

NOTICE
GLENPOOL CITY COUNCIL
SPECIAL MEETING

A Special Session of the Glenpool City Council will be held at 6:00 p.m. on Wednesday, December 3, 2014, at Glenpool City Hall, City Council Chambers, 12205 S. Yukon Ave., 3rd Floor, Glenpool, Oklahoma.

The City Council welcomes comments from citizens of Glenpool who wish to address any item on the agenda. Speakers are requested to complete one of the forms located on the agenda table and return to the City Clerk PRIOR TO THE CALL TO ORDER

AGENDA

- A) Call to Order - Mayor Ceesay
- B) Roll call, declaration of quorum – Susan White, City Clerk; Mayor Ceesay
- C) Scheduled Business
 - 1) Presentation of FY 2013-2014 Audited Financial Statements.
(Chuck Crooks CPA, CBEW Professional Group, LLP)
 - 2) Discussion of the City of Glenpool General Fund and the Glenpool Utility Services Authority Fund, cash position and debt schedule; and possible action to engage a consultant to conduct a utility rate study.
(Roger Kolman, City Manager)
 - 3) Discussion and possible action by the City Council to approve and adopt Resolution No. 14-12-01, “Resolution of the City Council of Glenpool Approving an Increase in the Rates Charged for Water Delivery and Garbage and Refuse Collection and Disposal Services.”
(Roger Kolman, City Manager)
- D) Adjournment.

This notice and agenda was posted at Glenpool City Hall, 12205 S. Yukon Ave., Glenpool, Oklahoma, on _____, 2014 at _____am/pm.

Signed: _____
City Clerk

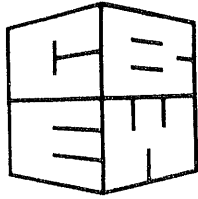
CITY OF GLENPOOL
Glenpool, Oklahoma

BASIC FINANCIAL STATEMENTS
June 30, 2014

**CITY OF GLENPOOL
Glenpool, Oklahoma**

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INDEPENDENT AUDITOR'S REPORT

November 25, 2014

The Honorable City Council
City of Glenpool
Glenpool, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Glenpool, Oklahoma, (City) as of and for the year ended June 30, 2014, 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 an opinion 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 aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Glenpool, Oklahoma, as of June 30, 2014, and the respective changes in financial position, thereof for the year then ended in conformity 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 and budgetary comparison information on pages 3 – 8 and 35 – 37 and the notes on page 38 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 schedule of expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2014, 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CBEW Professional Group, LLP

CBEW Professional Group, LLP
Certified Public Accountants



**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014**

As management of the City of Glenpool, we offer readers this narrative overview and analysis of the financial activities of the City of Glenpool for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the information contained in the accompanying financial statements and supplementary information.

Using the Financial Statement in this Annual Report

This annual report consists of a series of financial statements. The financial statements presented herein include all of the activities of the City of Glenpool (the "City"), the Glenpool Utility Service Authority ("GUSA") and other component units. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole, including the GUSA and component units, and present a longer-term view of the City's finances. Included in this report are government-wide statements for each of the two categories of activities – governmental and business-type.

The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. For governmental activities, these statements tell how these services were financed in the short term, as well as, what remains for future spending. These statements include all assets of the City, including infrastructure, as well as, all liabilities, including long-term debt. 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.

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 Glenpool's basic financial statements. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer questions. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in them from the prior year. The City's net position – the difference between assets and liabilities – are one way to measure the City's financial condition or position. Over time, increases or decreases, in the City's net position are indicators of whether its financial health is improving or deteriorating. However, other non-financial factors must be considered, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

As mentioned above, in the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental Activities – Most of the City's basic services are reported here, including the police, fire, administration, streets and parks. Sales and other taxes, license and permit fees, franchise fees, fines, rental income and reimbursements finance most of these activities. The City's Debt Service/Sinking Fund, which services the City's general obligation bonds, if any, with the proceeds from an expired ad valorem tax

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, storm water management and refuse fees are reported here, along with loan and bond proceeds.

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

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Glenpool, 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 Glenpool 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 how money flows into and out of those funds and the balances left at the year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in the reconciliation following each Governmental Fund financial statement.

The Capital Fund receives a transfer from the general fund of one cent of the City's four cent sales tax dedicated to repayment of revenue bonds.

Proprietary fund – When the City charges customers for the services it provides – whether to outside customers or the other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position. In fact, the City's enterprise funds, along with certain capital project funds, are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.

The City as a Whole

For the year ended June 30, 2014, net position for the governmental activities and business-type activities changed as follows:

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

	Governmental Activities	Business-Type Activities	Total
Beginning net position	\$ 9,872	\$ (8,019)	\$ 1,853
Increase / (Decrease)	(70)	(554)	(624)
Ending net position	<u>\$ 9,802</u>	<u>\$ (8,573)</u>	<u>\$ 1,229</u>

The net position for both the governmental and business type activities decreased during the fiscal year, due in part to increased operating costs of the public utility.

The following is a summary comparison of the change in net position from last year for the City of Glenpool:

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

	Governmental Activities		Business-Type Activities		Total	
	6/30/14	6/30/13	6/30/14	6/30/13	6/30/14	6/30/13
Current and other assets	\$ 2,958	\$ 2,673	\$ 3,929	\$ 14,427	\$ 6,887	\$ 17,100
Capital assets	<u>7,736</u>	<u>8,114</u>	<u>32,597</u>	<u>32,730</u>	<u>40,333</u>	<u>40,844</u>
Total assets	<u>10,694</u>	<u>10,787</u>	<u>36,526</u>	<u>47,157</u>	<u>47,220</u>	<u>57,944</u>
Long-term liabilities	526	672	43,204	52,922	43,730	53,594
Other liabilities	<u>366</u>	<u>258</u>	<u>1,894</u>	<u>1,151</u>	<u>2,260</u>	<u>1,409</u>
Total liabilities	<u>892</u>	<u>930</u>	<u>45,098</u>	<u>54,073</u>	<u>45,990</u>	<u>55,003</u>

Net position:

Invested in capital assets,

net of related debt	7,208	7,442	(10,607)	(20,192)	(3,399)	(12,750)
Restricted	152	89	2,090	12,881	2,242	12,970
Unrestricted	<u>2,442</u>	<u>2,326</u>	<u>(56)</u>	<u>395</u>	<u>2,386</u>	<u>2,721</u>
Total net position	<u>\$ 9,802</u>	<u>\$ 9,857</u>	<u>\$ (8,573)</u>	<u>\$ (6,916)</u>	<u>\$ 1,229</u>	<u>\$ 2,941</u>

The largest portion of the City's net position reflects its investments in capital assets, less any related debt used to acquire those assets to provide services to citizens. Capital assets are items such as land, building, machinery and equipment, and infrastructure. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, less than one percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

Governmental Activities

The overall net position of the reporting entity decreased by \$ 1,728,703 during the fiscal year. This is a result of losses generated from operations of the public utility and costs related to the servicing of the debt underlying that utility.. The following provides details of the decrease:

The City of Glenpool's Statement of Activities (expressed in \$ 000's)

	Governmental Activities		Business-Type Activities		Total	
	6/30/14	6/30/13	6/30/14	6/30/13	6/30/14	6/30/13
Revenues:						
Program revenues						
Charges for services	\$ 573	\$ 558	\$ 4,252	\$ 3,775	\$ 4,825	\$ 4,333
Operating grants and contributions	80	24	-	-	80	24
General revenues:						
Sales and use taxes	6,305	6,064	-	-	6,305	6,064
Other taxes	749	720	-	-	749	720
Other general revenue	140	212	177	397	317	609
Total revenues	<u>7,847</u>	<u>7,578</u>	<u>4,429</u>	<u>4,172</u>	<u>12,276</u>	<u>11,750</u>
Expenses:						
General government	1,789	1,717	-	-	1,789	1,717
Public safety and judiciary	3,150	3,048	-	-	3,150	3,048
Streets and parks	631	572	-	-	631	572
Financing	11	25	1,875	5,445	1,886	5,470
Glenpool Utility Service Authority	-	-	3,911	3,841	3,911	3,841
Glenpool Industrial Authority	-	-	148	131	148	131
Glenpool Emergency Medical Service	-	-	135	102	135	102
Unallocated depreciation	517	566	733	758	1,250	1,324
Total expenses	<u>6,098</u>	<u>5,928</u>	<u>6,802</u>	<u>10,277</u>	<u>12,900</u>	<u>16,205</u>
Increases (decreases) in net position						
before transfers	1,749	1,650	(2,373)	(6,105)	(624)	(4,455)
Transfers	(1,819)	(1,454)	1,819	1,454	-	-
Increase (decrease) in net position	(70)	196	(554)	(4,651)	(624)	(4,455)
Net position - beginning of year	9,872	9,661	(6,916)	(2,265)	2,956	7,396
Prior period adjustment	-	-	(1,103)	-	(1,103)	-
Net position - end of year	<u>\$ 9,802</u>	<u>\$ 9,857</u>	<u>\$ (8,573)</u>	<u>\$ (6,916)</u>	<u>\$ 1,229</u>	<u>\$ 2,941</u>

Governmental Activities

Sales and use tax received in fiscal year 2014 increased from the prior year by \$240,190, or 4%. Total expenses for governmental activities, net of unallocated depreciation, increased by \$218,442, or 4% as well.

Business-type Activities

The public utility reported in the business-type activities continued to report excess of expenses over revenues this fiscal year. This situation reflects the need to increase utility rates to cover costs while seeking ways to decrease operating costs in the new fiscal year.

General Fund Budgetary Highlights

Budgeted revenues exceeded actual revenues by \$52,427, or less than 1%, due to a significant decrease in realized revenues from fines and forfeitures and a slight overestimation of projected sales and use tax revenues. Final budgeted expenditures exceeded actual expenditures by \$287,316 during the fiscal year.

Capital Asset & Debt Administration

The following is a summary of changes in capital assets and debt administration for Fiscal Year 2014. More detailed information on capital asset activity and long-term debt activity is contained in the accompanying notes to the financial statements on pages 27 to 28; and, pages 29 to 31, respectively.

Capital Assets

At the end of June 30, 2014, the City had \$3.1 million invested in capital assets including police and fire equipment, buildings, park facilities, water and sewer lines and roads.

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

	Governmental Activities		Business-Type Activities		Total	
	6/30/14	6/30/13	6/30/14	6/30/13	6/30/14	6/30/13
Land	\$ 310	\$ 310	\$ 3,534	\$ 3,534	\$ 3,844	\$ 3,844
Construction in process	-	-	3,933	3,332	3,933	3,332
Buildings & Improvement	8,827	8,719	14,447	14,447	23,274	23,166
Furniture & Equipment	2,292	2,292	727	727	3,019	3,019
Vehicles	2,705	2,673	495	495	3,200	3,168
Infrastructure	275	275	15,569	15,569	15,844	15,844
	14,409	14,269	38,705	38,104	53,114	52,373
Less: Depreciation	(6,673)	(6,156)	(6,108)	(5,374)	(12,781)	(11,530)
Total	\$ 7,736	\$ 8,113	\$ 32,597	\$ 32,730	\$ 40,333	\$ 40,843

Debt Administration

At year end, the City had \$53.4 million in long term debt. These debts are further detailed below as follows:

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

	Governmental Activities		Business-Type Activities		Total	
	6/30/14	6/30/13	6/30/14	6/30/13	6/30/14	6/30/13
Revenue bonds payable	\$ -	\$ -	\$ 39,275	\$ 49,370	\$ 39,275	\$ 49,370
Notes/leases payable	526	644	3,929	3,552	4,455	4,196
Total	\$ 526	\$ 644	\$ 43,204	\$ 52,922	\$ 43,730	\$ 53,566

Economic Factors and Next Year's Budget

The overall economy in the Tulsa metro area is expected to continue to strengthen over the next few years due in large part to the influence of the oil and gas industry. As a result of that regional economic engine, Glenpool should continue to see growth in the housing, manufacturing and retail sectors as the surrounding cities reach build out and young families continue to look for housing further out from the center of the metro area. In FY2014-2015, several residential and retail projects, including a 348 unit luxury apartment complex, are expected to be completed, bringing additional sales and use taxes into the city.

For FY2014-2015, the city used a conservative estimate of 4% to project growth in retail sales and use taxes and balanced projected expenditures against that estimate. As in prior fiscal years, a significant portion of the sales and use taxes received by the general fund will be used to support debt service for the public utility operated by the city's trust authority. The city will be looking at ways in the new fiscal year to increase revenues and decrease expenses related to the public utility in order to reduce the dependency upon continued growth in sales and use taxes to support debt service in the trust authority.

The FY2014-2015 budget includes a 4% across the board increase in salaries and wages for all non-represented employees to match the increase contained in the labor agreements for represented employees.

CITY OF GLENPOOL
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments:			
Cash & cash equivalents (Note 1)	\$ 1,364,320	\$ 782,883	\$ 2,147,203
Investments	-	74,447	74,447
Receivables (net of allowance for uncollectibles):			
Accounts receivable	289,235	304,454	593,689
Notes receivable	-	284,701	284,701
Taxes	1,195,255	-	1,195,255
Grants receivable	9,489	-	9,489
Due to/from others	32,310	(32,310)	-
Restricted assets:			
Cash and investments (Note 1)	68,093	2,255,370	2,323,463
Cash, customer meter deposits	-	258,578	258,578
Capital assets:			
Land and construction in progress	310,000	7,466,931	7,776,931
Depreciable buildings, property, equipment and infrastructure, net of depreciation (Notes 1 & 2)	7,426,096	25,130,554	32,556,650
Total assets	\$ 10,694,798	\$ 36,525,608	\$ 47,220,406
Deferred outflows of resources:			
Total deferred outflows	-	-	-
Liabilities:			
Current liabilities:			
Accounts payable	\$ 101,003	\$ 275,549	\$ 376,552
Cash overdraft	73,870	1,190,989	1,264,859
Accrued compensated absences payable (Note 1)	177,010	3,998	181,008
Payable from restricted assets:			
State court fees	12,648	-	12,648
Interest payable	-	165,583	165,583
Customer deposits	-	258,578	258,578
Accrued interest payable	1,709	-	1,709
Leases payable (Note 3)	116,746	-	116,746
Notes payable (Note 2)	3,512	200,889	204,401
Revenue bonds payable (Note 2)	-	305,000	305,000
Non-current liabilities:			
Leases payable (Note 3)	369,070	-	369,070
Notes payable (Note 2)	36,885	3,728,272	3,765,157
Revenue bonds payable (Note 2)	-	38,970,000	38,970,000
Total liabilities	892,453	45,098,858	45,991,311
Deferred inflows of resources:			
Total deferred inflows	-	-	-
Net position:			
Invested in capital assets, net of related debt	7,208,174	(10,606,676)	(3,398,502)
Restricted	152,405	2,089,787	2,242,192
Unrestricted	2,441,766	(56,361)	2,385,405
Total net position	\$ 9,802,345	\$ (8,573,250)	\$ 1,229,095

The accompanying notes are an integral part of the basic financial statements.

CITY OF GLENPOOL
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government:					
General government	\$ 1,462,405	\$ 213,498	\$ 73,603	\$ -	\$ (1,175,304)
Code and planning	326,467	-	-	-	(326,467)
Total general government	<u>1,788,872</u>	<u>213,498</u>	<u>73,603</u>	<u>-</u>	<u>(1,501,771)</u>
Public safety and judiciary:					
City attorney	-	-	-	-	-
Fire	1,333,070	-	3,838	1,030	(1,328,202)
Municipal court	2,112	208,013	-	-	205,901
Police	1,806,846	-	1,353	-	(1,805,493)
Animal control	3,859	-	-	-	(3,859)
Emergency management	3,847	-	-	-	(3,847)
911 operations	-	75,665	-	-	75,665
Total public safety and judiciary	<u>3,149,734</u>	<u>283,678</u>	<u>5,191</u>	<u>1,030</u>	<u>(2,859,835)</u>
Transportation:					
Streets	557,807	-	-	-	(557,807)
Total transportation	<u>557,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(557,807)</u>
Cultural, parks and recreation:					
Parks	73,886	75,550	-	-	1,664
Total cultural, parks and recreation	<u>73,886</u>	<u>75,550</u>	<u>-</u>	<u>-</u>	<u>1,664</u>
Financing costs	10,721	-	-	-	(10,721)
Unallocated depreciation*	517,244	-	-	-	(517,244)
Total governmental activities	<u>6,098,264</u>	<u>572,726</u>	<u>78,794</u>	<u>1,030</u>	<u>(5,445,714)</u>
Business-type activities					
General and administrative	-	-	-	-	-
Water & sewer treatment	3,100,974	2,842,408	-	-	(258,566)
Solid waste	522,645	545,639	-	-	22,994
Storm water	-	102,746	-	-	102,746
Medical services	134,620	215,266	-	-	80,646
Industrial Authority	147,762	235,707	-	-	87,945
Fire costs	288,402	310,026	-	-	21,624
Financing costs	1,874,796	-	-	-	(1,874,796)
Unallocated depreciation*	733,582	-	-	-	(733,582)
Total business-type activities	<u>6,802,781</u>	<u>4,251,792</u>	<u>-</u>	<u>-</u>	<u>(2,550,989)</u>
Total	<u>\$ 12,901,045</u>	<u>\$ 4,824,518</u>	<u>\$ 78,794</u>	<u>\$ 1,030</u>	<u>\$ (7,996,703)</u>

* - This amount does not include the depreciation that is included in the direct expenses of various programs.

The accompanying notes are an integral part of the basic financial statements.

CITY OF GLENPOOL
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2014

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Net (expense)/revenue	(5,445,714)	(2,550,989)	(7,996,703)
General revenues:			
Taxes:			
Sales and use taxes	6,304,646	-	6,304,646
Franchise taxes	454,027	-	454,027
Cigarette taxes	71,268	-	71,268
Intergovernmental	128,219	-	128,219
Hotel/motel tax	96,503	-	96,503
Property taxes	2	-	2
Investment earnings	313	20,932	21,245
Miscellaneous	79,501	-	79,501
Other fees	-	156,840	156,840
Rental income	60,185	-	60,185
Transfers	(1,819,470)	1,819,470	-
Total general revenues and transfers	<u>5,375,194</u>	<u>1,997,242</u>	<u>7,372,436</u>
Change in net position	(70,520)	(553,747)	(624,267)
Net position - beginning of year	9,872,865	(6,916,067)	2,956,798
Prior period adjustment	-	(1,103,436)	(1,103,436)
Net position - end of year	<u>\$ 9,802,345</u>	<u>\$ (8,573,250)</u>	<u>\$ 1,229,095</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF GLENPOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Parks & Rec Fund</u>	<u>Capital Projects Capital Improvement Fund</u>	<u>Debt Service Sinking Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and investments:					
Cash &					
cash equivalents (Note 1)	\$ 1,267,360	\$ 75,550	\$ -	\$ 21,410	\$ 1,364,320
Investments	-	-	-	-	-
Accrued governmental transfers	1,195,255	-	-	-	1,195,255
Accounts receivable (net of allowance for uncollectibles)	289,235	-	-	-	289,235
Grant receivable	9,489	-	-	-	9,489
Prepaid expenses	-	-	-	-	-
Due from others	55,053	-	-	-	55,053
Restricted assets:					
Cash and investments (Note 1)	68,093	-	-	-	68,093
Total assets	<u>\$ 2,884,485</u>	<u>\$ 75,550</u>	<u>\$ -</u>	<u>\$ 21,410</u>	<u>\$ 2,981,445</u>
Liabilities:					
Accounts payable	\$ 101,003	\$ -	\$ -	\$ -	\$ 101,003
Cash overdraft	-	-	73,870	-	73,870
Due to others	22,743	-	-	-	22,743
Payable from restricted assets:					
State court fees	12,648	-	-	-	12,648
Total liabilities	<u>136,394</u>	<u>-</u>	<u>73,870</u>	<u>-</u>	<u>210,264</u>
Fund balance:					
Restricted for:					
Debt service	-	-	-	21,410	21,410
DEA forfeitures	55,445	-	-	-	55,445
Capital projects	-	-	-	-	-
Parks & recreation	-	75,550	-	-	75,550
Unassigned	<u>2,692,646</u>	<u>-</u>	<u>(73,870)</u>	<u>-</u>	<u>2,618,776</u>
Total fund balance	<u>2,748,091</u>	<u>75,550</u>	<u>(73,870)</u>	<u>21,410</u>	<u>2,771,181</u>
Total liabilities and fund balance	<u>\$ 2,884,485</u>	<u>\$ 75,550</u>	<u>\$ -</u>	<u>\$ 21,410</u>	<u>\$ 2,981,445</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GLENPOOL
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
June 30, 2014

Total Fund Balances - Total Governmental Funds **\$ 2,771,181**

Amounts reported for governmental activities in the statement of net position are different because:

Accrued compensated absences (177,010)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

Leases payable	(485,816)	
Notes payable	(40,397)	
Accrued interest payable	(1,709)	
Total	(527,922)	(527,922)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 310,000	
Infrastructure	275,376	
Buildings	8,826,996	
Equipment	2,292,393	
Vehicles	2,704,857	
Accumulated depreciation	(6,673,526)	7,736,096

Net position of governmental activities **\$ 9,802,345**

The accompanying notes are an integral part of the basic financial statements.

CITY OF GLENPOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2014

	General Fund	Special Revenue Parks & Rec Fund	Capital Projects Capital Improvement Fund	Debt Service Sinking Fund	Total Governmental Funds
Revenues:					
Charges for services	\$ 110,768	\$ 75,550	\$ -	\$ -	\$ 186,318
Cigarette taxes	71,268	-	-	-	71,268
Interest	311	-	-	2	313
Franchise taxes	454,027	-	-	-	454,027
Hotel/motel taxes	96,503	-	-	-	96,503
Intergovernmental programs	207,013	-	-	-	207,013
Fines and forfeits	208,013	-	-	-	208,013
Rental receipts	60,185	-	-	-	60,185
Licenses and permits	102,730	-	-	-	102,730
Miscellaneous revenue	79,501	-	-	-	79,501
Donations	1,030	-	-	-	1,030
Property sales	-	-	-	-	-
Property taxes	2	-	-	-	2
Sales and use taxes	6,304,646	-	-	-	6,304,646
Special assessments	75,665	-	-	-	75,665
Total revenues	<u>7,771,662</u>	<u>75,550</u>	<u>-</u>	<u>2</u>	<u>7,847,214</u>
Expenditures:					
Current:					
General government	1,790,894	-	-	-	1,790,894
Public safety	3,149,734	-	-	-	3,149,734
Highways and roads	557,807	-	-	-	557,807
Cultural and recreational	73,886	-	-	-	73,886
Debt Service:					
Principal	87,125	-	62,227	-	149,352
Interest expense	3,197	-	17,923	-	21,120
Capital outlay	31,610	-	108,183	-	139,793
Total expenditures	<u>5,694,253</u>	<u>-</u>	<u>188,333</u>	<u>-</u>	<u>5,882,586</u>
Excess of revenues over (under) expenditures	2,077,409	75,550	(188,333)	2	1,964,628
Other financing uses:					
Operating transfers in (out)	(1,933,933)	-	114,463	-	(1,819,470)
Lease proceeds	31,610	-	-	-	31,610
Excess of revenues over (under) expenditures & transfers	175,086	75,550	(73,870)	2	176,768
Fund balance - beginning of year	<u>2,573,005</u>	<u>-</u>	<u>-</u>	<u>21,408</u>	<u>2,594,413</u>
Fund balance - end of year	<u>\$ 2,748,091</u>	<u>\$ 75,550</u>	<u>\$ (73,870)</u>	<u>\$ 21,410</u>	<u>\$ 2,771,181</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GLENPOOL
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES
IN NET POSITION
Year Ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds	\$ 176,768
Amounts reported for governmental activities in the Statement of Activities are different because:	
The interest paid on notes and judgements is recorded as an expense in governmental funds and not as a payment against the accrual. However, in the Government-Wide Statement of Activities and Changes in Net Position, the interest is recorded against the payable. This is the amount of interest paid in the current period.	10,399
Governmental Funds report note and lease proceeds as income. However, in the Government-Wide Statement of Activities and Changes in Net Position, the proceeds received are recorded as a liability. This is the amount of proceeds recorded in the current period.	(31,610)
Government-Wide Statement of Activities and Changes in Net Position report accrued compensated absences in the period incurred. However, Governmental Funds do not pay on this liability until the employee has left employment. The amount of the change in accrued absences recorded in the current period.	2,022
Governmental Funds report note and lease payments as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the principal paid on that liability is applied against the liability. This is the amount of principal recorded in the current period.	149,352
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.	(517,244)
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	139,793
Change in Net Position of Governmental Activities	\$ <u>(70,520)</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GLENPOOL
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Business-type Activities - Enterprise Funds			
	Utility Service Authority	Industrial Authority	GEMS Trust Authority	Totals
Assets:				
Cash and investments:				
Cash & cash equivalents (Note 3)	\$ -	\$ 455,703	\$ 327,180	\$ 782,883
Investments, at cost	74,447	-	-	74,447
Receivables (net of allowance for uncollectibles):				
Accounts receivable	298,165	6,289	-	304,454
Notes receivable	-	284,701	-	284,701
Due from others	-	-	-	-
Restricted assets:				
Cash & investments (Notes 3 & 4)	2,255,370	-	-	2,255,370
Cash, customer meter deposits	258,578	-	-	258,578
Capital assets:				
Land and construction in process	7,466,931	-	-	7,466,931
Depreciable buildings, equipment and infrastructure, net of depreciation (Notes 1 & 3)	25,130,554	-	-	25,130,554
Total assets	\$ 35,484,045	\$ 746,693	\$ 327,180	\$ 36,557,918
Deferred outflows of resources:				
Total deferred outflows	-	-	-	-
Liabilities:				
Current liabilities:				
Accounts payable	\$ 273,388	\$ 2,161	\$ -	\$ 275,549
Cash overdraft	1,190,989	-	-	1,190,989
Due to other funds	-	32,310	-	32,310
Accrued compensated absences payable (Note 1)	3,998	-	-	3,998
Customer deposits	258,578	-	-	258,578
Payable from restricted assets:				
Interest payable	165,583	-	-	165,583
Notes payable (Note 3)	200,889	-	-	200,889
Revenue bonds payable (Notes 3 & 4)	305,000	-	-	305,000
Non-current liabilities:				
Notes payable (Note 3)	3,728,272	-	-	3,728,272
Revenue bonds payable (Notes 3 & 4)	38,970,000	-	-	38,970,000
Total liabilities	45,096,697	34,471	-	45,131,168
Deferred inflows of resources:				
Total deferred inflows	-	-	-	-
Net position:				
Invested in capital assets, net of related debt	(10,606,676)	-	-	(10,606,676)
Restricted	2,089,787	-	-	2,089,787
Unrestricted	(1,095,763)	712,222	327,180	(56,361)
Net position	\$ (9,612,652)	\$ 712,222	\$ 327,180	\$ (8,573,250)

The accompanying notes are an integral part of the basic financial statements.

CITY OF GLENPOOL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			
	Utility Service Authority	Industrial Authority	GEMS Trust Authority	Totals
Revenues:				
Water revenue	\$ 1,962,274	\$ -	\$ -	\$ 1,962,274
Sewer revenue	747,534	-	-	747,534
Solid waste revenue	529,299	-	-	529,299
Water taps	113,100	-	-	113,100
Sewer taps	19,500	-	-	19,500
Solid waste management fees	16,340	-	-	16,340
Storm water management fees	102,746	-	-	102,746
Water/sewer fees	-	-	-	-
Connect/transfer fees	45,472	-	-	45,472
Delinquent fees	95,312	-	-	95,312
Miscellaneous charges	16,056	-	-	16,056
Return on fees	-	-	-	-
Property tax revenues	-	-	215,266	215,266
Lease revenue	-	235,707	-	235,707
Total revenues	3,647,633	235,707	215,266	4,098,606
Operations expense:				
General and administrative	-	-	-	-
Water treatment	3,100,974	-	-	3,100,974
Sewer treatment	-	-	-	-
Solid waste	522,645	-	-	522,645
Storm water	-	-	-	-
Medical services	-	-	134,620	134,620
Community Center operating expense	-	147,762	-	147,762
Depreciation	733,582	-	-	733,582
Total operations expense	4,357,201	147,762	134,620	4,639,583
Income before non-operating revenues, expenses & transfers	(709,568)	87,945	80,646	(540,977)
Non-operating revenues (expenses):				
Interest revenue	1,154	19,633	145	20,932
Interest expense	(1,844,896)	-	-	(1,844,896)
Insurance proceeds	310,026	-	-	310,026
Fire expenses	(288,402)	-	-	(288,402)
Trustee fees	(29,900)	-	-	(29,900)
Total	(1,852,018)	19,633	145	(1,832,240)
Income (loss) before operating transfers	(2,561,586)	107,578	80,791	(2,373,217)
Transfers in (out)	1,898,516	(32,467)	(46,579)	1,819,470
Change in net position	(663,070)	75,111	34,212	(553,747)
Net position at beginning of year	(7,846,146)	637,111	292,968	(6,916,067)
Prior period adjustment	(1,103,436)	-	-	(1,103,436)
Net position at end of year	\$ (9,612,652)	\$ 712,222	\$ 327,180	\$ (8,573,250)

The accompanying notes are an integral part of the basic financial statements.

CITY OF GLENPOOL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			
	Utility Service Authority	Industrial Authority	GEMS Trust Authority	Totals
Cash flows from operating activities:				
Cash received from customers & service users	\$ 3,610,573	\$ 241,384	\$ 215,266	\$ 4,067,223
Cash payments for goods & services & employees	(3,612,180)	(145,601)	(134,762)	(3,892,543)
Net cash provided by operating activities	<u>(1,607)</u>	<u>95,783</u>	<u>80,504</u>	<u>174,680</u>
Cash flows from noncapital financing activities:				
Net change in due to/due from other funds	-	19,255	-	19,255
Net effect from fire	21,624	-	-	21,624
Operating transfers in/out to other funds	1,898,516	(32,467)	(46,579)	1,819,470
Net cash provided (used) for noncapital financing activities	<u>1,920,140</u>	<u>(13,212)</u>	<u>(46,579)</u>	<u>1,860,349</u>
Cash flows from capital and related financing activities:				
Acquisition & construction of capital assets	(601,071)	-	-	(601,071)
Principal paid on debt	(480,101)	-	-	(480,101)
New debt issued	632,681	-	-	632,681
Interest paid on debt	(1,981,165)	-	-	(1,981,165)
Receipts on notes receivable	-	12,075	-	12,075
Trustee fees	(29,900)	-	-	(29,900)
Net cash provided (used) for capital and related financing activities	<u>(2,459,556)</u>	<u>12,075</u>	<u>-</u>	<u>(2,447,481)</u>
Cash flows from investing activities:				
(Purchase) liquidation of investments - unrestricted	(33)	-	-	(33)
Interest on investments	1,154	19,633	145	20,932
Net cash provided by investing activities	<u>1,121</u>	<u>19,633</u>	<u>145</u>	<u>20,899</u>
Net increase (decrease) in cash & cash equivalents	(539,902)	114,279	34,070	(391,553)
Cash and cash equivalents - beginning of year	<u>1,604,283</u>	<u>341,424</u>	<u>293,110</u>	<u>2,238,817</u>
Cash and cash equivalents - end of year	<u>\$ 1,064,381</u>	<u>\$ 455,703</u>	<u>\$ 327,180</u>	<u>\$ 1,847,264</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ (709,568)	\$ 87,945	\$ 80,646	\$ (540,977)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	733,582	-	-	733,582
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(37,060)	5,677	-	(31,383)
Increase (decrease) in accounts payable	11,785	2,161	(142)	13,804
Increase (decrease) in accrued expenses	(346)	-	-	(346)
Total adjustments	<u>707,961</u>	<u>7,838</u>	<u>(142)</u>	<u>715,657</u>
Net cash provided by operating activities	<u>\$ (1,607)</u>	<u>\$ 95,783</u>	<u>\$ 80,504</u>	<u>\$ 174,680</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Glenpool, Oklahoma (the City) complies with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

The City of Glenpool, Oklahoma is organized under the statutes of the State of Oklahoma. The City operates under a council form of government and is governed by a five-member board of commissioners. The commissioners elect the mayor from their own body. The City provides the following services as authorized by its charter: general government, public safety (fire and police), streets, public works (water, sewer and sanitation), judicial, health and social services, culture, parks and recreation, public improvements and planning and zoning for the geographical area organized as the City of Glenpool, Oklahoma.

As required by accounting principles generally accepted in the United States of America, these financial statements present the activities of the City and its component units and trusts, entities for which the City is considered to be financially accountable. Blended component units and trusts, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with the data of the primary government.

Blended Component Units/Trusts:

The Glenpool Utility Services Authority (Authority) was created pursuant to a Trust Indenture for the benefit of the City of Glenpool, Oklahoma. The Authority was established to acquire, construct, develop, equip, operate, maintain, repair, enlarge and remodel water and sewer facilities for the City of Glenpool. The water, sanitary sewer and solid waste disposal systems owned by the City have been leased to the Authority until such date that all indebtedness of the Authority is retired or provided for. The Authority is a public trust and an agency of the State of Oklahoma under Title 60, Oklahoma Statutes 1991, Section 176, et seq., and is governed by a board consisting of five trustees identical with the City Council. The Authority is exempt from State and Federal Income taxes. The Authority is reported as an enterprise fund.

The Glenpool Industrial Authority (GIA) was created September 28, 1981, for the benefit of the City of Glenpool, Oklahoma. GIA was created to promote the development of industry and to provide additional employment in the Glenpool, Oklahoma, area. The Authority is a public trust and an agency of the State of Oklahoma under Title 60, Oklahoma Statutes 1991, Section 176, et seq., and is governed by a board consisting of five trustees appointed by the City Council. GIA is exempt from State and Federal Income taxes. GIA is reported as an enterprise fund.

The Glenpool Emergency Medical Services Trust Authority (GEMSTA) was created for the benefit of the City of Glenpool, Oklahoma. GEMSTA was created to provide first responder ambulance service in the Glenpool, Oklahoma, area. The Authority is a public trust and an agency of the State of Oklahoma under Title 60, Oklahoma Statutes 1991, Section 176, et seq., and is governed by a board consisting of five trustees appointed by the City Council. GEMSTA is exempt from State and Federal Income taxes. GEMSTA is reported as an enterprise fund.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on program revenues are presented as general revenues of the city, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Major funds represent 10% of assets, liabilities, revenues, or expenditures of the corresponding element for all funds of that category *and* is at least 5% of the corresponding element total for all governmental and enterprise funds combined *or* is a fund that the government believes is important enough for financial statement users to be reported as a major fund. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting – The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds – are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (Continued)

Sales and use taxes, cigarette taxes, gasoline excise taxes and motor vehicle taxes collected and held by the state and county at year-end on behalf of the City are susceptible to accrual and are recognized as revenue. Other receipts and taxes (franchise taxes, licenses, etc.) become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The following are the City's major governmental funds:

General Fund – is the general operating fund of the City. It accounts and reports for all financial resources not required to be reported in another fund.

Capital Projects Fund – which accounts for and reports resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of major capital facilities, other than those activities financed by proprietary activities or held in trust for individuals, private organizations or other governments. Capital Project Funds of the City include the Capital Improvement Fund.

The following governmental fund of the City does not meet the percentage criteria for a major fund but the City has described this non-major fund in the presentation within the governmental type financial statements:

Special Revenue Funds – account for specific revenue sources that are legally restricted or committed to expenditures for specific purposes (not including major capital projects). The following are the City's Special Revenue Funds: Parks & Recreation.

Debt Service Fund – accounts for and report financial resources that are restricted, committed, or assigned to principal and interest payments. At balance sheet date there is no known bond, coupon, or judgment indebtedness outstanding. Funds are provided from ad valorem taxes and interest income.

Proprietary Funds – are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds are classified as enterprise.

Enterprise Funds – are used to account for those operations that are financed and operated in a manner similar to private business where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that the determination of revenues earned, costs incurred and/or net income is necessary for capital maintenance, public policy or management accountability. The following is the City's major enterprise fund:

Glenpool Utility Services Authority – which accounts for the operations of providing public works (water, sewer and sanitation) to the City.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (Continued)

The other enterprise funds of the City do not meet the percentage criteria for major funds but the City has elected to treat the following two non-major funds as though they were major funds for purposes of presentation within the proprietary funds of the financial statements rather than aggregating this information separately solely for the benefit of user understandability of the financial statements.

Glenpool Industrial Authority – which promotes of the development of industry in the City.

Glenpool Emergency Medical Services Trust Authority – which provide first responder ambulance service in the City.

Fiduciary Funds – account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

C. Assets, Liabilities and Equity

1. Deposits and Investments

Oklahoma Statutes authorize the City to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that all deposits are fully covered by approved securities pledged to secure those funds. In addition, the City can invest in direct debt securities of the United States unless law expressly prohibits such an investment.

For financial statement presentation and for purposes of the statement of cash flows, the City's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit with maturity date of three months or less. Debt instruments with a maturity date of more than three months from date of issue are considered to be investments. Investments are stated at cost.

2. Restricted Cash and Investments

The restricted bond fund cash and investments are the result of financial requirements of bond issues and consist of funds held in the Bond Project Fund Accounts, Bond Sinking Fund Accounts Bond Fund Reserve Accounts, Bond Capital Improvement Fund Accounts and Construction Accounts. Under the terms and provisions of the Bond Indenture, these special accounts and reserve funds are maintained with the Trustee bank for the benefit of the holders of the bonds and are not subject to lien or attachment by any other creditors. These accounts and reserve funds are to be maintained so long as any bonds are outstanding. Monies contained in the accounts and reserve funds held by the Trustee are required to be continuously invested in authorized securities that mature not later than the respective dates when the funds shall be required for the purpose intended by the trust indenture.

3. Fair Value of Financial Instruments

The City's financial instruments include cash and cash equivalents, investments, accounts receivable and accounts payable. The City's estimates of the fair value of all financial instruments do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities and Equity (Continued)

4. Estimates

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

5. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from other/due to other funds".

6. Inventories

Inventories in both governmental funds and proprietary funds normally consist of minimal amounts of expendable supplies held for consumption. The costs of such inventories are recorded as expenditures when purchased rather than when consumed.

7. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in the business-type activities column of the government-wide statement of net position and in the respective funds. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$10,000 for the governmental and proprietary funds.

The City's infrastructure consists of roads, bridges, culverts, curbs and gutter, streets and sidewalks, drainage system, lighting systems and similar assets that are immovable and of value only to the City. Such infrastructure assets acquired are capitalized in accordance with the requirements of GASB 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add value of the asset or materially extend an asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	40 years	40 years
Furniture, Fixtures and Equipment	3-5 years	3-5 years
Land Improvements	20 years	20 years
Vehicles	5-20 years	5-20 years
Infrastructure	10-50 years	10-50 years

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities and Equity (Continued)

8. Compensated Absences

It is the City's policy to permit full-time employees to accumulate earned but unused vacation. Full-time and part-time regular employees who have been employed continuously for at least 12 months are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. The expense and related liability for vested vacation benefits and compensatory time is recorded in the respective funds of the City or component unit.

9. Long-term Obligations

The accounting and reporting treatment applied to long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Therefore, long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

10. Net Position/Fund Balance

In the government-wide financial statement, net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws or other governments, or are imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed upon use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e., fund balance associated with assets that are *not in spendable form*, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund)) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

Amounts in the *spendable* fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities and Equity (Continued)

10. Net Position/Fund Balance (Continued)

Committed fund balance represents amount that are useable only for specific purposes by formal action of the government's highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment. The City Ordinance is the highest level of decision-making authority of the City.

Assigned fund balance represents amounts that are *intended* to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund*, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

11. Resource Use Policy

It is in the City's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources, including fund balances, are available, the City considers restricted amounts to be spent first before any unrestricted amounts are used. Furthermore, it is the City's policy that when an expenditure/expense is incurred for purposes for which committed, assigned, or unassigned resources, including fund balances, are available, the City considers committed amounts to be spent first, followed by assigned amounts and lastly unassigned amounts.

2. DETAILED NOTES CONCERNING THE FUNDS

A. Deposits and Investments

Custodial Credit Risk

At June 30, 2014, the City held deposits of approximately \$3,538,832 at financial institutions. The City's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the City or by its agent in the City's name.

Investment Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

A. Deposits and Investments (Continued)

Investment Credit Risk

The City has no policy that limits its investment choices other than the limitation of state law as follows:

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

The cash and investments held at June 30, 2014 are as follows:

Type	Weighted Average Maturity (Months)	Credit Rating	Market Value	Cost
Investments				
Money Market	N/A	AAAm	\$ 3,250,194	\$ 3,250,194
Certificate of deposit	6.00	N/A	288,638	288,638
Total investments			<u>\$ 3,538,832</u>	<u>\$ 3,538,832</u>

Reconciliation to Statement of Net Assets

Governmental activities	\$ 1,358,543
Business-type activities	2,180,289
	<u>\$ 3,538,832</u>

Concentration of Investment Credit Risk

The City places no limit on the amount it may invest in any one issuer. The City has the following of credit risk: 2% in Certificates of deposit (\$288,638) and 98% in Money Market funds (\$3,250,194).

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

B. Capital Assets

Primary Government capital asset activity for the year ended is as follows:

	Balance 6/30/13	Additions	Disposals	Balance 6/30/14
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 310,000	\$ -	\$ -	\$ 310,000
Total non-depreciable assets	<u>310,000</u>	<u>-</u>	<u>-</u>	<u>310,000</u>
Depreciable assets:				
Buildings and improvements	8,718,813	108,183	-	8,826,996
Furniture, fixtures and equipment	2,292,393	-	-	2,292,393
Vehicles	2,673,247	31,610	-	2,704,857
Infrastructure	275,376	-	-	275,376
Total depreciable assets	<u>13,959,829</u>	<u>139,793</u>	<u>-</u>	<u>14,099,622</u>
Less accumulated depreciation:				
Buildings and improvements	(2,219,420)	(220,675)	-	(2,440,095)
Furniture, fixtures and equipment	(1,887,476)	(207,350)	-	(2,094,826)
Vehicles	(2,025,696)	(82,335)	-	(2,108,031)
Infrastructure	(23,689)	(6,885)	-	(30,574)
Total accumulated depreciation	<u>(6,156,281)</u>	<u>(517,245)</u>	<u>-</u>	<u>(6,673,526)</u>
Net depreciable assets	<u>7,803,548</u>	<u>(377,452)</u>	<u>-</u>	<u>7,426,096</u>
Net governmental activities capital assets	<u>\$ 8,113,548</u>	<u>\$ (377,452)</u>	<u>\$ -</u>	<u>\$ 7,736,096</u>

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

B. Capital Assets (Continued)

Proprietary capital asset activity for the year ended is as follows:

	Balance 6/30/13	Additions	Disposals	Balance 6/30/14
Business-Type Activities:				
Non-depreciable assets:				
Land	\$ 3,533,953	\$ -	\$ -	\$ 3,533,953
Construction in progress	3,331,906	601,071	-	3,932,977
Total non-depreciable assets	<u>6,865,859</u>	<u>601,071</u>	<u>-</u>	<u>7,466,930</u>
Depreciable assets:				
Buildings and improvements	14,447,380	-	-	14,447,380
Furniture, fixtures and equipment	727,203	-	-	727,203
Vehicles	495,181	-	-	495,181
Infrastructure	15,568,586	-	-	15,568,586
Total depreciable assets	<u>31,238,350</u>	<u>-</u>	<u>-</u>	<u>31,238,350</u>
Less accumulated depreciation:				
Buildings and improvements	(838,213)	(361,559)	-	(1,199,772)
Furniture, fixtures and equipment	(512,803)	(17,355)	-	(530,158)
Vehicles	(392,538)	(16,720)	-	(409,258)
Infrastructure	(3,630,659)	(337,948)	-	(3,968,607)
Total accumulated depreciation	<u>(5,374,213)</u>	<u>(733,582)</u>	<u>-</u>	<u>(6,107,795)</u>
Net depreciable assets	<u>25,864,137</u>	<u>(733,582)</u>	<u>-</u>	<u>25,130,555</u>
Net business-type activities capital assets	<u>\$ 32,729,996</u>	<u>\$ (132,511)</u>	<u>\$ -</u>	<u>\$ 32,597,485</u>

Depreciation expense was charged to unallocated depreciation and not charged as a direct expense of the various programs.

C. Long-term Debt and Capitalized Leases

The City has entered into general obligation bonds payable, notes payable and capitalized lease for the acquisition of a fire truck. The lease agreements met the criteria of a capital lease as defined by *FASB Accounting Standards Codification (ASC) 840-10, Accounting for Leases*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as expenditures on the fund financial statements.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

C. Long-term Debt and Capitalized Leases (Continued)

The long-term debt is described below.

(1) Lease payable to Oshkosh Capital for the lease purchase of a fire truck. 10 yearly payments plus interest.	400,300
(2) Lease payable to Oklahoma State Bank for lease purchase of 5 police cruisers. 36 monthly payments of \$5,401.09 plus interest at 2.93%.	42,736
(3) Lease payable to Oklahoma State Bank for 2 police supervisor vehicles. 36 monthly payments of \$2,1125.77 plus interest at 2.93%.	18,900
(4) Note payable to the Oklahoma Department of Transportation for right-of-way. Monthly payments of \$1,200 plus interest at 0%.	17,025
(5) Note payable to the Oklahoma Department of Transportation for right-of-way. Monthly payments of \$1,200 plus interest at 0%.	22,261
(6) Note payable to the Oklahoma Department of Commerce for CDBG. Monthly payments of \$1,111 plus interest at 0%.	1,111
(7) Lease payable to BancFirst for the lease purchase of a truck with a snowplow. 24 monthly payments of \$1,359.05 plus interest at 2.99%.	<u>23,880</u>
Total	\$ <u><u>526,213</u></u>

The following is a summary of long-term debt and capitalized lease transactions for the year:

	Balance July 1, 2013	Additions	Payments and Cancellations	Balance June 30, 2014	Current Portion
Capital lease obligations	\$ 588,274	\$ 31,160	\$ 133,619	\$ 485,815	\$ 116,746
Notes payable	56,131	-	15,733	40,398	3,512
Total	<u>\$ 644,405</u>	<u>\$ 31,160</u>	<u>\$ 149,352</u>	<u>\$ 526,213</u>	<u>\$ 120,258</u>

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

C. Long-term Debt and Capitalized Leases (Continued)

The annual debt service requirements to maturity, including principal and interest, for long-term debt are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 120,258	\$ 18,165	\$ 138,423
2016	51,539	15,264	66,803
2017	45,318	13,345	58,663
2018	47,249	11,414	58,663
2019	49,267	9,395	58,662
2020-2024	197,297	12,683	209,980
2025-2029	11,025	-	11,025
2030-2033	4,260	-	4,260
Total	<u>\$ 526,213</u>	<u>\$ 80,266</u>	<u>\$ 606,479</u>

D. Long-term Debt

The City is not obligated in any manner for the debt of its component units. The water system, including all of the proceeds, revenue, water charges, assessments and income of all kinds and nature together with contract rights, accounts receivable and general intangibles have been pledged as collateral to secure these notes. The note agreements call for monthly payments to be made toward debt retirement.

The long-term debt is described below.

A Capital Improvement Revenue Bond Payable, Series 2010A was issued by the GUSA to refund the Series 2007 and 2007A Revenue Bonds, acting on behalf of the City, in the principal amount of \$29,575,000 dated December 22, 2010, due in semi-annual installments, through December 1, 2040 with interest at 2.7% to 5.15% per annum.

A Capital Improvement Revenue Bond Payable, Series 2010B was issued by the GUSA, acting on behalf of the City, in the principal amount of \$2,740,000 dated December 22, 2010, due in semi-annual installments, through December 1, 2025 with interest at 3.0% to 6.0% per annum.

A Utility Revenue Refunding Bond Payable, Series 2011 was issued by the GUSA, acting on behalf of the City, in the principal amount of \$7,315,000 dated January 5, 2011, due in semi-annual installments, through December 1, 2040 with interest at 3.7% to 5.15% per annum.

\$1,361,388 GUSA, Tulsa County, Oklahoma, Series 2001 Clean Water SRF promissory note to the Oklahoma Water Resources Board, dated May 1, 2001, due in semi-annual installments over 20 years plus interest of 2.55%, secured by pledged sales taxes and utility system revenues.

\$3,740,625 GUSA, Tulsa County, Oklahoma, Series 2011 promissory note to the Oklahoma Water Resources Board, dated October 21, 2011, due in semi-annual installments over 20 years plus interest of 2.16%, secured by pledged sales taxes and utility system revenues.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

D. Long-term Debt (Continued)

The following is a summary of long-term debt transactions of the proprietary fund:

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14	Current Portion
Revenue Bond 2010A	\$ 29,575,000	\$ -	\$ -	\$ 29,575,000	\$ -
Revenue Bond 2010B	2,660,000	-	155,000	2,505,000	160,000
Revenue Bond 2011	7,265,000	-	70,000	7,195,000	145,000
OWRB 2011	3,007,025	632,681	187,031	3,452,675	132,820
OWRB 2001	544,555	-	68,069	476,486	68,069
Total	<u>\$ 43,051,580</u>	<u>\$ 632,681</u>	<u>\$ 480,100</u>	<u>\$ 43,204,161</u>	<u>\$ 505,889</u>

The annual debt service requirements to maturity, including principal and interest, for long-term debt are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 505,889	\$ 1,933,618	\$ 2,439,507
2016	1,044,278	1,911,195	2,955,473
2017	1,073,193	1,876,680	2,949,873
2018	1,116,998	1,841,693	2,958,691
2019	1,150,906	1,806,663	2,957,569
2020-2024	6,192,433	8,388,459	14,580,892
2025-2029	7,401,391	6,974,761	14,376,152
2030-2034	8,913,585	5,089,898	14,003,483
2035-2039	10,500,000	2,688,649	13,188,649
2040-2041	4,990,000	260,075	5,250,075
Total Liability	* <u>\$ 42,888,673</u>	<u>\$ 32,771,691</u>	<u>\$ 75,660,364</u>

* The repayment schedule for the \$3,740,625 OWRB promissory note includes the principal forgiveness made possible through federal capitalization grants received by OWRB which wasn't received and won't be reflected on the balance of the OWRB loan until the 6/30/2015 audit.

3. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; unemployment; and natural disasters. The City purchases commercial insurance to cover these and other risks. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The City is a member of the Oklahoma Municipal Assurance Group Workers' Compensation Plan (the Plan), an organization formed for the purpose of providing workers' compensation coverage through the State Insurance Fund to participating municipalities in the State of Oklahoma. In that capacity, the Plan is responsible for providing loss control services and certain fiscal activities, including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for all claims submitted to it during the plan year.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

3. OTHER INFORMATION (Continued)

A. Risk Management (Continued)

As a member of the Plan, the City is required to pay fees set by the Plan according to an established payment schedule. A Loss Fund has been established from the proceeds of these fees for each participant in the Plan. The State Insurance Fund provides coverage in excess of the Loss Fund so the City's liability for claim loss is limited to the balance of that fund.

In addition to the Loss Fund, the City maintains two additional funds with the Plan. The Rate Stabilization Reserve (RSR), which can be applied against future premium increases and an Escrow Fund made up of past refunds left on deposit with the Plan. Escrow funds earn interest and are readily available for use by the governing board. In accordance with GASB No. 10, the City reports the required contribution to the pool, net of refunds, as insurance expense. The balances in the RSR Fund and the Escrow Fund were \$0 and \$0, respectively.

B. Contingent Liabilities

The City is currently involved with one legal action. It is with a Rural Water District over a contract dispute, in which this lawsuit could result in substantial liability that would not be covered by commercial insurance. The amount of this liability has not been determined at this time. The City feels that the likelihood of the foregoing loss contingency will result is highly unlikely and the parties are at this time confident the settlement will be approved by the necessary federal and state agencies and entered as a final judgment in the case.

The City is not aware of any other pending or threatened legal actions against it.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Employee Retirement System and Plan

The City of Glenpool, as the employer, participates in two statewide cost-sharing multi-employer defined benefit plans on behalf of the policemen and firefighters. The systems are funded by contributions from participants, employers, insurance premium taxes and state appropriations, as necessary.

1. Oklahoma Police Pension and Retirement Fund

All City police department employees hired before age 45 are covered by a statewide cost sharing multi-employer defined benefit plan adopted under Oklahoma Statutes. This plan is operated and administered by the Oklahoma Police Pension and Retirement System (OPPRS). Under this plan, police department personnel contribute 8.0% of base salary and the City contributes an additional 13.0%. The OPPRS issue publicly available financial reports that include financial statements and required supplementary information for the fund. These reports may be obtained by writing to the Oklahoma Police Pension and Retirement System, 101 NW 63rd Street, Suite 305, Oklahoma City, OK 73116-7335, or by calling 1-800-347-6552. The required contribution from the City for these plans was \$124,536, \$125,829 and \$120,039 for 2014, 2013 and 2012. The required contribution was fully contributed. At June 30, 2014 the system held no related-party investments of the City or of its related entities.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

3. OTHER INFORMATION (Continued)

C. Employee Retirement System and Plans (Continued)

2. Oklahoma Firefighter's Pension and Retirement Fund

All City fire department employees hired before age 45 are covered by a statewide cost sharing multi-employer defined benefit plan adopted under Oklahoma Statutes. This plan is operated and administered by the Oklahoma Firefighters Pension and Retirement System (OFPRS). Under this plan, fire department personnel contribute 9.0% of base salary and the City contributes an additional 130% for July to November and 14.0% for December to June. The OFPRS issue publicly available financial reports that include financial statements and required supplementary information for the fund. These reports may be obtained by writing to the Oklahoma Firefighters Pension and Retirement System, 4545 North Lincoln Blvd., Suite 265, Oklahoma City, OK 73105-3414, or by calling 1-800-525-7461.

The required contribution from the City for these plans was \$120,435, \$110,253 and \$110,326 for 2014, 2013 and 2012. The required contribution was fully contributed. At June 30, 2014 the system held no related-party investments of the City or of its related entities.

3. Defined contribution plan

The City participates in a defined contribution plan with the Oklahoma Municipal Retirement Fund. The defined contribution plan is available to all full-time employees not already participating in another plan. A defined contribution plan's benefits depend solely on amounts contributed to the plan, investment earnings and forfeitures of other participants' benefits that may be allocated to remaining participants' accounts. Benefits vest at time of employment, with normal retirement at age 65 and early retirement at age 55 with 10 years or more of service. Participants are required to contribute 2% of their covered compensation and the City is required to contribute 7% of covered compensation. Participants are permitted to make voluntary deductible contributions to the plan. The City's annual pension cost of \$81,802, \$55,753 and \$56,135 for 2014, 2013 and 2012, was equal to the City's required and actual contributions. The City is required to contribute 19% for the prior City Manager and 13% for the prior Assistant City Manager, now it is 13% of covered compensation for the current City Manager. The City Manager is permitted to make voluntary deductible contributions to the plan. The City's annual pension cost of \$52,679, \$41,004 and \$34,020 for 2014, 2013 and 2012, was equal to the City's required and actual contributions.

OMRF issues a publicly available financial report that includes financial statements and required supplementary information for the fund. That report may be obtained by writing to Oklahoma Municipal Retirement System, 525 Central Park Drive, Oklahoma City, OK 73105, or by calling 1-888-394-6673.

D. Other Post-Employment Benefits

Plan Description: City provides post-retirement benefit options for health care, prescription drug, dental and vision benefits for retired employees and their dependents that elect to make required contributions. The benefits are provided in accordance with State law, police and firefighter's union contracts and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The relationship for these benefits is not formalized in a contract or plan document, only a few sentences in the administrative policy. These benefits are considered for accounting purposes to be provided in accordance with a single employer substantive plan. A substantive plan is one in which the plan terms are understood by the City and plan members. This understanding is based on communications between the employers and plan member and the historical pattern of practice with regard to the sharing of benefit costs.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

3. OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

Substantially all of the government's employees may become eligible for those post-retirement benefits if they reach normal retirement age while working for the City. The plan is only provided for employees between the ages of 62 and 65. As of June 30, 2014, approximately no retired employees are receiving benefits under this plan.

Funding Policy. The contribution requirement of the City is an implicit subsidy. The implicit subsidy is not a direct payment from the employer on behalf of the member but rather stems from retiree contribution levels that are less than the claims cost at retiree ages. Since claims experience for employees and non-Medicare eligible retirees are pooled when determining premiums, these retired members pay a premium based on a pool of members that, on average, are younger and healthier. There is an implicit subsidy from the employee group since the premiums paid by the retirees are lower than they would have been if the retirees were insured separately. The subsidies are valued using the difference between the age-based claims costs and the premium paid by the retiree. The amount required to fund the implicit rate is based on projected pay-as-you-go financing requirements. For fiscal year 2014, the City contributed 0% to the plan for previously retired employees (0 retirees) and 0% of premiums on newly retired employees (0 retirees).

Annual OPEB Cost and Net OPEB Obligation. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. GASB 45 requires entities with over 200 employees to have the actuarial valuation performed biennially. The City is not required to perform the actuarial valuation of the OPEB cost and related OPEB obligation for the year ended June 30, 2014 since no one is participating at this time.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

4. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to the GUSA for the advance refunding which resulted in a defeasance of debt. When the debt was defeased, it is no longer reported as a liability on the face of the balance sheet as well as the related assets.

5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through date of the auditors' report, which is the date the financial statements were available to be issued and has determined that no additional information needs to be added to the financial statements.

**CITY OF GLENPOOL
Glenpool, Oklahoma**

**REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2014**

CITY OF GLENPOOL
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BUDGETARY BASIS) AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2014
(Unaudited)

GENERAL FUND

	Budgeted Amounts			Variance with
	Original	Final		Final Budget
	Budget	Budget	Actual	Over (Under)
Revenues:				
Charges for services	\$ 59,100	\$ 59,100	\$ 110,768	\$ 51,668
Cigarette taxes	77,500	77,500	71,268	(6,232)
Interest	1,200	1,200	311	(889)
Franchise taxes	450,000	450,000	454,027	4,027
Hotel/motel taxes	130,000	130,000	96,503	(33,497)
Intergovernmental programs	119,100	119,100	207,013	87,913
Fines and forfeits	350,000	350,000	208,013	(141,987)
Rental receipts	45,000	45,000	60,185	15,185
Licenses and permits	85,645	85,645	102,730	17,085
Miscellaneous revenue	59,498	59,498	79,501	20,003
Donations	-	-	1,030	1,030
Property sales	-	-	-	-
Property taxes	20	20	2	(18)
Sales and use taxes	6,382,026	6,382,026	6,304,646	(77,380)
Special assessments	65,000	65,000	75,665	10,665
Total revenues	<u>7,824,089</u>	<u>7,824,089</u>	<u>7,771,662</u>	<u>(52,427)</u>
Expenditures:				
Current:				
General government	1,888,668	1,888,668	1,790,894	97,774
Public safety	3,290,301	3,290,301	3,149,734	140,567
Highways and roads	605,590	605,590	557,807	47,783
Cultural and recreational	75,000	75,000	73,886	1,114
Debt Service:				
Principal	87,125	87,125	87,125	-
Interest expense	3,275	3,275	3,197	78
Capital outlay	31,610	31,610	31,610	-
Total expenditures	<u>5,981,569</u>	<u>5,981,569</u>	<u>5,694,253</u>	<u>287,316</u>
Excess of revenue over				
(under) expenditures	1,842,520	1,842,520	2,077,409	234,889
Other financing sources (uses):				
Operating transfers in (out)	<u>(1,842,520)</u>	<u>(1,842,520)</u>	<u>(1,933,933)</u>	<u>(91,413)</u>
Net changes in fund balance	-	-	175,086	175,086
Fund balance at beginning of year	<u>2,573,005</u>	<u>2,573,005</u>	<u>2,573,005</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,573,005</u>	<u>\$ 2,573,005</u>	<u>\$ 2,748,091</u>	<u>\$ 175,086</u>

CITY OF GLENPOOL
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BUDGETARY BASIS) AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2014
(Unaudited)

SPECIAL REVENUE FUNDS

	Budgeted Amounts			Variance with
	Original	Final		Final Budget
	Budget	Budget	Actual	Over (Under)
Revenues:				
Charges for services	\$ -	\$ -	\$ 75,550	\$ 75,550
Intergovernmental programs	-	-	-	-
Donations	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>75,550</u>	<u>75,550</u>
Expenditures:				
General government	-	-	-	-
Cultural & recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over (under) expenditures	-	-	75,550	75,550
Other financing sources (uses):				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	-	-	75,550	75,550
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,550</u>	<u>\$ 75,550</u>

CITY OF GLENPOOL
REQUIRED SUPPLEMENTAL INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BUDGETARY BASIS) AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2014
(Unaudited)

CAPITAL PROJECTS FUND

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental programs	-	-	-	-
Donations	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
General government	-	-	-	-
Public safety and judiciary	-	-	-	-
Cultural & recreation	-	-	-	-
Capital outlay	195,000	195,000	108,183	86,817
Debt service:				
Principal	77,483	77,483	62,227	15,256
Interest expense	20,000	20,000	17,923	2,077
Total expenditures	<u>292,483</u>	<u>292,483</u>	<u>188,333</u>	<u>104,150</u>
Excess of revenue over (under) expenditures	(292,483)	(292,483)	(188,333)	104,150
Other financing sources (uses):				
Operating transfers in (out)	<u>292,483</u>	<u>292,483</u>	<u>114,463</u>	<u>(178,020)</u>
Net changes in fund balance	-	-	(73,870)	(73,870)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,870)</u>	<u>\$ (73,870)</u>

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
Year Ended June 30, 2014
(Unaudited)

BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for all governmental funds. The enterprise funds and internal service fund adopt budgets on the non-GAAP basis wherein service fees, bond and note proceeds are recognized as revenue, principal payments on debt and capital expenditures are recognized as expenses, and depreciation expense is not budgeted. Annual appropriated budgets are not adopted for the agency funds. Budgetary data for enterprise funds, internal service, and permanent funds are not presented in these financial statements.

Prior to July 1, the City Manager (not an elected official) submits a proposed operating budget for the fiscal year commencing July 1, to the Commissioners (elected officials). Public hearings are held at regular or special meetings to obtain taxpayer input. Prior to July 1, the budget is legally enacted through passage of a budget resolution. The operating budget, for all budgeted funds, includes proposed expenditures and the means of financing. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personal services, maintenance and operations, capital outlay, transfers, and debt service. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. A more detailed budget is used for operating purposes. All budget revisions at the legal level are subject to final approval by the City Council. Within these control levels, management may transfer appropriations without council approval. Revisions to the budget were made during the year in accordance with the provisions of the Oklahoma Statutes. All annual appropriations lapse at year-end.

The City uses encumbrance accounting. Encumbrances are recorded when purchase orders are issued but generally are not considered expenditures until liabilities for payments are incurred. At year-end, open purchase orders are reviewed and payments are made on those where the receipt of goods and services is eminent. The remaining purchase orders (and encumbrances) are cancelled and reissued during the following year. There are no outstanding encumbrances at year-end.

CITY OF GLENPOOL
Glenpool, Oklahoma

OTHER INFORMATION
June 30, 2014

CITY OF GLENPOOL
Glenpool, Oklahoma

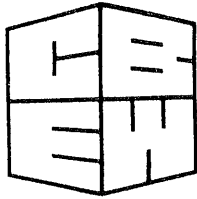
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Collected</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development:</u>				
<u>Passed through the Oklahoma Department of Commerce:</u>				
CDBG	14.228	<u>73,603</u>	<u>73,603</u>	<u>73,603</u>
<u>U.S. Department of Homeland Security:</u>				
<u>Passed through the Oklahoma Department of Emergency Management:</u>				
Emergency Management Assistance	97.042	<u>37,957</u>	<u>3,838</u>	<u>3,838</u>
Total of Expenditures of Federal Awards		\$ <u>111,560</u>	\$ <u>77,441</u>	\$ <u>77,441</u>

Note A - This schedule was prepared on an accrual (GAAP) basis of accounting consistent with the preparation of the basic financial statements.

CITY OF GLENPOOL
Glenpool, Oklahoma

REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
June 30, 2014



CBEW
Professional
Group, LLP

Certified Public Accountants

DON K. ETHRIDGE, CPA
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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**

November 25, 2014

Honorable Board of City Commissioners
City of Glenpool
Glenpool, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glenpool, Oklahoma, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Glenpool, Oklahoma's basic financial statements, and have issued our report thereon dated November 25, 2014

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

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.

CBEW Professional Group, LLP

CBEW Professional Group, LLP
Certified Public Accountants

City Of Glenpool

Creating Opportunity

To: HONORABLE MAYOR AND CITY COUNCIL
From: Roger Kolman, City Manager
Date: December 1, 2014
Subject: Utility Rate Study

Background:

The Glenpool Utility Services Authority (GUSA) operates the water and wastewater public utilities in Glenpool for the benefit of the City of Glenpool and its citizens. Since FY 2011, GUSA has realized combined losses from operations of those utilities in excess of \$3.8 million, including depreciation. During that same time period, operation of the utilities cost GUSA almost \$900,000 (exclusive of debt payments, capital outlay, and transfers to/from other funds) more than what was received in utility revenues. As a result, the net unrestricted cash position of GUSA has decreased from \$386,383 at June 30, 2011 to a cash deficit of \$1,190,989 at June 30, 2014. To date, the cash deficit in GUSA has been offset by cash deposits held by the City's General Fund; however, as of June 30, 2014 the net unrestricted cash held between the two entities was \$ 76,371.

GUSA is a business enterprise, and as such needs to be able to cover its current operating costs through current revenues while building reserves for emergency repairs and future capital outlay. At this time, GUSA is not able to meet any of those goals. As with any business facing a similar situation, GUSA needs to explore its opportunities to decrease operating costs where possible while seeking to increase revenues. To that end, staff recommends that the City and/or GUSA engage the services of a consulting firm with the qualifications to review the financial operations of the utility and develop a rate study that more clearly matches the cost of service

Staff solicited statements of qualifications from three entities that have done utility rate studies for Oklahoma public utilities in recent years. All three firms are well qualified, with excellent references, and any one of them should be able to provide the type of assistance that the City and GUSA need at this time. Two of the firms are based out of Texas, and the third firm is based in Edmond. All three firms quoted costs for their services of between \$26,000 and \$30,000.

- Municipal Finance Services, Edmond, OK
- Economists.com, Plano, TX
- NewGen Strategies & Solutions, Austin, TX

Based on the cost of service, reputation of the firm, and the location within Oklahoma, staff recommends contracting with Municipal Finance Services of Edmond for the preparation of a utility rate study.



Staff Recommendation:

Staff recommends engaging a consultant to prepare a utility rate study as part of a plan to ensure the long-term fiscal health of GUSA.

Attachments:

Schedule of Selected Financial Information

Historical Revenues & Expenses/Expenditures (General Fund)

Historical Revenues & Expenses/Expenditures (GUSA)

Long Term Undefeased Debt Schedule (GUSA)

Schedule of Debt Service Coverage

Financial Advisor Services Engagement Agreement

City of Glenpool
Selected Financial Information

	As of and for the Years Ended June 30					
	2014	2013	2012	2011	2010	2009
<u>Unrestricted Cash Posit.</u>						
General Fund	1,267,360	1,031,522	622,615	581,141	440,863	713,025
GUSA	(1,190,989)	(604,929)	(57,041)	386,383	1,169,602	1,408,201
Net Cash	76,371	426,593	565,574	967,524	1,610,465	2,121,226
Utility Revenues	3,647,633	3,442,606	3,197,921	3,389,236	3,542,121	3,176,282
Utility Op. Expenses	(4,357,201)	(4,598,882)	(4,723,648)	(3,882,865)	(2,700,486)	(2,868,122)
Utility Non. Op Rev/(Exp)	(2,224,884)	(5,182,405)	(1,827,369)	(2,885,178)	(1,516,270)	(1,463,912)
Operating Trans In/(Out)	1,898,516	1,531,990	1,485,070	(1,515,045)	1,243,552	(1,311,824)
Net Change in Assets	(1,035,936)	(4,806,691)	(1,868,026)	(4,893,852)	568,917	(2,467,576)
Cash Flows from Oper.	(1,607)	(434,969)	(103,517)	(345,370)	875,642	830,836
Cash Flows Non Cap.	1,920,140	1,531,990	1,485,070	(1,508,016)	1,247,830	(1,383,752)
Cash Flows Cap/Fin.	(3,109,149)	(2,674,597)	(21,024,142)	27,088,943	(12,373,690)	12,430,160
Cash Flows Investing	259,534	262,517	287,461	121,559	111,584	161,232
Net Change in Cash	(931,082)	(1,315,059)	(19,355,128)	25,357,116	(10,138,634)	12,038,476

*Source: City of Glenpool Annual Financial Reports FY 2009 - 2014

City of Glenpool
Historical Revenues Expenses/Expenditures

General Fund	2014	2013	2012	2011	2010	2009	2008
Charges for Services	110,768	56,183	64,366	44,782	41,598	107,874	134,917
Cigarette taxes	71,268	74,595	81,026	76,262	72,453	66,664	40,527
Interest	311	972	3,556	4,676	2,376	733	14,820
Franchise Fees	454,027	435,436	397,725	440,185	422,415	380,706	392,492
Hotel/Motel Taxes	96,503	91,486	87,580	74,623	44,362	44,605	44,590
Intergovt. Programs	207,013	140,168	139,195	110,050	165,143	92,604	114,990
Fines and forfeits	208,013	349,844	554,959	489,912	675,020	287,367	250,315
Rental Receipts	60,185	45,039	42,095	20,757	18,169	18,976	18,864
Licenses and permits	102,730	87,287	50,036	85,261	81,129	48,123	48,706
Miscellaneous rev.	79,501	153,109	60,155	13,807	129,054	101,229	51,320
Donations	1,030	-	-	-	-	285,000	-
Sales of Property	2	14,596	2,276	128,329	336,702	28,079	-
Sales and Use Tax	6,304,646	6,064,456	5,725,825	5,356,879	5,228,686	5,072,063	3,252,298
Special assessments	75,665	64,940	73,262	64,783	66,898	81,196	63,153
Total Revenue	7,771,662	7,578,111	7,282,056	6,910,306	7,284,005	6,615,219	4,426,992
	3%	4%	5%	-5%	10%	49%	
General govt.	1,790,894	1,787,448	1,667,768	1,502,683	1,262,501	1,235,799	971,581
Public safety	3,149,734	3,047,456	2,974,764	2,762,714	2,717,045	2,572,388	2,180,784
Highways and roads	557,807	165,549	736,592	328,660	393,452	494,817	115,194
Culture and recreation	73,886	406,731	-	19,793	-	-	15,959
Principal paid	87,125	188,815	166,956	134,834	195,994	211,428	179,915
Interest expense	3,197	26,826	21,519	7,278	13,285	101,450	15,967
Capital outlay	31,610	74,910	23,361	3,941,040	1,077,379	3,537,847	1,034,424
Total Expenditures	5,694,253	5,697,735	5,590,960	8,697,002	5,659,656	8,153,729	4,513,824
	0%	2%	-36%	54%	-31%	81%	
Lease Proceeds	31,610	-	-	-	-	336,349	-
Operating trans In(out)	(1,933,933)	(1,454,994)	(1,421,132)	1,564,625	(1,550,254)	1,331,824	871,424
Excess Rev/Exp	175,086	425,382	269,964	(222,071)	74,095	129,663	784,592
Beg Fund Bal.	2,573,004	2,147,622	1,877,658	1,608,480	1,534,385	1,257,170	472,578
End Fund Bal.	2,748,090	2,573,004	2,147,622	1,386,409	1,608,480	1,386,833	1,257,170

*Source: City of Glenpool Annual Financial Reports FY 2008 - 2014

City of Glenpool
Historical Revenues Expenses/Expenditures

GUSA	2014	2013	2012	2011	2010	2009	2008
Water revenue	1,962,274	1,851,348	1,644,317	1,864,124	2,026,944	1,587,600	1,708,170
Sewer revenue	747,534	748,524	742,816	714,891	661,916	707,296	690,712
Solid Waste rev.	529,299	518,396	-	12,488	13,914	464,168	437,311
Water taps	113,100	80,005	62,175	52,253	108,903	113,053	149,232
Sewer taps	19,500	16,969	13,600	10,800	25,198	26,525	34,775
Solid Waste Mgmt	16,340	15,944	15,688	15,458	12,006	14,299	13,396
Storm Water Mgmt	102,746	98,713	96,943	88,436	79,458	81,064	77,072
Water/sewer Fees	-	-	509,969	499,086	454,189	13,073	14,596
Connection/Transfer	45,472	6,809	6,421	41,375	37,925	7,130	6,910
Delinq. Fees	95,312	92,408	85,113	79,539	73,409	88,878	46,351
Misc. Charges	16,056	13,490	17,839	7,694	24,421	50,114	11,268
Return on Fees	-	-	3,060	3,092	23,838	23,082	23,564
Total Op Rev.	3,647,633	3,442,606	3,197,941	3,389,236	3,542,121	3,176,282	3,213,357
General & Adm	-	-	49,308	101,379	80,000	-	115,788
Water Treatment	3,100,974	3,334,696	3,443,570	2,885,472	1,721,235	1,805,158	1,540,604
Sewer Treatment	-	-	-	-	-	194,392	208,028
Solid Waste	522,645	506,645	496,700	480,468	466,566	465,367	437,604
Storm water	-	-	-	-	47,619	44,263	40,465
Depreciation	733,582	757,541	734,070	415,546	385,066	358,942	334,250
	4,357,201	4,598,882	4,723,648	3,882,865	2,700,486	2,868,122	2,676,739
Interest Rev.	259,567	262,584	287,583	121,742	111,784	162,384	162,897
Interest Exp.	(2,476,175)	(2,050,036)	(2,325,736)	(2,816,584)	(1,415,046)	(1,436,636)	(608,081)
Amortization	-	(3,216,730)	(267,556)	(267,556)	(186,660)	(186,660)	(33,060)
Grant Rev.	-	-	643,340	109,633	7,421	-	63,656
Insurance Proceeds	310,026						
Insurance Expenses	(288,402)						
Trustee Fees	(29,900)	(178,223)	(165,000)	(32,413)	(33,769)	(3,000)	(9,951)
	(2,224,884)	(5,182,405)	(1,827,369)	(2,885,178)	(1,516,270)	(1,463,912)	(424,539)
Transfer In (out)	1,898,516	1,531,990	1,485,070	(1,515,045)	1,243,552	(1,311,824)	(855,924)
Change in net assets	(1,035,936)	(4,806,691)	(1,868,006)	(4,893,852)	568,917	(2,467,576)	(743,845)

*Source: City of Glenpool Annual Financial Reports FY 2008 - 2014

GUSA

LT Debt (Undefeased) Schedule

Combined	2010A	2010B	2011	OWRB#2	OWRB#3	Debt Service Total	Year/Year Change
2011	618,305.73	60,364.79	140,993.42	68,069.42	-	887,733.36	-
2012	1,399,937.50	136,675.00	396,405.00	68,069.42	-	2,001,086.92	1,113,353.56
2013	1,399,937.50	215,475.00	345,155.00	83,257.41	-	2,043,824.91	42,737.99
2014	1,399,937.50	286,950.00	413,405.00	81,521.64	-	2,181,814.14	137,989.23
2015	1,399,937.50	287,225.00	483,755.00	79,785.87	200,520.05	2,451,223.42	269,409.28
2016	1,915,750.00	287,350.00	482,855.00	78,050.10	201,448.36	2,965,453.46	514,230.04
2017	1,912,112.50	285,752.50	481,755.00	76,314.33	202,184.31	2,958,118.64	
2018	1,915,102.50	287,265.00	485,355.00	74,578.56	202,899.46	2,965,200.52	
2019	1,913,917.50	288,292.50	483,655.00	72,842.79	203,634.02	2,962,341.81	
2020	1,915,326.25	288,835.00	486,655.00	70,022.16	204,355.72	2,965,194.13	
2021	1,914,290.00	288,892.50	484,632.50	68,286.39	205,162.62	2,961,264.01	
2022	1,911,155.00	287,200.00	482,505.00	-	205,958.62	2,886,818.62	
2023	1,911,220.00	283,700.00	484,800.00	-	206,776.23	2,886,496.23	
2024	1,909,650.00	284,450.00	481,597.50	-	207,592.17	2,883,289.67	
2025	1,911,113.75	284,300.00	482,826.25	-	208,478.02	2,886,718.02	
2026	1,905,367.50	283,250.00	483,307.50	-	209,364.04	2,881,289.04	
2027	2,178,873.75	-	482,658.75	-	210,274.42	2,871,806.92	
2028	2,176,493.75	-	481,018.75	-	211,194.93	2,868,707.43	
2029	2,176,567.50	-	478,893.75	-	212,168.70	2,867,629.95	
2030	2,173,973.75	-	476,283.75	-	213,154.93	2,863,412.43	
2031	2,173,591.25	-	478,067.50	-	214,167.94	2,865,826.69	
2032	2,173,502.50	-	478,755.00	-	215,205.50	2,867,463.00	
2033	2,168,505.00	-	478,327.50	-	108,001.84	2,754,834.34	
2034	2,169,937.50	-	482,007.50	-	-	2,651,945.00	
2035	2,167,545.00	-	479,795.00	-	-	2,647,340.00	
2036	2,166,200.00	-	471,945.00	-	-	2,638,145.00	
2037	2,160,346.25	-	473,236.25	-	-	2,633,582.50	
2038	2,159,706.25	-	478,280.00	-	-	2,637,986.25	
2039	2,154,431.25	-	477,165.00	-	-	2,631,596.25	
2040	2,154,263.75	-	475,020.00	-	-	2,629,283.75	
2041	2,148,946.25	-	471,845.00	-	-	2,620,791.25	
	59,755,944.48	4,135,977.29	14,262,955.92	820,798.09	3,842,541.88	82,818,217.66	

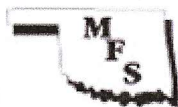
City of Glenpool/GUSA
Debt Service Coverage

	Dedicated Sales Tax	General Sales Tax	Use Tax	Available For Debt Service	Debt Service	Available For Other Gen. Expend.	Other General Revenues	General Fund Expenditures	Net Expenditure Coverage
2011	1,302,199	3,937,460	117,220	5,356,879	887,733	4,469,146	1,553,427	8,697,002	(2,674,429)
2012	1,401,456	4,227,407	96,962	5,725,825	2,001,087	3,724,738	1,556,231	5,590,960	(309,991)
2013	1,484,721	4,464,546	115,189	6,064,456	2,043,825	4,020,631	1,513,655	5,697,735	(163,449)
2014	1,523,943	4,574,905	205,798	6,304,646	2,181,814	4,122,832	1,467,016	5,694,253	(104,405)
2015	1,565,466	4,700,199	110,000	6,375,665	2,451,223	3,924,442	1,949,524	6,178,173	(304,207)



Municipal Finance Services

3325 French Park Drive, Suite 8
Edmond, OK 73034
Phone 405.340.1727
Fax 405.340.3607



FINANCIAL ADVISOR SERVICES AGREEMENT

THIS AGREEMENT is made between MUNICIPAL FINANCE SERVICES, INC. ("MFSOK"), an Oklahoma corporation, hereinafter referred to as "Financial Advisor," the CITY OF GLENPOOL, OKLAHOMA, a municipal corporation, and the GLENPOOL UTILITY SERVICES AUTHORITY, a public trust with the CITY OF GLENPOOL as beneficiary, hereinafter collectively referred to as "City."

NOW, THEREFORE, in consideration of the mutual promises and agreements herein set forth, Financial Advisor and City agree as follows:

Scope of Services. The purpose of this Agreement is for the Financial Advisor to render financial consulting services to the City on certain financial matters, including, but not limited to:

- i) Conduct a comprehensive review and analysis of the City's utility revenue operations, and produce a Water and Sewer Rate Study as outlined in Exhibit A. It is anticipated the study would be completed and made available to the City for review and comment within sixty (60) days after approval of the engagement and execution of this Agreement.
- ii) Present the findings and recommendations of the Water and Sewer Rate Study to the City and answer questions related to those findings and recommendations.

Best Effort. Financial Advisor hereby agrees that it will, at all times, faithfully, industriously and to the best of its ability, experience and talent, perform all duties that may be required pursuant to the express and implicit terms hereof to the reasonable satisfaction of the City.

Compensation.

- Fee: \$25,000, payable upon delivery and acceptance of the Water and Sewer Rate Study.
- Expenses: Reimbursement of verified, out-of-pocket expenses not to exceed \$1,500, payable with and in addition to the Fee described above.

Other Provisions.

- No Assignment Without Consent. This Agreement shall be binding on and shall inure to the benefit of the respective successors and assigns of Financial Advisor and City, but no assignment of this Agreement or any payments provided to be made hereunder shall be effective without prior written consent from the City.
- Disclosure. The City acknowledges receipt of the Financial Advisor's Firm "ADV Form Part 2A Brochure and ADV Form Part 2B Brochure Supplements" prior to consideration and execution of this Agreement.
- Contact Persons. For purposes of administering this Agreement, the following persons are hereby designated as contact persons for the respective parties:

Financial Advisor: Rick A. Smith, President (405/340-1727)

City/Authority: Roger Kolman, City Manager (918/322-5409)

THIS AGREEMENT WAS DULY CONSIDERED AND APPROVED BY THE CITY AT A PUBLIC MEETING CALLED AND HELD ON THE DATE SHOWN HEREINBELOW IN FULL COMPLIANCE WITH THE OKLAHOMA OPEN MEETING LAW.

DATED THIS 3RD DAY OF DECEMBER, 2014.

CITY OF GLENPOOL, OKLAHOMA

Mayor

MUNICIPAL FINANCE SERVICES, INC.

Rick A. Smith, President

EXHIBIT A

WATER AND SEWER RATE STUDY

EXECUTIVE SUMMARY

Municipal Finance Services, Inc. (MFSOK) is a widely known financial consulting firm among Oklahoma cities and towns, and has expertise in evaluating financial resources available to properly operate and maintain utility systems and adequately repay any obligations issued for capital projects. The firm has been in business for almost 25 years and works with approximately 100 communities on a regular basis. The proposed Water and Sewer Rate Study reflects the type of analysis and study routinely performed by MFSOK for its clients. Rick A. Smith, MFSOK President, brings over 35 years of actively assisting cities in financing capital projects, with his prior position as Chief of the Planning and Development Division for the Oklahoma Water Resources Board (OWRB) and in the private sector as a consultant. Mr. Smith will direct all activities of the firm and present any reports to the staff and City Council.

MFSOK's technical approach will be consistent with recognized rate making theories established by the American Water Works Association (AWWA) Manual M1 *Fifth Edition*, in consultation with City officials. Initial efforts will include, but not be limited to, (i) compiling a four-year historical profile of water and wastewater usage, residential customer and large commercial customer data; (ii) assessing growth trends and pending customer changes, if any, and (iii) utilizing the data available through the City's billing system to establish customer use patterns. The next step will be to review the City's historical financial performance based on audited financial statements and internal financial reports generated by the City staff. In conjunction with this task, we will document current debt service requirements.

Historical expenditures will be broken out to the extent possible between routine operation and maintenance cost and capitalized expenditures related to equipment and physical assets. Working with City utility and administrative staff, we will establish an appropriate methodology to allocate expenses among the utility departments evaluated. Base-Extra Capacity and Commodity-Demand methods will be assessed and the advantages and disadvantages of each clearly outlined in the rate making process. Base-Extra Capacity analysis allocates cost to customer classes based on each customer class' requirements for demands that exceed average use. Commodity-Demand analysis allocates functional cost components to customers based on variable and fixed cost assumptions.

Upon an acceptable methodology being established, a water and wastewater model will be designed and tested to determine accuracy and confidence level. Then a rate structure, likely with some options to be considered by the City, will be developed to meet revenue requirements over a 5-year planning horizon.

MFSOK will prepare the interactive model using Microsoft Excel, and will be formatted in such a manner as to allow changes to basic assumptions and generate various revenue producing scenarios. The model will then be provided to the City for its on-going use as a management tool.

TECHNICAL APPROACH

Municipal Finance Services, Inc. (MFSOK) has undertaken numerous financial studies and rate analyses for its clients. Based on our experience dealing with a vast array of utility billing programs and financial reports, we propose to perform the Water and Sewer Rate Study requested by the City of Glenpool as outlined below.

A. Establish Objectives

One of the initial tasks would be to consult with key City officials and determine specific objectives for the Study. Some of the objectives would be:

- Assure that sufficient revenue is generated to provide for ongoing operational and capital requirements
- Project future revenues required and the necessary rates to support that revenue
- Distribute the costs of the systems equitably, across applicable user classes
- Clearly define to the governing body and the public in general the rationale for fees and charges
- Minimize staff/administrative time and costs during the process

B. Assemble and Analyze Historical Financial and Usage Patterns

An important component of the Study will be the compilation of historical data to discern any positive or negative trends in the City's overall financial performance or usage patterns. We propose to analyze information for Fiscal Years 2010 through 2014. Key data required will include, but not be limited to:

- Financial statements showing fund balances, revenues, expenses, debt service requirements and capital expenditures
- Water and sewer usage reports broken down by customer classifications
- Large water and sewer customer reports
- Usage range reports analysis based on various monthly usage amounts and coinciding with the City's existing rate structure
- Water and sewer rate history for the last several years
- Fund balance policies adopted by the City Council

In gathering required utility data, MFSOK will need to have remote computer access to Glenpool's utility billing software program in order to generate various reports. MFSOK will coordinate with the appropriate City staff members to arrange for this access.

C. Cost Allocation Methodology

To accurately allocate costs of service, we will work with City officials to determine an appropriate allocation methodology incorporating all variable and fixed costs of the utility operations. To establish such a methodology, we would take into consideration the following cost components:

- Production/purchase costs
- Treatment expense
- Centralized service costs
- Debt service allocation
- Anticipated changes in costs
- Any planned capital expenditures
- Any planned debt obligations

D. Develop Interactive Rate Model

Once a customer profile has been established and a cost allocation method determined, MFSOK will prepare an interactive rate model for both water and wastewater purposes capable of projecting revenue impacts. The model will be tested to determine accuracy and level of confidence. The rate model will be linked to changes in pro forma income statements to automatically generate rate structures designed to meet revenue or net revenue requirements.

E. Comparison of Existing and Proposed Rates

To clearly layout the rate changes and their impacts on local users, MFSOK will provide a comparison of the existing rates and proposed rates on both a monthly and annual basis. In addition, we will compare Glenpool's rates to other communities. However, such comparisons usually should be treated with caution since other communities may fund capital projects with General Obligation Bonds, have other revenue producing enterprises such as electric or natural gas utilities, or rely on higher sales tax rates to meet utility operations and capital needs. A comparison of Glenpool's rates with other communities in the Tulsa region will also be provided.

CITY OF GLENPOOL
EXPENDITURES REPORT (UNAUDITED)
AS OF: NOVEMBER 30TH, 2014

PAGE: 1

01 -GENERAL FUND

% OF YEAR COMPLETED: 41.67

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
GENERAL GOVERNMENT						
=====						
PERSONAL SERVICES						
01-6-01-6101 SALARIES	304,547	29,091.08	126,999.39	0.00	177,547.61	41.70
01-6-01-6102 HEALTH INSURANCE	50,789	4,206.15	30,307.05	0.00	20,481.95	59.67
01-6-01-6104 HEALTH DEDUCTIBLE	0	0.00	0.00	0.00	0.00	0.00
01-6-01-6111 FICA	24,359	2,382.71	10,558.73	0.00	13,800.27	43.35
01-6-01-6113 WORKERS COMP	17,500	0.00	0.00	0.00	17,500.00	0.00
01-6-01-6114 UNEMPLOYMENT	600	0.00	554.77	0.00	45.23	92.46
01-6-01-6115 RETIREMENT	22,289	1,523.87	9,405.86	0.00	12,883.14	42.20
01-6-01-6118 OVERTIME	3,120	68.69	312.05	0.00	2,807.95	10.00
01-6-01-6120 GEMS	0	0.00	0.00	0.00	0.00	0.00
TOTAL PERSONAL SERVICES	423,204	37,272.50	178,137.85	0.00	245,066.15	42.09
SUPPLIES						
01-6-01-6201 OFFICE SUPPLIES	2,500	39.62	1,340.83	56.51	1,102.66	55.89
01-6-01-6202 OPERATING EXPENSES	44,000	506.28	19,352.23	294.29	24,353.48	44.65
01-6-01-6204 FUEL	1,500	775.12	1,981.36	0.00	481.36	132.09
TOTAL SUPPLIES	48,000	1,321.02	22,674.42	350.80	24,974.78	47.97
OTHER SERVICES & CHARGES						
01-6-01-6211 TELEPHONE	21,000	0.00	7,957.76	0.00	13,042.24	37.89
01-6-01-6222 EQUIPMENT LEASE	0	0.00	0.00	0.00	0.00	0.00
01-6-01-6223 INSURANCE	125,000	0.00	62,551.79	0.00	62,448.21	50.04
01-6-01-6232 PRINTING	400	0.00	0.00	0.00	400.00	0.00
01-6-01-6234 POSTAGE	3,500	805.01	2,409.08	0.00	1,090.92	68.83
01-6-01-6235 CONTRACT SERVICES	60,000	9,471.23	23,781.84	25,305.00	10,913.16	81.81
01-6-01-6236 AUDIT FEES	12,500	0.00	0.00	0.00	12,500.00	0.00
01-6-01-6237 LAW	0	0.00	0.00	0.00	0.00	0.00
01-6-01-6238 MUNICIPAL JUDGE	14,317	1,193.08	5,965.40	8,351.56	0.04	100.00
01-6-01-6254 MISC SERVICES & CHARGES	400	0.00	0.00	0.00	400.00	0.00
01-6-01-6255 GPS/TULSA COUNTY	0	0.00	0.00	0.00	0.00	0.00
01-6-01-6257 HOTEL/SALES TAX REBATE	35,000	0.00	16,666.71	0.00	18,333.29	47.62
01-6-01-6258 WEATHER CALL	0	0.00	0.00	0.00	0.00	0.00
01-6-01-6259 PR/ED CONTRACTS	0	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER SERVICES & CHARGES	272,117	11,469.32	119,332.58	33,656.56	119,127.86	56.22
TRAVEL & TRAINING						
01-6-01-6262 TRAVEL & TRAINING	10,000	212.01	1,848.95	0.00	8,151.05	18.49
TOTAL TRAVEL & TRAINING	10,000	212.01	1,848.95	0.00	8,151.05	18.49
REPAIRS & MAINTENANCE						
01-6-01-6271 VEHICLE REPAIRS & MAINTANE	10,500	412.16	2,163.34	0.00	8,336.66	20.60
01-6-01-6273 REPAIRS & MAINTENANCE	12,000	108.40	9,615.27	120.72	2,264.01	81.13
TOTAL REPAIRS & MAINTENANCE	22,500	520.56	11,778.61	120.72	10,600.67	52.89

CITY OF GLENPOOL
EXPENDITURES REPORT (UNAUDITED)
AS OF: NOVEMBER 30TH, 2014

01 -GENERAL FUND

% OF YEAR COMPLETED: 41.67

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
MISCELLANEOUS						
01-6-01-6281 MEMBERSHIP DUES	22,600	0.00	20,257.78	0.00	2,342.22	89.64
01-6-01-6282 AUDIT ADJUSTING ENTRIES	0	0.00	0.00	0.00	0.00	0.00
TOTAL MISCELLANEOUS	22,600	0.00	20,257.78	0.00	2,342.22	89.64
CAPITAL						
01-6-01-6334 TRANSFER TO CAPITAL	2,044,516	167,655.81	865,059.55	0.00	1,179,456.45	42.31
01-6-01-6335 DEBT SERVICE	0	0.00	0.00	0.00	0.00	0.00
01-6-01-6336 TRANSFERS TO SINKING FUND	0	0.00	0.00	0.00	0.00	0.00
01-6-01-6337 TRANSFER TO GUSA	100,000	8,333.33	41,666.69	0.00	58,333.31	41.67
01-6-01-6338 FUND BALANCE TRANSFER TO C	0	0.00	0.00	0.00	0.00	0.00
01-6-01-6339 TRANSFER TO JUVENILE FUND	2,500	0.00	1,538.00	0.00	962.00	61.52
TOTAL CAPITAL	2,147,016	175,989.14	908,264.24	0.00	1,238,751.76	42.30
TOTAL GENERAL GOVERNMENT	2,945,437	226,784.55	1,262,294.43	34,128.08	1,649,014.49	44.01
ANIMAL CONTROL						
=====						
SUPPLIES						
01-6-02-6202 ANIMAL CONTROL OPERATING E	0	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES	0	0.00	0.00	0.00	0.00	0.00
TOTAL ANIMAL CONTROL	0	0.00	0.00	0.00	0.00	0.00
POLICE DEPARTMENT						
=====						
PERSONAL SERVICES						
01-6-03-6101 SALARIES & WAGES	1,283,162	131,913.20	553,603.73	0.00	729,558.27	43.14
01-6-03-6102 INSURANCE	175,392	12,238.89	87,910.17	0.00	87,481.83	50.12
01-6-03-6111 FICA	34,500	3,092.38	14,347.91	0.00	20,152.09	41.59
01-6-03-6113 WORKMANS COMP	48,750	0.00	0.00	0.00	48,750.00	0.00
01-6-03-6114 UNEMPLOYMENT	2,500	0.00	1,131.39	0.00	1,368.61	45.26
01-6-03-6115 RETIREMENT	37,169	1,267.71	7,211.36	0.00	29,957.64	19.40
01-6-03-6116 STATE PENSION	127,360	14,976.68	60,828.25	0.00	66,531.75	47.76
01-6-03-6118 OVERTIME	46,291	964.86	9,085.46	0.00	37,205.54	19.63
01-6-03-6119 OHSO GRANT OVERTIME	0	0.00	0.00	0.00	0.00	0.00
01-6-03-6121 DEA OVERTIME	0	0.00	0.00	0.00	0.00	0.00
01-6-03-6122 CLOTHING	26,800	900.00	11,896.43	0.00	14,903.57	44.39
TOTAL PERSONAL SERVICES	1,781,924	165,353.72	746,014.70	0.00	1,035,909.30	41.87
SUPPLIES						
01-6-03-6201 OFFICE SUPPLIES	3,500	565.51	1,260.73	88.05	2,151.22	38.54
01-6-03-6202 OPERATING EXPENSES	32,500	2,233.30	11,502.04	2,056.98	18,940.98	41.72
01-6-03-6203 JAIL SUPPLIES	11,000	203.15	3,554.84	1,003.89	6,441.27	41.44
01-6-03-6204 FUEL	65,000	5,280.51	27,609.63	0.00	37,390.37	42.48

CITY OF GLENPOOL
EXPENDITURES REPORT (UNAUDITED)
AS OF: NOVEMBER 30TH, 2014

01 -GENERAL FUND

% OF YEAR COMPLETED: 41.67

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
01-6-03-6205 BADGES & PATCHES	0	0.00	0.00	0.00	0.00	0.00
01-6-03-6207 MISC SUPPLIES	5,000	150.00	3,488.73	35.80	1,475.47	70.49
TOTAL SUPPLIES	117,000	8,432.47	47,415.97	3,184.72	66,399.31	43.25
OTHER SERVICES & CHARGES						
01-6-03-6211 TELEPHONE	12,500	1,043.84	6,460.75	0.00	6,039.25	51.69
01-6-03-6214 E911 FEES	38,500	5,812.26	17,358.08	0.00	21,141.92	45.09
01-6-03-6222 EQUIPMENT LEASE	0	0.00	0.00	0.00	0.00	0.00
01-6-03-6224 UNIFORMS & ACCESSORIES	1,000	0.00	0.00	0.00	1,000.00	0.00
01-6-03-6226 GRANT EXPENSES	0	0.00	0.00	0.00	0.00	0.00
01-6-03-6235 CONTRACT SERVICES	0	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER SERVICES & CHARGES	52,000	6,856.10	23,818.83	0.00	28,181.17	45.81
TRAVEL & TRAINING						
01-6-03-6262 TRAVEL & TRAINING	5,115	350.00	4,949.52	60.00	105.48	97.94
TOTAL TRAVEL & TRAINING	5,115	350.00	4,949.52	60.00	105.48	97.94
REPAIRS & MAINTENANCE						
01-6-03-6271 VEHICLE REPAIRS & MAINTANE	30,500	1,964.85	15,262.56	3,141.69	12,095.75	60.34
01-6-03-6273 BUILDING REPAIRS	900	0.00	168.64	0.00	731.36	18.74
TOTAL REPAIRS & MAINTENANCE	31,400	1,964.85	15,431.20	3,141.69	12,827.11	59.15
MISCELLANEOUS						
01-6-03-6281 MEMBERSHIP DUES	135	0.00	0.00	0.00	135.00	0.00
01-6-03-6282 LOAN EXPENSES - 7 POLICE C	89,900	7,526.86	37,634.30	24,706.35	27,559.35	69.34
TOTAL MISCELLANEOUS	90,035	7,526.86	37,634.30	24,706.35	27,694.35	69.24
TOTAL POLICE DEPARTMENT	2,077,474	190,484.00	875,264.52	31,092.76	1,171,116.72	43.63
FIRE DEPARTMENT						
PERSONAL SERVICES						
01-6-06-6101 SALARIES & WAGES	970,018	58,984.80	346,240.13	0.00	623,777.87	35.69
01-6-06-6102 INSURANCE	121,545	721.72	54,469.06	0.00	67,075.94	44.81
01-6-06-6111 FICA	16,548	997.77	6,728.80	0.00	9,819.20	40.66
01-6-06-6112 MEDICARE	0	0.00	0.00	0.00	0.00	0.00
01-6-06-6113 WORKMANS COMP	37,900	0.00	0.00	0.00	37,900.00	0.00
01-6-06-6114 UNEMPLOYMENT	800	0.00	386.48	0.00	413.52	48.31
01-6-06-6116 STATE PENSION	148,064	9,690.48	51,903.43	0.00	96,160.57	35.05
01-6-06-6117 VOLUNTEER PENSION	0	0.00	0.00	0.00	0.00	0.00
01-6-06-6118 OVERTIME	95,146	11,176.78	68,820.93	0.00	26,325.07	72.33
01-6-06-6122 CLOTHING	14,835	490.00	12,250.00	0.00	2,585.00	82.57
TOTAL PERSONAL SERVICES	1,404,856	82,061.55	540,798.83	0.00	864,057.17	38.49
SUPPLIES						
01-6-06-6201 OFFICE SUPPLIES	2,500	0.00	1,481.39	52.44	966.17	61.35
01-6-06-6202 OPERATING EXPENSES	18,000	272.45	6,839.74	43.28	11,116.98	38.24
01-6-06-6204 FUEL	17,500	1,191.96	5,341.18	0.00	12,158.82	30.52

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01-6-06-6206 SMALL TOOLS & MINOR EQUIP	5,000	409.71	2,329.35	21.00	2,649.65	47.01
01-6-06-6207 MISC SUPPLIES	1,000	0.00	482.27	0.00	517.73	48.23
TOTAL SUPPLIES	44,000	1,874.12	16,473.93	116.72	27,409.35	37.71
OTHER SERVICES & CHARGES						
01-6-06-6211 Telephone	0	0.00	0.00	0.00	0.00	0.00
01-6-06-6224 UNIFORMS & ACCESSORIES	12,500	2,784.65	2,784.65	53.80	9,661.55	22.71
01-6-06-6258 WEATHER CALL	5,000	0.00	0.00	0.00	5,000.00	0.00
TOTAL OTHER SERVICES & CHARGES	17,500	2,784.65	2,784.65	53.80	14,661.55	16.22
TRAVEL & TRAINING						
01-6-06-6261 SAFETY TRAINING & EQUIP	6,500	380.62	694.73	397.97	5,407.30	16.81
01-6-06-6262 TRAVEL & TRAINING	6,000	0.00	1,118.53	0.00	4,881.47	18.64
TOTAL TRAVEL & TRAINING	12,500	380.62	1,813.26	397.97	10,288.77	17.69
REPAIRS & MAINTENANCE						
01-6-06-6271 VEHICLE REPAIRS & MAINTANE	26,000	866.19	5,029.41	0.00	20,970.59	19.34
01-6-06-6272 EQUIPMENT REPAIRS	5,500	0.00	25.90	0.00	5,474.10	0.47
01-6-06-6273 BUILDING REPAIRS	6,000	790.75	1,695.47	53.91	4,250.62	29.16
TOTAL REPAIRS & MAINTENANCE	37,500	1,656.94	6,750.78	53.91	30,695.31	18.15
MISCELLANEOUS						
01-6-06-6281 MEMBERSHIP DUES	3,000	0.00	0.00	0.00	3,000.00	0.00
TOTAL MISCELLANEOUS	3,000	0.00	0.00	0.00	3,000.00	0.00
TOTAL FIRE DEPARTMENT	1,519,356	88,757.88	568,621.45	622.40	950,112.15	37.47
EMERGENCY MGMT						
SUPPLIES						
01-6-07-6202 OPERATING SUPPLIES	3,500	0.00	123.19	0.00	3,376.81	3.52
01-6-07-6209 EOC SUPPLIES	2,000	0.00	0.00	0.00	2,000.00	0.00
TOTAL SUPPLIES	5,500	0.00	123.19	0.00	5,376.81	2.24
REPAIRS & MAINTENANCE						
01-6-07-6274 RADIO MAINTENANCE	20,000	0.00	0.00	0.00	20,000.00	0.00
01-6-07-6275 MAINT & REPAIRS ON SIRENS	8,000	0.00	2,025.00	0.00	5,975.00	25.31
TOTAL REPAIRS & MAINTENANCE	28,000	0.00	2,025.00	0.00	25,975.00	7.23
TOTAL EMERGENCY MGMT	33,500	0.00	2,148.19	0.00	31,351.81	6.41
COMMUNITY DEVELOPMENT						
PERSONAL SERVICES						
01-6-10-6101 SALARIES & WAGES	239,704	17,450.01	95,139.98	0.00	144,564.02	39.69
01-6-10-6102 INSURANCE	47,848	3,858.39	24,599.71	0.00	23,248.29	51.41

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01-6-10-6111 FICA	17,994	1,328.90	7,327.40	0.00	10,666.60	40.72
01-6-10-6113 WORKMANS COMP	11,650	0.00	0.00	0.00	11,650.00	0.00
01-6-10-6114 UNEMPLOYMENT	800	0.00	376.90	0.00	423.10	47.11
01-6-10-6115 RETIREMENT	16,465	1,222.61	7,082.10	0.00	9,382.90	43.01
01-6-10-6118 OVERTIME	2,572	16.11	134.25	0.00	2,437.75	5.22
TOTAL PERSONAL SERVICES	337,033	23,876.02	134,660.34	0.00	202,372.66	39.95
SUPPLIES						
01-6-10-6204 FUEL	8,000	334.10	2,655.29	0.00	5,344.71	33.19
01-6-10-6207 MISC SUPPLIES	7,500	0.00	5,287.99	98.63	2,113.38	71.82
TOTAL SUPPLIES	15,500	334.10	7,943.28	98.63	7,458.09	51.88
OTHER SERVICES & CHARGES						
01-6-10-6235 CONTRACT SERVICES	12,500	0.00	6,189.23	0.00	6,310.77	49.51
01-6-10-6244 ENGINEERING FEES	3,000	0.00	0.00	0.00	3,000.00	0.00
01-6-10-6250 ECONOMIC DEVELOPMENT	0	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER SERVICES & CHARGES	15,500	0.00	6,189.23	0.00	9,310.77	39.93
TRAVEL & TRAINING						
01-6-10-6261 LICENSE RENEWAL	900	0.00	0.00	0.00	900.00	0.00
01-6-10-6262 TRAVEL & TRAINING	5,000	606.30	3,406.13	110.95	1,482.92	70.34
TOTAL TRAVEL & TRAINING	5,900	606.30	3,406.13	110.95	2,382.92	59.61
MISCELLANEOUS						
01-6-10-6281 MEMBERSHIP DUES	5,000	0.00	640.00	0.00	4,360.00	12.80
TOTAL MISCELLANEOUS	5,000	0.00	640.00	0.00	4,360.00	12.80
TOTAL COMMUNITY DEVELOPMENT	378,933	24,816.42	152,838.98	209.58	225,884.44	40.39
ADMINISTRATION						
PERSONAL SERVICES						
01-6-11-6101 SALARIES & WAGES	273,390	18,643.35	102,255.24	0.00	171,134.76	37.40
01-6-11-6102 INSURANCE	59,420	4,042.75	28,759.14	0.00	30,660.86	48.40
01-6-11-6111 FICA	19,796	1,473.52	7,985.70	0.00	11,810.30	40.34
01-6-11-6113 WORKMANS COMP	9,400	0.00	0.00	0.00	9,400.00	0.00
01-6-11-6114 UNEMPLOYMENT	0	0.00	0.00	0.00	0.00	0.00
01-6-11-6115 RETIREMENT	25,086	1,772.81	9,971.48	0.00	15,114.52	39.75
01-6-11-6118 OVERTIME	0	0.00	0.00	0.00	0.00	0.00
01-6-11-6120 GEMS	0	0.00	0.00	0.00	0.00	0.00
01-6-11-6123 PTO REIMBURSEMENT	0	0.00	0.00	0.00	0.00	0.00
TOTAL PERSONAL SERVICES	387,092	25,932.43	148,971.56	0.00	238,120.44	38.48
SUPPLIES						
01-6-11-6201 OFFICE SUPPLIES	0	0.00	0.00	0.00	0.00	0.00
01-6-11-6204 FUEL	5,000	443.03	2,257.69	0.00	2,742.31	45.15
TOTAL SUPPLIES	5,000	443.03	2,257.69	0.00	2,742.31	45.15

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OTHER SERVICES & CHARGES						
01-6-11-6235 CONTRACT SERVICES	5,000	0.00	0.00	0.00	5,000.00	0.00
01-6-11-6250 ECONOMIC DEVELOPMENT	50,000	540.00	5,700.44	0.00	44,299.56	11.40
01-6-11-6259 PE/ED CONTRACTS	75,000	5,250.00	26,250.00	36,750.00	12,000.00	84.00
TOTAL OTHER SERVICES & CHARGES	130,000	5,790.00	31,950.44	36,750.00	61,299.56	52.85
TRAVEL & TRAINING						
01-6-11-6262 Admin Travel & Training	7,000	292.49	1,217.44	190.00	5,592.56	20.11
01-6-11-6263 Council Travel & Training	5,000	0.00	164.28	0.00	4,835.72	3.29
TOTAL TRAVEL & TRAINING	12,000	292.49	1,381.72	190.00	10,428.28	13.10
MISCELLANEOUS						
01-6-11-6281 MEMBERSHIP DUES	2,000	0.00	824.00	0.00	1,176.00	41.20
TOTAL MISCELLANEOUS	2,000	0.00	824.00	0.00	1,176.00	41.20
TOTAL ADMINISTRATION	536,092	32,457.95	185,385.41	36,940.00	313,766.59	41.47
STREETS & PARKS						
PERSONAL SERVICES						
01-6-14-6101 SALARIES	195,196	9,300.31	51,507.34	0.00	143,688.66	26.39
01-6-14-6102 INSURANCE	41,646	2,296.09	12,309.89	0.00	29,336.11	29.56
01-6-14-6111 FICA	14,635	755.67	4,248.13	0.00	10,386.87	29.03
01-6-14-6113 WORKERS COMP	1,800	0.00	0.00	0.00	1,800.00	0.00
01-6-14-6114 UNEMPLOYMENT	500	0.00	168.78	0.00	331.22	33.76
01-6-14-6115 RETIREMENT	12,770	697.31	3,928.71	0.00	8,841.29	30.77
01-6-14-6118 OVERTIME	2,850	411.00	3,152.37	0.00 (	302.37)	110.61
TOTAL PERSONAL SERVICES	269,397	13,460.38	75,315.22	0.00	194,081.78	27.96
SUPPLIES						
01-6-14-6201 OFFICE SUPPLIES	500	10.00	71.20	0.00	428.80	14.24
01-6-14-6202 OPERATING EXPENSES	2,500	0.00	1,794.75	0.00	705.25	71.79
01-6-14-6204 FUEL	25,000	1,899.22	12,500.52	0.00	12,499.48	50.00
01-6-14-6206 EQUIPMENT AND TOOLS	7,500	205.58	4,277.09 (	157.03)	3,379.94	54.93
01-6-14-6208 STREET SIGNS	5,500	268.04	341.29	0.00	5,158.71	6.21
TOTAL SUPPLIES	41,000	2,382.84	18,984.85 (	157.03)	22,172.18	45.92
OTHER SERVICES & CHARGES						
01-6-14-6212 ELECTRIC	100,000	84.85	22,824.00	0.00	77,176.00	22.82
01-6-14-6222 EQUIPMENT LEASE	30,000	2,186.17	8,919.68	15,303.19	5,777.13	80.74
01-6-14-6224 UNIFORMS & ACCESSORIES	1,500	0.00	1,173.16	153.95	172.89	88.47
01-6-14-6235 CONTRACT SERVICES	45,000	2,368.24	30,128.47	1,925.00	12,946.53	71.23
TOTAL OTHER SERVICES & CHARGES	176,500	4,639.26	63,045.31	17,382.14	96,072.55	45.57
TRAVEL & TRAINING						
01-6-14-6262 TRAVEL & TRAINING	1,000	62.85	145.56	0.00	854.44	14.56
TOTAL TRAVEL & TRAINING	1,000	62.85	145.56	0.00	854.44	14.56

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REPAIRS & MAINTENANCE						
01-6-14-6271 VEHICLE REPAIRS & MAINTANE	40,000	1,079.98	7,251.35	0.00	32,748.65	18.13
01-6-14-6272 EQUIPMENT REPAIRS	15,000	764.15	14,456.29	570.14 (	26.43)	100.18
01-6-14-6273 REPAIR & MAINT SUPPLIES	26,000	475.30	9,907.55	1,602.55	14,489.90	44.27
01-6-14-6274 STREET REPAIRS	265,500	3,305.20	9,511.70	2,356.95	253,631.35	4.47
01-6-14-6275 PARK IMPROVEMENTS	0	0.00	0.00	0.00	0.00	0.00
TOTAL REPAIRS & MAINTENANCE	346,500	5,624.63	41,126.89	4,529.64	300,843.47	13.18
TOTAL STREETS & PARKS	834,397	26,169.96	198,617.83	21,754.75	614,024.42	26.41
TOTAL EXPENDITURES	8,325,189	589,470.76	3,245,170.81	124,747.57	4,955,270.62	40.48

RESOLUTION NO. 14-12-01

RESOLUTION OF THE CITY COUNCIL OF GLENPOOL APPROVING AN INCREASE IN THE RATES CHARGED FOR WATER DELIVERY AND GARBAGE AND REFUSE COLLECTION AND DISPOSAL SERVICES

WHEREAS, the Code of the City of Glenpool, at Sections 9-1-11 (C) and 9-3-7(B), respectively, provides that water delivery service and garbage and refuse collection and disposal service rates shall be established by the City Council; and

WHEREAS, water delivery service rates are established based upon operating expenses and necessary revenue to operate water distribution facilities and provide safe potable water to the residents and businesses of Glenpool; and,

WHEREAS, garbage and refuse collection and disposal service rates are established based upon operating expenses and necessary revenue to contract effectively for such services to be performed by a licensed carrier; and,

WHEREAS, the City of Tulsa has notified the City of Glenpool that a seven percent rate increase in the cost of water sold to the City of Glenpool will become effective for fiscal year 2014-2015 on October 1, 2014 ; and

WHEREAS, the cost to the City of Glenpool of providing potable water for its residents has also risen due to such factors as energy, chemical costs, aging infrastructure and litigation costs; and

WHEREAS, the City of Glenpool, by and through its utility trust authority, the Glenpool Utility Services Authority, has determined that present water delivery service rates charged to residents of Glenpool are less than sufficient to provide for and maintain such service to users of such services and it is therefore an economic necessity for the City of Glenpool to increase its water delivery service rates; and

WHEREAS, the City of Glenpool, by and through its utility trust authority, the Glenpool Utility Services Authority, has determined that present garbage and refuse collection and disposal service rates charged to residents of Glenpool are less than sufficient to provide for and maintain such service to users of such services in an economically feasible manner, and it is therefore an economic necessity for the City of Glenpool to increase its garbage and refuse collection and disposal service rates.

BE IT THEREFORE RESOLVED by the City Council of the City of Glenpool **THAT**:

- § 1. Effective January 1, 2015, water delivery service rates will increase in all categories by \$7.75 per customer per month, without respect to the amount of usage.
- § 2. Effective January 1, 2015, the City Manager is authorized in his discretion to increase garbage and refuse collection and disposal service rates by up to, but no more than, \$1.00 per cart, per residence, per month from \$11.95 to \$12.95 as he deems necessary.
- § 3. The City of Glenpool, by and through its utility trust authority, the Glenpool Utility Services Authority, shall make every feasible effort to maintain water and trash removal costs at the minimum level necessary to meet health and safety requirements and to properly manage assets of the City.
- § 4. This Resolution shall take effect immediately upon its adoption and approval.

§ 5. All ordinances or resolutions, or parts of ordinances or resolutions, in apparent or actual conflict with this Resolution shall be and hereby are repealed or invalidated, respectively, and rendered of no effect from the date of adoption of this Resolution.

PASSED AND APPROVED by the City Council of the City of Glenpool this _____ day of December 2014.

Momodou Ceesay, Mayor

ATTEST:

[MUNICIPAL SEAL]

Susan White, City Clerk

APPROVED AS TO FORM:

Lowell Peterson, City Attorney