related accounts that the City uses to keep track of specific sources of funding.

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Changes in Net Position

The City's total net position increased by \$8.0 million and the assets and deferred outflows of the City continued to exceed its liabilities and deferred inflows at June 30, 2019, by \$142.2 million (net position). Of this amount, \$30.0 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

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CITY OF SAND SPRINGS, OKLAHOMA PRINCIPAL PROPERTY TAXPAYERS
Current Year And Nine Years Ago
June 30, 2019

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

Source:
1. Tulsa County Assessor's Office

Demographic and Economic Statistics

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

Source: City of Sand Springs

For additional details on the economic and demographic characteristics of the City and the metropolitan area, see APPENDIX C hereto.

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EXHIBIT F

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Sand Springs Municipal Authority (the “Issuer”) in connection with the issuance of \$_____ Utility System Revenue Bonds, Refunding Series 2020 (the “Bonds”). The Bonds are being issued pursuant to a Bond Indenture, dated as of November 1, 2001 as supplemented by a Fifth Supplemental Bond Indenture dated as of August 1, 2020 (collectively the “Indenture”). The Issuer covenants and agrees as follows:

ARTICLE I **The Undertaking**

Section 1.1. Purpose. This Certificate is being executed and delivered solely to assist the Underwriter in complying with subsection (b)(5) of the Rule.

Section 1.2. Annual Financial Statements. (a) The Issuer shall provide the Annual Financial Statements with respect to each fiscal year of the City, commencing with fiscal year ending June 30, 2020, by no later than 6 months after the end of the respective fiscal year, to the MSRB.

(b) The Issuer shall provide, in a timely manner, notice of any failure to provide the Annual Financial Statements by the date specified in subsection (a) above to the MSRB.

Section 1.3. Listed Event Notices. (a) If a Listed Event occurs, the Issuer shall provide, within 10 business days of the occurrence of the applicable event, notice of such Listed Event to the MSRB on the MSRB’s Internet Web Site. Notwithstanding the foregoing, notice of a Listed Event described in subsections (viii) and (ix) need not be given under this section any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Bond Documents..

(b) Any notice of a defeasance of Bonds shall state whether the Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

Section 1.4. Other Information. Nothing in this Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Statements or notice of Listed Event hereunder, in addition to that which is required by this Certificate. If the Issuer chooses to do so, the Issuer shall have no obligation under this Certificate to update such additional information or include it in any future Annual Financial Statements or notice of a Listed Event hereunder.

Section 1.5. Suspension of Obligations. Anything herein to the contrary notwithstanding, the obligations to file Annual Financial Information, Audited Financial Statements, Listed Event Notices and additional information pursuant to Sections 1.2, 1.3 and 1.4 hereof may be suspended for so long as the Bonds are eligible for exception from the requirements of the Rule pursuant to Section 15c2-12(d)(1)(iii) thereof, provided that notice of such suspension is filed promptly to the extent and in the manner that otherwise would be required for Audited Financial Statements, Listed Event Notices and such additional information.

Section 1.6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer and that, under some

circumstances, compliance with this Certificate without additional disclosures or other action may not fully discharge all duties and obligations of the Issuer under such laws.

ARTICLE II Operating Rules

Section 2.1. Dissemination Agents. The Issuer may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Issuer under this Certificate, and revoke or modify any such designation.

Section 2.2. Transmission of Information and Notices. Unless otherwise required by law all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB (presently the MSRB Internet Web Site), and shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.3. Fiscal Year. The Issuer's current fiscal year is July 1 – June 30, and the Issuer shall promptly provide notice of each change in its fiscal year to the MSRB.

ARTICLE III Effective Date, Termination, Amendment and Enforcement

Section 3.1. Effective Date, Termination. (a) This Certificate shall be effective upon the issuance of the Bonds.

(b) The Issuer's obligations under this Certificate shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Bonds.

(c) This Certificate, or any provision hereof, shall be null and void in the event that (1) the Issuer obtains an opinion of Counsel, addressed to the Issuer to the effect that those portions of the Rule which require this Certificate, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) the Issuer delivers a copy of such opinion within one Business Day after receipt by the Issuer to the MSRB.

Section 3.2. Amendment. (a) This Certificate may be amended, without the consent of the holders of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Certificate as so amended would have complied with the requirements of the Rule as of the date of this Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have obtained an opinion of Counsel, addressed to the Issuer to the same effect as set forth in clause (2) above, (4) either (i) the Issuer shall have obtained an opinion of Counsel or a determination by a person, in each case unaffiliated with the Issuer (such as bond counsel), and addressed to the Issuer, to the effect that the amendment does not materially impair the interests of the holders of the Bonds or (ii) the holders of the Bonds consent to the amendment to this Certificate, and (5) the Issuer shall have delivered copies of such opinion(s) and amendment to the MSRB within one Business Day after receipt by the Issuer.

(b) In addition to subsection (a) above, this Certificate may be amended without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the

Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Certificate which is applicable to this Certificate, (2) the Issuer shall have obtained an opinion of Counsel, addressed to the Issuer, to the effect that performance by the Issuer under this Certificate as so amended will not result in a violation of the Rule and (3) the Issuer shall have delivered copies of such opinion and amendment to the MSRB within one Business Day after receipt by the Issuer.

(c) This Certificate may be amended without the consent of the holders of the Bonds, to amend the information and dates specified in Section 1.5(a) hereof.

(d) This Certificate may be amended without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) the Issuer shall have obtained an opinion of Counsel, addressed to the Issuer, to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of staff of the SEC, and (2) the Issuer shall have delivered copies of such opinion and amendment to the MSRB within one Business Day after receipt by the Issuer.

(e) To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(f) If an amendment is made pursuant to Section 3.2 (a) hereof to the accounting principles to be followed by the Issuer in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Certificate shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Bonds, except that (i) beneficial owners of Bonds shall be third-party beneficiaries of this Certificate. The provisions of this Certificate shall create no rights in any person or entity except as provided in this subsection (a) and in subsection (b) of this Section.

(b) The obligations of the Issuer to comply with the provisions of this Certificate shall be enforceable by any holder of Outstanding Bonds. The holders' rights to enforce the provisions of this Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Certificate. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Bonds for purposes of this subsection (b).

(c) Any failure by the Issuer to perform in accordance with this Certificate shall not constitute a default under the Bonds.

(d) This Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV

Definitions

Section 4.1. Definitions. The following terms used in this Certificate shall have the following respective meanings:

(1) “Audited Financial Statements” means the annual financial statements, if any, of the City audited by such auditor as shall then be required or permitted by State law. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that pursuant to Sections 3.2(a) and (f) hereof, the City may from time to time, if required by Federal or State legal requirements, modify the accounting principles to be followed in preparing its financial statements. The notice of any such modification required by Section 3.2(a) hereof shall include a reference to the specific Federal or State law or regulation describing such accounting principles, or other description thereof. If Audited Financial Statements are not available by the required time, the Authority will provide Unaudited Financial Statements within the required time and audited financial statements when they become available.

(2) “City” means City of Sand Springs, Oklahoma.

(3) “Counsel” means Hilborne & Weidman, A Professional Corporation, Tulsa, Oklahoma or other nationally recognized bond counsel or counsel expert in federal securities laws.

(4) “Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(5) “GAAP” means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board, or any successor to the duties or responsibilities thereof.

(6) “Internet Web Site” means the MSRB’s Electronic Municipal Market Access (EMMA) system, presently at <http://emma.msrb.org>.

(7) “Listed Event” means any of the following events with respect to the Bonds whether relating to the Issuer or otherwise:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, notices of Proposed Issue (IRS Form 5701-

TEB), or other material notices or determinations with respect to the tax status of the security, or other events affecting the tax status of the Bonds;

- (vii) modifications to rights of Bondholders;
- (viii) bond calls and tender offers, if material;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Bonds;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the obligated group;
- (xiii) consummation of a merger, consolidation, or acquisition involving an obligated person, or the sale of all or substantially all the assets of the obligated person, other than in the ordinary course of business, the entry of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee;
- (xv) incurrence of a financial obligation of an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(8) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Certificate.

(9) “Official Statement” means the Official Statement dated March 16, 2016 of the Issuer relating to the Bonds.

(10) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Certificate, including any official interpretations thereof issued either before or after the effective date of this Certificate which are applicable to this Certificate.

(11) “SEC” means the United States Securities and Exchange Commission.

(12) “Unaudited Financial Statements” means the same as Audited Financial Statements, except that they shall not have been audited.

ARTICLE V
Miscellaneous

Section 5.1. Counterparts. This Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: August __, 2020

SAND SPRINGS MUNICIPAL AUTHORITY

Chairman of Trustees

ATTEST:

Secretary of Trustees
(SEAL)

