

# **Glenpool**

**City Of**

*Creating Opportunity*



## **Annual Financial Report**

**City of Glenpool Oklahoma**  
**For the Year Ended June 30, 2012**

Prepared by:  
City of Glenpool Finance Department

Charles Barnes, CPA  
Finance Director

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

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**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

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City Of

# Glenpool

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## Introductory Section

**City of Glenpool Oklahoma  
For the Year Ended June 30, 2012**

# City Of **Glenpool**

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October 25, 2012

Honorable Mayor and Members of the City Council  
Of The City of Glenpool, Oklahoma

Dear Mayor and Members of Council:

The Annual Financial Report of the City of Glenpool (the “City”) for the year ended June 30, 2012, is hereby submitted as requested by the City Manager. The City is required to publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Responsibility of both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Finance Department of the City. The City has established a comprehensive internal control framework designed to both protect the City’s assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Glenpool’s financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh the benefits derived from those controls, the City’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the information, as presented, are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of Glenpool. All disclosures necessary to enable the reader to gain an understanding of the City of Glenpool’s activities have been included.

The City’s financial statements have been audited by CBEW Professional Group, LLP., a firm of licensed certified public accountants. The independent audit was conducted to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements: assessed the accounting principles used and estimates made by management, and evaluated the overall financial statement presentation. Based upon the results of their audit, CBEW Professional Group, LLP. has rendered unqualified opinions on all of the City’s opinion units within the financial statements for the year ending June 30, 2012. An unqualified opinion provides objective confirmation that the City’s financial statements are fairly presented in conformity with GAAP and are free of material misstatement. The independent auditor’s report is presented as the first component of the financial section of this report.

In addition to the independent audit of the financial statements, the City is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget’s Circular A-133, “Audits of States, Local Governments and Non-Profit Organizations”. The audit requires the auditor to report on the government’s internal

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**PO Box 70, 12205 S. Yukon, Glenpool, OK 74033 OFFICE: 918-322-5409 FAX: 918-322-5433**

**Mayor Tommy Carner, Vice-Mayor Alyce Korb, Councilors: Tim Fox, Leanne Roberts and Patricia Agee**

**City Manager Ed Tinker, City Clerk Susan White**

**[www.glenpoolonline.com](http://www.glenpoolonline.com)**

Generally accepted accounting principles require City management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The City is situated in the Northeast portion of the state and is contiguous with the southern border of the City of Jenks which is contiguous with the southern border of City of Tulsa. The City of Glenpool is located in the southwest portion of Tulsa County and was once known as "The world's largest oil field". The City covers an area of approximately 27 square miles. Although Glenpool's history starts with the discovery of oil in Glenn Pool in 1905 and the first settlers arrived in 1907. It was a town for many decades; then, the "City" of Glenpool was incorporated in 1983. According to the 2010 Census, the population is 9,458 for the calendar year ending December 31, 2010, and estimated to be 10,808 in 2012. The City features quiet suburban living with a large conference center, a central business district, a major shopping center, office areas and spacious residential developments. In the early days of the oil boom, Tulsa was considered the "Oil Capital of the World" and Glenpool is still known as "The town that made Tulsa famous".

According to the consumer reference site NeighborhoodScout.com, Glenpool is nearly on par with the US average for all cities of college education with 19.23% of residents having bachelor's degrees or advanced degrees. Overall, Glenpool is a city of sales and office workers, professionals and service providers. Specifically, many people living in Glenpool work in office and administrative support (18.28%), sales jobs (8.16%) and management occupations (7.81%). Much of the housing stock in Glenpool was built relatively recently, which is an indication that the local Glenpool economy is robust, and that jobs or other amenities are attracting an influx of new residents. The per capita income in Glenpool in 2000 (latest available data) was \$16,868, which is upper middle income relative to Oklahoma, and middle income relative to the rest of the US. This equates to an annual income of \$67,472 for a family of four.

The City has adopted a statutory council-manager of city government. The legislative authority of the City is vested in a five member elected council, consisting of one council member from each of four wards and one council member at large. The council shall elect from among its members a mayor and a vice-mayor. Council members serve four-year staggered terms with two council members elected every two years. The mayor and vice-mayor serve two year terms. The City Council members are also the Trustees of the Glenpool Utility Service Authority, the Glenpool Industrial Authority and the Glenpool Area Emergency Medical Trust Authority. The Mayor and Council appoint the City Manager, who is the chief executive officer of the City and is responsible to the Mayor and City Council for the administration of all City services, including budget preparation, and employs all City employees under a merit plan.

The City provides a wide range of municipal services, including police and fire protection, the construction and maintenance of highways, streets and other infrastructure, and a multitude of recreational and cultural events throughout the year. The City also provides water, wastewater, drainage and solid waste services to its residents under the legal entity of the Glenpool Utility Service Authority (GUSA). GUSA is a public trust created under applicable Oklahoma statutes on June 12, 1967, with the City named as the beneficiary thereof. The utility systems operate for the benefit of the City of Glenpool and are an integral part of City operations. The City is also financially accountable for three other legally separate entities. The City promotes economic development within the city limits under the legal entity of the Glenpool Industrial Authority (GIA). GIA is a public trust created under applicable Oklahoma statutes on September 24, 1981, with the City named as the beneficiary thereof. The City

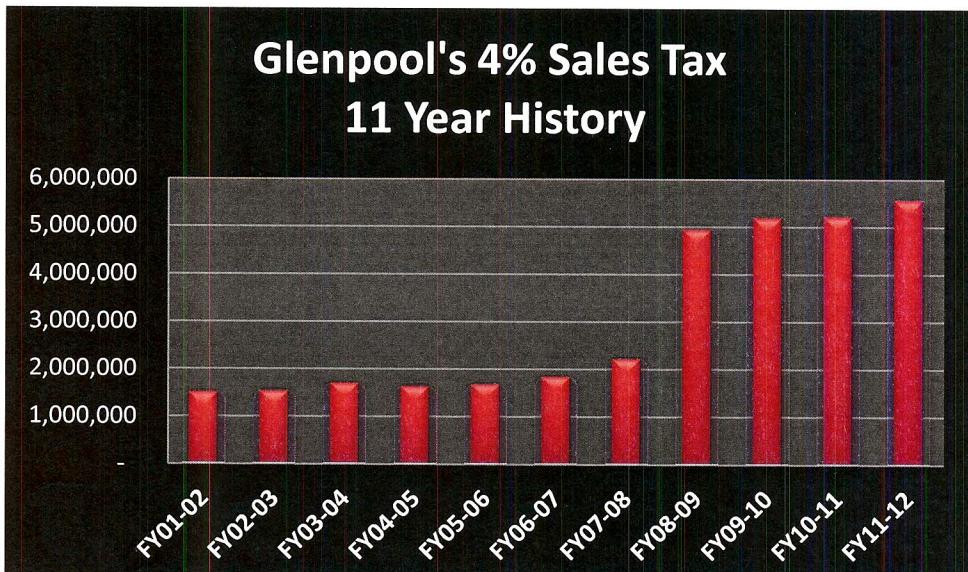
also provides emergency ambulance service to residents and visitors of the Glenpool area under the legal entity of the Glenpool Area Emergency Medical Trust Authority (GEMS). GEMS was created in cooperation with Tulsa County to provide ambulance services to the southwest portion of Tulsa County. GUSA's financial statements, GIA's financial statements and GEMS financial statements are blended into the City's financial statements and together they comprise the City's primary financial presentation. On July 6, 2010, the Glenpool Cemetery Trust Authority was created as a public trust under applicable Oklahoma statutes for the purpose of establishing and operating the Glenpool Municipal Cemetery. Since the land was purchased for this cemetery, the Trust has been inactive and is not a part of the City of Glenpool financial statements.

A comprehensive planning document known as "The 2030 Plan" is the driving force behind the City's financial planning and control. This document covers all aspects of city planning and resource usage. The City Manager issues corporate guidelines that establish priorities and specific economic factors for the upcoming budget year. Budgets are then developed by fund each year. The City Manager's recommended budget is required to be submitted to the City Council by June 1. The City Council must hold a public hearing on the budget by June 15 and adopt the budget at least seven days prior to July 1, which is the beginning of the new fiscal year. The appropriated budget is prepared by fund, department and object level / category.

Department heads may request transfers of appropriations within an expenditure object category. Transfers between funds and budget supplements must be approved by the City Council. Supplemental appropriations must also be filed with the Office of the State Auditor and Inspector.

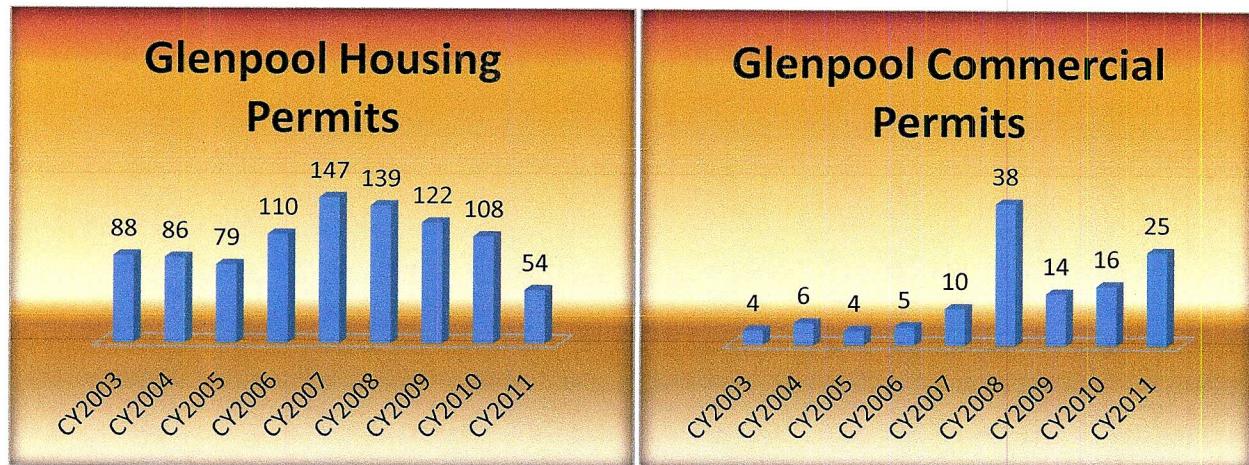
### **Sales Tax and Our Local Economy**

Glenpool's economy began recovering from the national recession in FY11-12 with sales tax collections exceeding the budgeted projection. After projecting a 4% growth for FY09-10, sales tax collections grew by 5%, starting a new positive trend in sales tax growth. In FY10-11, the City had projected a 5% increase and was disappointed to see only 0.5%; however, this was tied to the national recession. The positive growth in sales tax was again projected for FY11-12, with a projected increase of 5%; however, the City ended the year with a 6.66% increase or an additional \$104,866.07. The City has once again projected a growth of 5% for FY12-13.



Note: The spike in FY08-09 is due to the opening of a major shopping center.

Since the 1970s, Glenpool has experienced dramatic growth, from 770 in 1970; 2,706 in 1980; 6,688 in 1990; 8,123 in 2000 and 9,458 in 2010, to an estimated population of 9,955 in 2011; and, almost double the county's growth rate. Although commercial building permits have remained steady in the 15 – 25 permits per year, housing permits, which was steady at 100-150 permits per year, has declined to only 54 permits in 2011. The value of the 25 commercial permits issued in 2011 totaled \$10,926,767 compared to \$7,966,440 for 16 permits in 2010. The value of the 54 residential permits issued in 2011 totaled \$6,445,881 compared to \$11,314,119 for the 108 permits issued in 2010.



### Capital Improvements

Glenpool's Capital Improvements Fund is funded by transferring one cent of the City's four cent sales tax and other transfers from the General Fund and the Utility Service Authority Fund (GUSA). This sales tax dedication is through a vote of the citizens to fund a series of revenue bonds. The 2010 and 2011 revenue bonds refunded prior revenue bonds and promissory notes from the Oklahoma Water Resources Board and provided funds for further economic development in the City. The prior bonds were issued to build a new Conference Center / City Hall, Utility Services Building (to house the water department) and a Public Safety Building (to house the Police and Fire departments), improve water and sewer facilities and improve multiple recreational facilities throughout the City. The City anticipates a new medical complex in the southern portion of the City and plans to use the excess funds to provide infrastructure improvements for that complex.

In October 2011, the Utility Service Authority (GUSA) signed another promissory note with the Oklahoma Water Resources Board to fund improvements to the Waste Water Treatment Plant and the Shell Liftstation. This \$3,740,625 project was about half completed in fiscal year 2012 with the City incurring \$2,074,670 in expenditures and receiving \$1,661,479 in reimbursement from OWRB. After the projects are complete, the City will start making semi-annual payments for principal, interest and administrative fees to OWRB from the Capital Improvement Fund.

## **Risk Management Program**

Safety and accountability are the responsibility of each department and overseen by the City Manager. The City is currently contracting with a third party administrator, Oklahoma Municipal Assurance Group, to process the City's workers' compensation claims. Oklahoma Municipal Assurance Group also provides general liability coverage and property liability coverage and manages the liability claims. Additional information on Risk Management may be found in Note 3A in the notes to the financial statements.

## **Employee Retirement Plan**

The City participates in a defined contribution plan with the Oklahoma Municipal Retirement Fund (OMRF). 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 5% of covered compensation.

The City also participates in the Oklahoma Police Pension Retirement Fund and the Oklahoma Firefighters Pension and Retirement Fund on behalf of the City's police officers and firefighters. These are statewide plans managed by the state of Oklahoma. The City has no obligation in connection with employee benefits offered through these plans beyond the thirteen percent contribution rate on certain wages paid. Additional information on these retirement plans may be found in Note 3C in the notes to financial statements.

The City provides retiring employees the opportunity to continue the City's health and dental insurance coverage at their expense if so elected at time of retirement. At the end of the fiscal year, none of the City's retired employees have availed themselves of City coverage. As such, this does not create an OPEB obligation to the City.

## **ACKNOWLEDGMENTS**

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Financial Services department and the professional assistance of our accounting consultants, CBEW Professional Group, LLP. Our sincere appreciation is extended to all who contributed to its preparation. In addition, our thanks are extended to the Mayor, the City Council and the City Clerk for their interest and support in strengthening and improving the fiscal policies of the City of Glenpool. The City will strive to continue to provide the citizens the quality services, management and reporting.

Sincerely,



Ed Tinker  
City Manager



Charles Barnes, CPA  
Finance Director / Treasurer

## **CITY OF GLENPOOL, OKLAHOMA**

### **PRINCIPAL OFFICIALS AND ADMINISTRATION**

**JUNE 30, 2012**

#### **ELECTED OFFICIALS**

**Tommy E. Carner  
Alyce Korb  
Tim Fox  
Leanne Roberts  
Patricia Agee**

**Mayor  
Vice – Mayor  
Councilmember-Ward 1  
Councilmember-Ward 2  
Councilmember-Ward 3**

#### **ADMINISTRATION**

**Ed Tinker  
David Tillotson  
Lowell Peterson  
Susan White  
Paul Newton  
Dennis Waller  
Lynn Burrow**

**Lea Ann Golden**

**Debbie Pengelly  
Rick Malone  
George Miles**

**City Manager  
Assistant City Manager  
City Attorney  
City Clerk  
Fire Chief  
Police Chief  
Director, Community Development  
Director, Community Relations, Conference Center Director  
Director, Human Resources  
City Planner  
Municipal Judge**

#### **ACCOUNTING AND TREASURER STAFF**

**Charles Barnes, CPA**

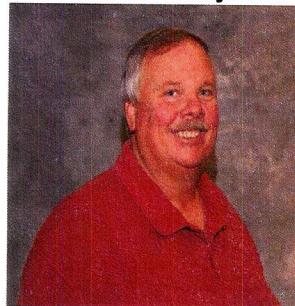
**Kathy Smith  
Lisa Anderson  
Gina Copeland**

**Director, Finance  
City Treasurer  
Payroll, Accounts Payable  
Accounts Payable  
City Clerk, Admin. Asst.**

## City of Glenpool, Oklahoma

### ELECTED OFFICIALS

Ward IV - Mayor



Tommy E. Carner

At Large - Vice Mayor



Alyce Korb

Ward I



Tim Fox

Ward II



Leanne Roberts

Ward III



Patricia Agee

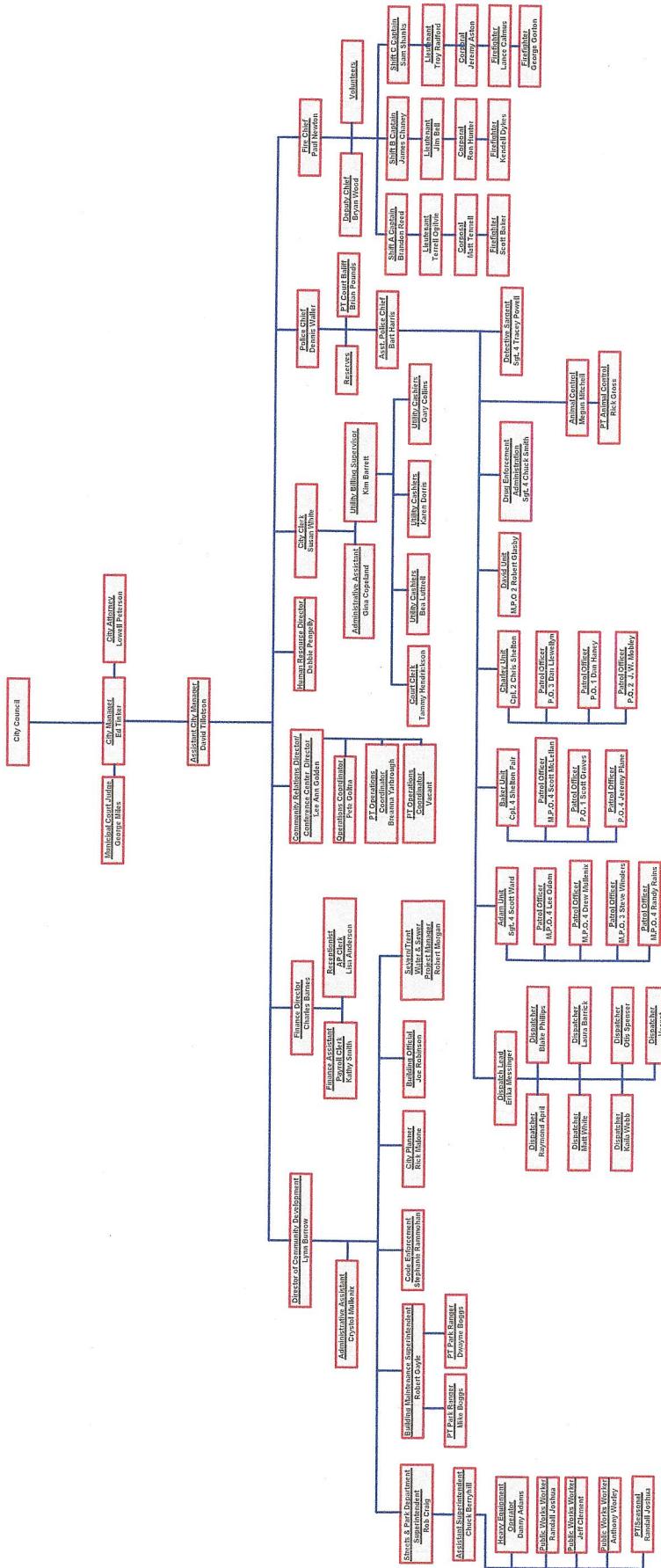
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### CITY MANAGER



Ed Tinker

City of Glenpool Organization Chart

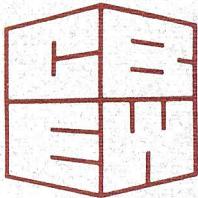


**City Of**  
**Glenpool**  
*Creating Opportunity*



## **Financial Section**

**City of Glenpool Oklahoma**  
**For the Year Ended June 30, 2012**



# CBEW Professional Group, LLP

Certified Public Accountants

206 N. HARRISON • P.O. BOX 790 • CUSHING, OKLAHOMA 74023 • 918-225-4216 • FAX 918-225-4315

DON K. ETHRIDGE, CPA  
WALTER H. WEBB, CPA  
JANE FRAZIER, CPA  
CHARLES E. CROOKS, CPA  
TRISHA J. RIEMAN, CPA

## INDEPENDENT AUDITOR'S REPORT

October 25, 2012

The Honorable City Council  
City of Glenpool  
Glenpool, Oklahoma

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 11 through 16, budgetary comparison information on page 44 and the notes on page 45 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. 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.

City of Glenpool  
October 25, 2012

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Glenpool's financial statements as a whole. The introductory section and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*CBEW Professional Group, LLP*

CBEW Professional Group, LLP  
Certified Public Accountants

# City Of **Glenpool**

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## Management's Discussion and Analysis Fiscal Year Ended June 30, 2012

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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### 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 Assets 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 Assets 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 Assets 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 assets and changes in them from the prior year. The City's net assets – 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 assets 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 Assets and the Statement of Activities, we divide the City into three 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 small Debt Service/Sinking Fund is reported here. With only the proceeds from an expired ad valorem tax, this fund services the City's general obligation bond balance.

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 Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets. 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, 2012, net assets for the governmental activities and business-type activities changed as follows:

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

	Governmental Activities	Business-type Activities	Total
Beginning net assets	\$ 7,269	\$ (519)	\$ 6,750
Increase / (Decrease)	(257)	(1,659)	(1,916)
Ending net assets	<u>\$ 7,012</u>	<u>\$ (2,178)</u>	<u>\$ 4,834</u>

The above numbers reflect a decrease of 3.53% in net assets for governmental activities and a decrease in net assets for business-type activities. Overall, the net assets for both governmental and business-type activities decreased 28.39% for this fiscal year.

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

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Assets:</b>						
Current and other assets	\$ 2,256	\$ 2,004	\$ 14,999	\$ 34,688	\$ 17,255	\$ 36,691
Capital assets	8,605	9,255	34,942	33,869	43,547	43,124
<b>Total Assets</b>	<u>10,861</u>	<u>11,258</u>	<u>49,941</u>	<u>68,557</u>	<u>60,802</u>	<u>79,815</u>
<b>Liabilities:</b>						
Current and other liabilities	102	123	645	708	747	831
Long-term liabilities	1,082	945	51,561	68,368	52,643	69,313
<b>Total Liabilities</b>	<u>1,184</u>	<u>1,068</u>	<u>52,206</u>	<u>69,076</u>	<u>53,390</u>	<u>70,144</u>
<b>Net Assets:</b>						
Invested in capital assets	7,758	8,496	(19,831)	(37,981)	(12,073)	(29,485)
Restricted	81	18	13,598	32,292	13,679	32,309
Unrestricted	1,838	1,676	3,967	5,170	5,805	6,846
<b>Total Net Assets</b>	<u>\$ 9,677</u>	<u>\$ 10,190</u>	<u>\$ (2,265)</u>	<u>\$ (519)</u>	<u>\$ 7,411</u>	<u>\$ 9,671</u>

The largest portion of the City's net assets 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.

Net accounts receivable decreased 39% from the prior year. The allowance for doubtful accounts in the general fund includes municipal court fines and water accounts that are deemed to be uncollectable.

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

### **Governmental Activities**

Governmental activities decreased the City of Glenpool's net assets by \$513,458, 5%, which contributed to a 23% decrease in the net assets of the City of Glenpool. 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	
	2012	2011	2012	2011	2012	2011
Revenue						
General Revenues:						
Sales Tax	\$5,726	\$5,357	\$ -	\$ -	\$5,726	\$5,357
Other Taxes	685	699			685	699
Other General Revenue	102	31	422	277	524	308
Program Revenues:						
Charges for Services	743	685	3,464	3,456	4,207	4,141
Operating Contributions	26	17	643	110	669	127
	<b>Total Revenues</b>	<b>7,283</b>	<b>6,789</b>	<b>4,529</b>	<b>3,842</b>	<b>11,811</b>
Expense						
General Government	1,716	1,523			1,716	1,523
Public Safety and Judiciary	2,975	2,763			2,975	2,763
Streets & Parks	736	348			736	348
Financing Costs	20	25	2,758	3,117	2,778	3,142
Glenpool Utility Service Authority			3,989	3,467	3,989	3,467
Glenpool Industrial Authority			-	-	-	-
Glenpool Emergency Medical Service						
Unallocated Depreciation	673	789	126	123	126	123
	<b>Total Expenses</b>	<b>6,120</b>	<b>5,448</b>	<b>7,607</b>	<b>7,122</b>	<b>13,727</b>
Increase / (Decrease) in Net Assets						
Before Net Transfers	1,162	1,341	(3,078)	(3,280)	(1,916)	(1,939)
Net Transfers	(1,419)	1,579	1,419	(1,579)	-	-
	<b>Increase / (Decrease) in Net Assets</b>	<b>\$ (257)</b>	<b>\$2,920</b>	<b>(1,659)</b>	<b>\$ (4,859)</b>	<b>\$ (1,916)</b>

## **Governmental Activities**

Sales and use tax received in fiscal year 2012 resulted in an increase from the prior year of \$368,946. Property taxes decreased \$11,465, due to the expiration of the assessment. Investment income increased by \$55,449, due in large part to a full year's earnings on the new series of bond notes.

## **Business-type Activities**

Business-type activities expenses continued to outpace revenue. This is due to two increases in the cost of water that were not passed on to the customers. This is being corrected in the next fiscal year. Details are presented in the preceding chart.

## **General Fund Budgetary Highlights**

Actual total revenues exceeded budgeted revenues by \$170,455 or 2.4%. This was mainly due to an increase in Sales and Use Taxes which exceeded budget by 2.2%. Licenses and permits, as well as, franchise taxes decreased from last fiscal year, thus missed the budgeted revenue target. The expenditure budget was modified mid-year to allow for an increase in street improvement projects. However, expenditures were controlled to allow them to come in under budget, thus allowed us to increase the fund balance for the year by \$269,964 or 14.4%.

## **Capital Asset & Debt Administration**

The following is a summary of changes in capital assets and debt administration for Fiscal Year 2012. More detailed information on capital asset activity and long-term debt activity is contained in the accompanying notes to the financial statements on pages 35 to 37; and, pages 37 to 41, respectively.

### **Capital Assets**

At the end of June 30, 2012, the City had \$42.4 million invested in capital assets including police and fire equipment, buildings, park facilities, water and sewer lines and roads.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Land	310,000	310,000	3,533,953	3,533,953	3,843,953	3,843,953
Buildings & Improvements	8,718,813	8,718,813	14,447,380	1,503,725	23,166,193	10,222,538
Furniture/Fixtures/Equip.	2,287,915	2,264,554	727,203	727,203	3,015,118	2,991,757
Vehicles	2,602,815	2,602,815	495,181	495,181	3,097,996	3,097,996
Infrastructure	275,376	116,637	14,678,781	14,647,481	14,954,157	14,764,118
Construction-in-progress	-	158,739	2,459,758	13,360,042	2,459,758	13,518,781
	14,194,919	14,171,558	36,342,256	34,267,585	50,537,175	48,439,143
Less: Depreciation	(5,590,270)	(4,916,813)	(4,616,672)	(3,882,602)	(10,206,942)	(8,799,415)
<b>Totals</b>	<b>8,604,649</b>	<b>9,254,745</b>	<b>31,725,584</b>	<b>30,384,983</b>	<b>40,330,233</b>	<b>39,639,728</b>

## Debt Administration

At year end, the City had \$52.4 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	
	2012	2011	2012	2011	2012	2011
Notes Payable	833	744	1,951	681	2,784	1,425
Revenue Bonds	-	-	49,605	67,685	49,605	67,685
<b>Totals</b>	<b>\$ 833</b>	<b>\$ 744</b>	<b>\$ 51,556</b>	<b>\$ 68,366</b>	<b>\$ 52,389</b>	<b>\$ 69,110</b>

NOTE: \$10 million is in escrow with our Bond Trustee to pay interest and principal in the 2007 series bonds. These funds came from the 2010 series bond proceeds and are restricted in purpose. While this presentation is technically correct, it appears to overstate the total long-term debt obligation of the Revenue Bonds.

## Economic Factors and Next Year's Budget

With costs continuing to rise and total revenues growing at only around one half percent, the budget approach for FY2012-2013 was to prepare for the "new normal". The City has provided a wide array of services to our citizens for many years and there is a commitment to continue to do so.

The focus of the budget for FY2012-2013 is to ensure sufficient allocation of resources to fully maintain core services related to the health, safety and well-being of our citizens and visitors. Providing water, sewer, solid waste management and public safety are quickly identified among those critical services. Water rates, which are based on the cost to the City to obtain water from the City of Tulsa, had to be increased for FY2012-2013 to cover the increase in cost of water. Every effort has been made to assure that the needs do not go unmet.

The City of Glenpool budgeted 5% sales/use tax growth for FY2012-2013. This was primarily based on the fact that in FY2011-2012, our sales/use tax collections improved over 6%.

While the economic recovery is not sufficient to make up for having no wage increases for two years, except for union employees, we have added an across the board four percent wage increase for FY2013.

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**BASIC FINANCIAL STATEMENTS**  
**June 30, 2012**

**CITY OF GLENPOOL**  
**STATEMENT OF NET ASSETS**  
**June 30, 2012**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and investments:			
Cash & cash equivalents (Note 1)	\$ 642,759	\$ 476,805	\$ 1,119,564
Investments	-	74,346	74,346
Receivables (net of allowance for uncollectibles):			
Accounts receivable	419,969	223,773	643,742
Notes receivable	-	308,037	308,037
Taxes	1,109,545	-	1,109,545
Grants receivable	1,096	-	1,096
Due to/from others	13,055	(13,055)	-
Prepaid expenses	-	-	-
Restricted assets:			
Cash and investments (Note 1)	69,602	13,928,663	13,998,265
<b>Capital assets:</b>			
Land and construction in progress	310,000	5,993,711	6,303,711
Depreciable buildings, property, equipment and infrastructure, net of depreciation (Notes 1 & 2)	8,294,649	25,731,872	34,026,521
<b>Deferred charges:</b>			
Bond issue cost (net of accumulated amortization) (Note 1)	-	1,994,351	1,994,351
Bond discount (net of accumulated amortization) (Note 1)	-	1,222,379	1,222,379
<b>Total assets</b>	<b>\$ 10,860,675</b>	<b>\$ 49,940,882</b>	<b>\$ 60,801,557</b>
<b>Liabilities:</b>			
Accounts payable	\$ 78,967	\$ 258,007	\$ 336,974
Cash overdraft	-	57,041	57,041
Accrued compensated absences payable (Note 1)	249,169	4,549	253,718
Payable from restricted assets:			
State court fees	9,293	-	9,293
Interest payable	-	330,451	330,451
Accrued interest payable	13,406	-	13,406
Leases payable (Note 3)	761,356	-	761,356
Notes payable (Note 2)	71,864	1,951,212	2,023,076
Revenue bonds payable (Note 2)	-	49,605,000	49,605,000
<b>Total liabilities</b>	<b>1,184,055</b>	<b>52,206,260</b>	<b>53,390,315</b>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	7,758,023	(19,830,629)	(12,072,606)
Restricted	80,453	13,598,212	13,678,665
Unrestricted	1,838,144	3,967,039	5,805,183
<b>Total net assets</b>	<b>\$ 9,676,620</b>	<b>\$ (2,265,378)</b>	<b>\$ 7,411,242</b>

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

**CITY OF GLENPOOL**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Year Ended June 30, 2012**

Functions/Programs	Program Revenues				Net (Expense)/ Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
General government:					
General government	\$ 1,305,516	\$ 114,402	\$ -	\$ -	\$ (1,191,114)
Code and planning	410,016	-	-	-	(410,016)
Total general government	<u>1,715,532</u>	<u>114,402</u>	<u>-</u>	<u>-</u>	<u>(1,601,130)</u>
Public safety and judiciary:					
City attorney	-	-	-	-	-
Fire	1,188,512	-	25,352	-	(1,163,160)
Municipal court	-	554,959	-	-	554,959
Police	1,717,500	-	1,203	-	(1,716,297)
Emergency management	25,578	-	-	-	(25,578)
911 operations	43,174	73,262	-	-	30,088
Total public safety and judiciary	<u>2,974,764</u>	<u>628,221</u>	<u>26,555</u>	<u>-</u>	<u>(2,319,988)</u>
Transportation:					
Streets	736,592	-	-	-	(736,592)
Total transportation	<u>736,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(736,592)</u>
Cultural, parks and recreation:					
Parks	-	-	-	-	-
Total cultural, parks and recreation	-	-	-	-	-
Financing costs	20,226	-	-	-	(20,226)
Unallocated depreciation*	673,457	-	-	-	(673,457)
<b>Total governmental activities</b>	<b>6,120,571</b>	<b>742,623</b>	<b>26,555</b>	<b>-</b>	<b>(5,351,393)</b>
<b>Business-type activities</b>					
General and administrative	49,308	-	-	-	(49,308)
Water treatment	3,443,570	2,216,461	643,340	-	(583,769)
Sewer treatment	-	756,416	-	-	756,416
Solid waste	496,700	15,668	-	-	(481,032)
Storm water	-	96,943	-	-	96,943
Medical services	125,554	200,160	-	-	74,606
Industrial Authority	-	178,098	-	-	178,098
Financing costs	2,758,292	-	-	-	(2,758,292)
Unallocated depreciation*	734,070	-	-	-	(734,070)
<b>Total business-type activities</b>	<b>7,607,494</b>	<b>3,463,746</b>	<b>643,340</b>	<b>-</b>	<b>(3,500,408)</b>
<b>Total</b>	<b>\$ 13,728,065</b>	<b>\$ 4,206,369</b>	<b>\$ 669,895</b>	<b>\$ -</b>	<b>\$ (8,851,801)</b>

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

**CITY OF GLENPOOL**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Year Ended June 30, 2012**

	<b>Net (Expense) Revenue and Changes in Net Assets</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Net (expense)/revenue</b>	<b>(5,351,393)</b>	<b>(3,500,408)</b>	<b>(8,851,801)</b>
<b>General revenues:</b>			
Taxes:			
Sales and use taxes	5,725,825	-	5,725,825
Franchise taxes	397,725	-	397,725
Cigarette taxes	81,026	-	81,026
Intergovernmental	112,641	-	112,641
Hotel/motel tax	87,580	-	87,580
Property taxes	2,276	-	2,276
Investment earnings	3,564	309,770	313,334
Miscellaneous	60,155	-	60,155
Other fees	-	112,433	112,433
Rental income	42,095	-	42,095
Sale of property	-	-	-
Transfers	(1,418,856)	1,418,856	-
<b>Total general revenues and transfers</b>	<b>5,094,031</b>	<b>1,841,059</b>	<b>6,935,090</b>
<b>Change in net assets</b>	<b>(257,362)</b>	<b>(1,659,349)</b>	<b>(1,916,711)</b>
<b>Net assets - beginning of year</b>	<b>7,269,423</b>	<b>(519,533)</b>	<b>6,749,890</b>
<b>Net assets - end of year</b>	<b>\$ 7,012,061</b>	<b>\$ (2,178,882)</b>	<b>\$ 4,833,179</b>

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

**CITY OF GLENPOOL**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2012**

	<b>General Fund</b>	<b>Debt Service Sinking Fund</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Cash and investments:			
Cash & cash equivalents (Note 1)	\$ 622,615	\$ 20,144	\$ 642,759
Investments	-	-	-
Accrued governmental transfers	1,109,545	-	1,109,545
Accounts receivable (net of allowance for uncollectibles)	419,969	-	419,969
Grant receivable	1,096	-	1,096
Prepaid expenses	-	-	-
Due from others	33,680	-	33,680
Restricted assets:			
Cash and investments (Note 1)	69,602	-	69,602
<b>Total assets</b>	<b>\$ 2,256,507</b>	<b>\$ 20,144</b>	<b>\$ 2,276,651</b>
<b>Liabilities:</b>			
Accounts payable	\$ 78,967	\$ -	\$ 78,967
Due to others	20,625	-	20,625
Payable from restricted assets:			
State court fees	9,293	-	9,293
<b>Total liabilities</b>	<b>108,885</b>	<b>-</b>	<b>108,885</b>
<b>Fund balance:</b>			
<b>Restricted for:</b>			
Debt service	-	20,144	20,144
DEA forfeitures	60,309	-	60,309
Unassigned	<u>2,087,313</u>	<u>-</u>	<u>2,087,313</u>
<b>Total fund balance</b>	<b>2,147,622</b>	<b>20,144</b>	<b>2,167,766</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,256,507</b>	<b>\$ 20,144</b>	<b>\$ 2,276,651</b>

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 ASSETS**  
**June 30, 2012**

**Total Fund Balances - Total Governmental Funds** \$ 2,167,766

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

Accrued compensated absences (249,169)

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	(761,356)
Notes payable	(71,864)
Revenue bonds payable	-
Accrued interest payable	<u>(13,406)</u>
<b>Total</b>	<b>(846,626)</b>

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
Construction in progress	-
Infrastructure	275,376
Buildings	8,718,813
Equipment	2,287,915
Vehicles	2,602,816
Accumulated depreciation	<u>(5,590,271)</u>
	<u>8,604,649</u>

**Net assets of governmental activities** \$ 9,676,620

**CITY OF GLENPOOL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2012**

	<u>General Fund</u>	<u>Debt Service Sinking Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Charges for services	\$ 64,366	\$ -	\$ 64,366
Cigarette taxes	81,026	-	81,026
Interest	3,556	9	3,556
Franchise taxes	397,725	-	397,725
Hotel/motel taxes	87,580	-	87,580
Intergovernmental programs	139,195	-	139,195
Fines and forfeits	554,959	-	554,959
Rental receipts	42,095	-	42,095
Licenses and permits	50,036	-	50,036
Miscellaneous revenue	60,155	-	60,155
Donations	-	-	-
Property sales	-	-	-
Property taxes	2,276	-	2,276
Sales and use taxes	5,725,825	-	5,725,825
Special assessments	73,262	-	73,262
<b>Total revenues</b>	<b>7,282,056</b>	<b>9</b>	<b>7,282,065</b>
<b>Expenditures:</b>			
Current:			
General government	1,667,768	-	1,667,768
Public safety	2,974,764	-	2,974,764
Highways and roads	736,592	-	736,592
Cultural and recreational	-	-	-
Debt Service:			
Principal	166,956	-	166,956
Interest expense	21,519	-	21,519
Capital outlay	23,361	-	23,361
<b>Total expenditures</b>	<b>5,590,960</b>	<b>-</b>	<b>5,590,960</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,691,096</b>	<b>9</b>	<b>1,691,105</b>
<b>Other financing uses:</b>			
Operating transfers in (out)	(1,421,132)	2,276	(1,418,856)
Lease proceeds	-	-	-
<b>Excess of revenues over (under) expenditures &amp; transfers</b>	<b>269,964</b>	<b>2,285</b>	<b>272,249</b>
<b>Fund balance - beginning of year</b>	<b>1,877,658</b>	<b>17,859</b>	<b>1,895,517</b>
<b>Fund balance - end of year</b>	<b>\$ 2,147,622</b>	<b>\$ 20,144</b>	<b>\$ 2,167,766</b>

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 ASSETS**  
**Year Ended June 30, 2012**

**Net Change in Fund Balances - Total Governmental Funds**      \$      272,249

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 Assets, the interest is recorded against the payable. This is the amount of interest paid in the current period.

1,294

Government-Wide Statement of Activities and Changes in Net Assets report accrued compensated absenses 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 absenses recorded in the current period.

(47,765)

Governmental Funds report note and lease payments as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the principal paid on that liability is applied against the liability. This is the amount of principal recorded in the current period.

166,956

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.

(673,457)

Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, 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.

23,361

**Change in Net Assets of Governmental Activities**      \$      (257,362)

**CITY OF GLENPOOL**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**June 30, 2012**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Utility Service Authority</b>	<b>Industrial Authority</b>	<b>GEMS Trust Authority</b>	<b>Totals</b>
<b>Assets:</b>				
Cash and investments:				
Cash & cash equivalents (Note 3)	\$ -	\$ 219,785	\$ 257,020	\$ 476,805
Investments, at cost	74,346	-	-	74,346
Receivables (net of allowance for uncollectibles):				
Accounts receivable	218,774	4,999	-	223,773
Notes receivable	-	308,037	-	308,037
Grants receivable	-	-	-	-
Due from others	-	-	-	-
Restricted assets:				
Cash & investments (Notes 3 & 4)	13,928,663	-	-	13,928,663
<b>Capital assets:</b>				
Land and construction in process	5,993,711	-	-	5,993,711
Depreciable buildings, equipment and infrastructure, net of depreciation (Notes 1 & 3)	25,731,872	-	-	25,731,872
<b>Deferred charges:</b>				
Bond issue cost (net of accumulated amortization) (Note 1)	1,994,351	-	-	1,994,351
Bond discount (net of accumulated amortization) (Note 1)	1,222,379	-	-	1,222,379
<b>Total assets</b>	<b>\$ 49,164,096</b>	<b>\$ 532,821</b>	<b>\$ 257,020</b>	<b>\$ 49,953,937</b>
<b>Liabilities:</b>				
Accounts payable	\$ 255,301	\$ 2,706	-	\$ 258,007
Cash overdraft	57,041	-	-	57,041
Due to other funds	-	13,055	-	13,055
Accrued compensated absences payable (Note 1)	4,549	-	-	4,549
Payable from restricted assets:				
Interest payable	330,451	-	-	330,451
Notes payable (Note 3)	1,951,212	-	-	1,951,212
Revenue bonds payable (Notes 3 & 4)	49,605,000	-	-	49,605,000
<b>Total liabilities</b>	<b>52,203,554</b>	<b>15,761</b>	<b>-</b>	<b>52,219,315</b>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	(19,830,629)	-	-	(19,830,629)
Restricted	13,598,212	-	-	13,598,212
Unrestricted	3,192,959	517,060	257,020	3,967,039
<b>Net assets</b>	<b>\$ (3,039,458)</b>	<b>\$ 517,060</b>	<b>\$ 257,020</b>	<b>\$ (2,265,378)</b>

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

**CITY OF GLENPOOL**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2012**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Utility Service Authority</b>	<b>Industrial Authority</b>	<b>GEMS Trust Authority</b>	<b>Totals</b>
<b>Revenues:</b>				
Water revenue	\$ 1,644,317	\$ -	\$ -	\$ 1,644,317
Sewer revenue	742,816	-	-	742,816
Solid waste revenue	-	-	-	-
Water taps	62,175	-	-	62,175
Sewer taps	13,600	-	-	13,600
Solid waste management fees	15,668	-	-	15,668
Storm water management fees	96,943	-	-	96,943
Water/sewer fees	509,969	-	-	509,969
Connect/transfer fees	6,421	-	-	6,421
Delinquent fees	85,113	-	-	85,113
Miscellaneous charges	17,839	-	-	17,839
Return on fees	3,060	-	-	3,060
Property tax revenues	-	-	200,160	200,160
Lease revenue	-	178,098	-	178,098
<b>Total revenues</b>	<b>3,197,921</b>	<b>178,098</b>	<b>200,160</b>	<b>3,576,179</b>
<b>Operations expense:</b>				
General and administrative	49,308	-	-	49,308
Water treatment	3,443,570	-	-	3,443,570
Sewer treatment	-	-	-	-
Solid waste	496,700	-	-	496,700
Storm water	-	-	-	-
Medical services	-	-	125,554	125,554
Community Center operating expense	-	86,496	-	86,496
Depreciation	734,070	-	-	734,070
<b>Total operations expense</b>	<b>4,723,648</b>	<b>86,496</b>	<b>125,554</b>	<b>4,935,698</b>
<b>Income before non-operating revenues, expenses &amp; transfers</b>	<b>(1,525,727)</b>	<b>91,602</b>	<b>74,606</b>	<b>(1,359,519)</b>
<b>Non-operating revenues (expenses):</b>				
Interest revenue	287,583	21,965	222	309,770
Interest expense	(2,325,736)	-	-	(2,325,736)
Amortization of bond issue cost	(163,175)	-	-	(163,175)
Amortization of bond issue discount	(104,381)	-	-	(104,381)
Grant revenues	643,340	-	-	643,340
Trustee fees	(165,000)	-	-	(165,000)
<b>Total</b>	<b>(1,827,369)</b>	<b>21,965</b>	<b>222</b>	<b>(1,805,182)</b>
<b>Income (loss) before operating transfers</b>	<b>(3,353,096)</b>	<b>113,567</b>	<b>74,828</b>	<b>(3,164,701)</b>
<b>Transfers in (out)</b>	<b>1,485,070</b>	<b>(32,466)</b>	<b>(33,748)</b>	<b>1,418,856</b>
<b>Change in net assets</b>	<b>(1,868,026)</b>	<b>81,101</b>	<b>41,080</b>	<b>(1,745,845)</b>
<b>Net assets at beginning of year</b>	<b>(1,171,432)</b>	<b>435,959</b>	<b>215,940</b>	<b>(519,533)</b>
<b>Net assets at end of year</b>	<b>\$ (3,039,458)</b>	<b>\$ 517,060</b>	<b>\$ 257,020</b>	<b>\$ (2,265,378)</b>

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, 2012**

<b>Business-type Activities - Enterprise Funds</b>				
	<b>Utility Service Authority</b>	<b>Industrial Authority</b>	<b>GEMS Trust Authority</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers & service users	\$ 3,713,855	\$ 173,099	\$ 200,160	\$ 4,087,114
Cash payments for goods & services & employees	(3,817,372)	(83,790)	(125,631)	(4,026,793)
<b>Net cash provided by operating activities</b>	<b>(103,517)</b>	<b>89,309</b>	<b>74,529</b>	<b>60,321</b>
<b>Cash flows from noncapital financing activities:</b>				
Net change in due to/due from other funds	-	13,055	-	13,055
Operating transfers in/out to other funds	1,485,070	(32,466)	(33,748)	1,418,856
<b>Net cash provided (used) for noncapital financing activities</b>	<b>1,485,070</b>	<b>(19,411)</b>	<b>(33,748)</b>	<b>1,431,911</b>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition & construction of capital assets	(2,074,670)	-	-	(2,074,670)
Principal paid on debt	(18,148,069)	-	-	(18,148,069)
New debt issued	1,338,587	-	-	1,338,587
Interest paid on debt	(2,618,330)	-	-	(2,618,330)
Receipts on notes receivable	-	10,502	-	10,502
Grant monies	643,340	-	-	643,340
Trustee fees	(165,000)	-	-	(165,000)
<b>Net cash provided (used) for capital and related financing activities</b>	<b>(21,024,142)</b>	<b>10,502</b>	<b>-</b>	<b>(21,013,640)</b>
<b>Cash flows from investing activities:</b>				
(Purchase) liquidation of investments - unrestricted	(122)	-	-	(122)
Interest on investments	287,583	21,965	222	309,770
<b>Net cash provided by investing activities</b>	<b>287,461</b>	<b>21,965</b>	<b>222</b>	<b>309,648</b>
<b>Net increase (decrease) in cash &amp; cash equivalents</b>	<b>(19,355,128)</b>	<b>102,365</b>	<b>41,003</b>	<b>(19,211,760)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>33,226,750</b>	<b>117,420</b>	<b>216,017</b>	<b>33,560,187</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 13,871,622</b>	<b>\$ 219,785</b>	<b>\$ 257,020</b>	<b>\$ 14,348,427</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ (1,525,727)	\$ 91,602	\$ 74,606	\$ (1,359,519)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>				
Depreciation	734,070	-	-	734,070
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	515,934	(4,999)	-	510,935
Increase (decrease) in accounts payable	170,169	2,706	(77)	172,798
Increase (decrease) in accrued expenses	2,037	-	-	2,037
<b>Total adjustments</b>	<b>1,422,210</b>	<b>(2,293)</b>	<b>(77)</b>	<b>1,419,840</b>
<b>Net cash provided by operating activities</b>	<b>\$ (103,517)</b>	<b>\$ 89,309</b>	<b>\$ 74,529</b>	<b>\$ 60,321</b>

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

**CITY OF GLENPOOL**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**June 30, 2012**

	<b>Agency Funds</b>
<b>Assets:</b>	
Cash and investments at cost	\$ <u>228,482</u>
<b>Total assets</b>	<u>\$ 228,482</u>
<b>Liabilities:</b>	
Deposits	\$ <u>228,482</u>
<b>Total liabilities</b>	<u>\$ 228,482</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, 2012**

**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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. 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, 2012**

**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 assets 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 assets 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 assets 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, 2012**

**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.

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:

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. In compliance with the Governmental Accounting Standards Board (GASB) Statement No. 20 the City has applied only Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) and Accounting Research Board (ARB) materials issued on or before November 30, 1989 that do not conflict with GASB. 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.

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.

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**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. The City's only fiduciary fund is an agency fund that is composed of customer deposit funds.

**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.

**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.

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Assets, Liabilities and Equity (Continued)**

**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 assets 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 assets 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

**8. Deferred Charges**

Bond discount costs and bond issue costs are amortized ratably over the repayment period of the applicable bond using the straight-line method.

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Assets, Liabilities and Equity (Continued)**

**9. 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.

**10. 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.

**11. Net Assets/Fund Balance**

In the government-wide financial statement, net assets represent the difference between assets and liabilities. Net assets 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 assets 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, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Assets, Liabilities and Equity (Continued)**

**11. Net Assets/Fund Balance (Continued)**

**Committed** fund balance represents amounts 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.

**12. 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, 2012, the City held deposits of approximately \$15,420,657 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, 2012**

**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, 2012 are as follows:

Type	Weighted Average Maturity (Months)	Credit Rating	Market Value	Cost
<b>Investments</b>				
Money Market	N/A	AAAm	\$ 15,132,119	\$ 15,132,119
Certificate of deposit	6.00	N/A	288,538	288,538
<b>Total investments</b>			<b>\$ 15,420,657</b>	<b>\$ 15,420,657</b>
<b>Reconciliation to Statement of Net Assets</b>				
Governmental activities			\$ 712,361	
Business-type activities			14,479,814	
Fiduciary activities			228,482	
			<b>\$ 15,420,657</b>	

*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 (\$288,538) and 98% in Money Market funds (\$15,132,119).

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2012**

**2. DETAILED NOTES CONCERNING THE FUNDS (Continued)**

**B. Capital Assets**

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

<b>Governmental Activities:</b>	<u>Balance</u>	<u>6/30/11</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>	<u>6/30/12</u>
Non-depreciable assets:						
Land	\$ 310,000	\$ -	\$ -	\$ -	\$ 310,000	\$ 310,000
Construction in progress	158,739	-	-	158,739	-	-
Total non-depreciable assets	<u>468,739</u>	<u>-</u>	<u>-</u>	<u>158,739</u>	<u>-</u>	<u>310,000</u>
Depreciable assets:						
Buildings and improvements	8,718,813	-	-	-	8,718,813	8,718,813
Furniture, fixtures and equipment	2,264,554	23,361	-	-	2,287,915	2,287,915
Vehicles	2,602,815	-	-	-	2,602,815	2,602,815
Infrastructure	116,637	158,739	-	-	275,376	275,376
Total depreciable assets	<u>13,702,819</u>	<u>182,100</u>	<u>-</u>	<u>-</u>	<u>13,884,919</u>	<u>13,884,919</u>
Less accumulated depreciation:						
Buildings and improvements	(1,783,480)	(217,970)	-	-	(2,001,450)	(2,001,450)
Furniture, fixtures and equipment	(1,440,391)	(239,735)	-	-	(1,680,126)	(1,680,126)
Vehicles	(1,683,022)	(208,868)	-	-	(1,891,890)	(1,891,890)
Infrastructure	(9,920)	(6,884)	-	-	(16,804)	(16,804)
Total accumulated depreciation	<u>(4,916,813)</u>	<u>(673,457)</u>	<u>-</u>	<u>-</u>	<u>(5,590,270)</u>	<u>(5,590,270)</u>
Net depreciable assets	<u>8,786,006</u>	<u>(491,357)</u>	<u>-</u>	<u>-</u>	<u>8,294,649</u>	<u>8,294,649</u>
Net governmental activities capital assets	<u>\$ 9,254,745</u>	<u>\$ (491,357)</u>	<u>\$ 158,739</u>	<u>\$ 8,604,649</u>	<u>\$ 8,604,649</u>	<u>\$ 8,604,649</u>

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2012**

**2. DETAILED NOTES CONCERNING THE FUNDS (Continued)**

**B. Capital Assets (Continued)**

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

<b>Business-Type Activities:</b>	<u>Balance</u> <u>6/30/11</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/12</u>
Non-depreciable assets:				
Land	\$ 3,533,953	\$ -	\$ -	\$ 3,533,953
Construction in progress	13,360,042	2,074,671	12,974,955	2,459,758
Total non-depreciable assets	<u>16,893,995</u>	<u>2,074,671</u>	<u>12,974,955</u>	<u>5,993,711</u>
Depreciable assets:				
Buildings and improvements	1,503,725	12,943,655	-	14,447,380
Furniture, fixtures and equipment	727,203	-	-	727,203
Vehicles	495,181	-	-	495,181
Infrastructure	14,647,481	31,300	-	14,678,781
Total depreciable assets	<u>17,373,590</u>	<u>12,974,955</u>	<u>-</u>	<u>30,348,545</u>
Less accumulated depreciation:				
Buildings and improvements	(115,095)	(361,559)	-	(476,654)
Furniture, fixtures and equipment	(442,681)	(41,122)	-	(483,803)
Vehicles	(334,471)	(29,033)	-	(363,504)
Infrastructure	(2,990,355)	(302,356)	-	(3,292,711)
Total accumulated depreciation	<u>(3,882,602)</u>	<u>(734,070)</u>	<u>-</u>	<u>(4,616,672)</u>
Net depreciable assets	<u>13,490,988</u>	<u>12,240,885</u>	<u>-</u>	<u>25,731,873</u>
Net business-type activities capital assets	\$ <u>30,384,983</u>	\$ <u>14,315,556</u>	\$ <u>12,974,955</u>	\$ <u>31,725,584</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 (Formerly FAS No. 13, 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, 2012**

**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 Citizens Bank for the lease purchase of fire truck. 36 monthly payments of \$2,584 plus interest at 4.5%. This lease was paid off in current year.	
(2)	Lease payable to Oshkosh Capital for the lease purchase of a fire truck. 10 yearly payments plus interest.	461,337
(3)	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%.	166,056
(4)	Lease payable to Oklahoma State Bank for 2 police supervisor vehicles. 36 monthly payments of \$2,1125.77 plus interest at 2.93%.	67,318
(5)	Note payable to the Oklahoma Department of Transportation for right-of-way. Monthly payments of \$1,200 plus interest at 0%.	19,425
(6)	Note payable to the Oklahoma Department of Transportation for right-of-way. Monthly payments of \$1,200 plus interest at 0%.	24,661
(7)	Note payable to the Oklahoma Department of Commerce for CDBG. Monthly payments of \$1,111 plus interest at 0%.	27,778
(8)	Lease payable to First Texas Bank for the lease purchase of Incode software. 18 quarterly payments of \$22,611.63 plus interest at 3.5%.	<u>66,645</u>
Total		<u>\$ 833,220</u>

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

	Balance July 1, 2011	Additions	Payments and Cancellations	Balance June 30, 2012
Capital lease obligations	\$ 656,482	\$ 256,096	\$ 151,222	\$ 761,356
Notes payable	87,597	-	15,733	71,864
<b>Total</b>	<b>\$ 744,079</b>	<b>\$ 256,096</b>	<b>\$ 166,955</b>	<b>\$ 833,220</b>

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2012**

**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
2013	\$ 190,781	\$ 24,860	\$ 215,641
2014	142,073	20,245	162,318
2015	105,865	16,250	122,115
2016	44,680	13,983	58,663
2017	46,301	12,362	58,663
2018-2022	283,434	31,972	315,406
2023-2027	12,000	-	12,000
2028-2032	7,425	-	7,425
2033	661	-	661
<b>Total</b>	<b>\$ 833,220</b>	<b>\$ 119,672</b>	<b>\$ 952,892</b>

**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 Utility Revenue Refunding Bond Payable, Series 2007 was issued by the GUSA, acting on behalf of the City, in the principal amount of \$6,500,000 dated October 1, 2007, due in semi-annual installments of \$120,000 to \$745,000, through October 1, 2036 with interest at 3.5% to 4.5% per annum.

A Utility Revenue Bond Payable, Series 2007A was issued by the GUSA, acting on behalf of the City, in the principal amount of \$3,945,000 dated October 1, 2007, due in semi-annual installments of \$30,000 to \$640,000, through October 1, 2037 with interest at 5.75% to 6.45% per annum.

A Utility Revenue Refunding Bond Payable, Series 2008 was issued by the GUSA, acting on behalf of the City, in the principal amount of \$10,000,000 dated August 1, 2008, due in semi-annual interest only installments of \$200,000 (4% per annum) and a lump sum payoff on August 1, 2013. This bond was paid off in the current year.

A Utility Revenue Refunding Bond Payable, Series 2008A was issued by the GUSA, acting on behalf of the City, in the principal amount of \$6,000,000 dated August 1, 2008, due in semi-annual interest only installments of \$180,000 (6% per annum) and a lump sum payoff on August 1, 2013. This bond was paid off in the current year.

A Utility Revenue Refunding Bond Payable, Series 2009 was issued by the GUSA, acting on behalf of the City, in the principal amount of \$2,000,000 dated March 1, 2009, due in semi-annual interest only installments of \$37,000 (3.7% per annum) and a lump sum payoff on August 1, 2013. This bond was paid off in the current year.

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2012**

**2. DETAILED NOTES CONCERNING THE FUNDS (Continued)**

**D. Long-term Debt (Continued)**

A Capital Improvement Revenue Bond Payable, Series 2010A was issued by the GUSA, 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.

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

	Balance			Balance
	June 30, 2011	Additions	Reductions	June 30, 2012
Revenue Bond 2007	\$ 6,235,000	\$ -	\$ 125,000	\$ 6,110,000
Revenue Bond 2007A	3,945,000	-	30,000	3,915,000
Revenue Bond 2008	10,000,000	-	10,000,000	-
Revenue Bond 2008A	6,000,000	-	6,000,000	-
Revenue Bond 2009	2,000,000	-	2,000,000	-
Revenue Bond 2010A	29,575,000	-	-	29,575,000
Revenue Bond 2010B	2,740,000	-	-	2,740,000
Revenue Bond 2011	7,315,000	-	50,000	7,265,000
OWRB 2011	-	1,338,587	-	1,338,587
OWRB 2001	680,694	-	68,069	612,625
<b>Total</b>	<b>\$ 68,490,694</b>	<b>\$ 1,338,587</b>	<b>\$ 18,273,069</b>	<b>\$ 51,556,212</b>

Note: The Revenue Bond 2007 and 2007A series have offsetting funds in escrow that have been provided by the Revenue Bond 2010A series. These funds are being held by our Bond Trustee for the express and specific purpose of paying interest when due and paying off these 2007 bond series when they become callable in 2018. These funds cannot be used by the City or GUSA for any other purpose. We realize this presentation, while technically correct, may seem to the average reader of these financial statements as overstating the actual obligation of the City or GUSA.

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2012**

**2. DETAILED NOTES CONCERNING THE FUNDS (Continued)**

**D. Long-term Debt (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
2013	\$ 303,069	\$ 2,413,200	\$ 2,716,269
2014	458,070	2,400,058	2,858,128
2015	548,069	2,382,376	2,930,445
2016	1,093,070	2,353,574	3,446,644
2017	1,133,069	2,312,862	3,445,931
2018-2022	6,357,278	10,882,155	17,239,433
2023-2027	7,545,000	9,397,147	16,942,147
2028-2032	9,560,000	7,335,256	16,895,256
2033-2037	12,325,000	4,589,662	16,914,662
2038-2041	10,895,000	1,108,987	12,003,987
<b>Total Liability</b>	<b>* \$ 50,217,625</b>	<b>\$ 45,175,277</b>	<b>\$ 95,392,902</b>

\* No repayment schedule has been set yet on the \$3,740,625 OWRB promissory note. Work on the projects is not complete and no repayment schedule can be set until completion of projects.

**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.

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.

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2012**

**3. OTHER INFORMATION (Continued)**

**B. Contingent Liabilities**

The City is not aware of any pending or threatened legal actions against it. However, insurance protection has been obtained to cover probable claims.

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 63<sup>rd</sup> 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 \$120,039, \$111,735 and \$108,273 for 2012, 2011 and 2010. The required contribution was fully contributed. At June 30, 2012 the system held no related-party investments of the City or of its related entities.

**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 8.0% of base salary and the City contributes an additional 13.0%. 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 \$110,326, \$97,972 and \$95,993 for 2012, 2011 and 2010. The required contribution was fully contributed. At June 30, 2012 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, 2012**

**3. OTHER INFORMATION (Continued)**

**C. Employee Retirement System and Plans (Continued)**

**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 5% of covered compensation. Participants are permitted to make voluntary deductible contributions to the plan. The City's annual pension cost of \$56,135, \$60,085 and \$68,385 for 2012, 2011 and 2010, was equal to the City's required and actual contributions. The City is required to contribute 17% of covered compensation for the City Manager and 13% for the Assistant City Manager. The City Manager and Assistant City Manager are permitted to make voluntary deductible contributions to the plan. The City's annual pension cost of \$34,020, \$33,919 and \$31,354 for 2012, 2011 and 2010, 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. Substantially all of the government's employees may become eligible for those post-retirement benefits if they reach normal retirement age while working for the City. As of June 30, 2012, no employees are receiving benefits under this plan.

**4. SUBSEQUENT EVENTS**

On July 30, 2012, the Oklahoma State Auditor and Inspector's office began a petition audit of specific items per a citizen petition for an audit. Management has evaluated subsequent events through October 25, 2012, 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, 2012**

**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, 2012**  
**(Unaudited)**

**GENERAL FUND**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues:</b>				
Charges for services	\$ 53,200	\$ 53,200	\$ 64,366	\$ 11,166
Cigarette taxes	75,833	75,833	81,026	5,193
Interest	5,000	5,000	3,556	(1,444)
Franchise taxes	420,000	420,000	397,725	(22,275)
Hotel/motel taxes	75,000	75,000	87,580	12,580
Intergovernmental programs	94,995	94,995	139,195	44,200
Fines and forfeits	563,598	563,598	554,959	(8,639)
Rental receipts	43,821	43,821	42,095	(1,726)
Licenses and permits	99,179	99,179	50,036	(49,143)
Miscellaneous revenue	10,000	10,000	60,155	50,155
Property sales	-	-	-	-
Property taxes	5,000	5,000	2,276	(2,724)
Sales and use taxes	5,600,975	5,600,975	5,725,825	124,850
Special assessments	65,000	65,000	73,262	8,262
<b>Total revenues</b>	<b>7,111,601</b>	<b>7,111,601</b>	<b>7,282,056</b>	<b>170,455</b>
<b>Expenditures:</b>				
Current:				
General government	1,562,238	1,634,864	1,667,768	(32,904)
Public safety	3,123,987	3,046,465	2,974,764	71,701
Highways and roads	250,000	355,988	736,592	(380,604)
Cultural and recreational	422,754	376,179	-	376,179
Debt Service:				
Principal	142,000	142,000	166,956	(24,956)
Interest expense	31,500	31,500	21,519	9,981
Capital outlay	3,555,797	3,579,280	23,361	3,555,919
<b>Total expenditures</b>	<b>9,088,276</b>	<b>9,166,276</b>	<b>5,590,960</b>	<b>3,575,316</b>
<b>Excess of revenue over (under) expenditures</b>	<b>(1,976,675)</b>	<b>(2,054,675)</b>	<b>1,691,096</b>	<b>3,745,771</b>
<b>Other financing sources (uses):</b>				
Operating transfers in (out)	946,276	946,276	(1,421,132)	(2,367,408)
<b>Net changes in fund balance</b>	<b>(1,030,399)</b>	<b>(1,108,399)</b>	<b>269,964</b>	<b>1,378,363</b>
<b>Fund balance at beginning of year</b>	<b>1,877,658</b>	<b>1,877,658</b>	<b>1,877,658</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 847,259</b>	<b>\$ 769,259</b>	<b>\$ 2,147,622</b>	<b>\$ 1,378,363</b>

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**Year Ended June 30, 2012**  
**(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**

**SUPPLEMENTAL INFORMATION**  
**June 30, 2012**

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

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

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Program or Award Amount</b>	<b>Revenue Collected</b>	<b>Federal Expenditures</b>
<b><u>Environmental Protection Agency:</u></b>				
<b><u>Passed through the Oklahoma Water Resources Board:</u></b>				
Capitalization Grants for Clean Water Revolving Funds	66.458	<u>643,340</u>	<u>643,340</u>	<u>643,340</u>
<b><u>U.S. Department of Homeland Security:</u></b>				
<b><u>Passed through the Oklahoma Department of Emergency Management:</u></b>				
Emergency Management Assistance	97.042	<u>37,957</u>	<u>24,256</u>	<u>25,352</u>
<b>Total of Expenditures of Federal Awards</b>		<b>\$ <u>681,297</u></b>	<b>\$ <u>667,596</u></b>	<b>\$ <u>668,692</u></b>

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



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

October 25, 2012

Honorable Board of City Commissioners  
City of Glenpool  
Glenpool, Oklahoma

We have audited the accompanying financial statements of the governmental activities, business-type activities, 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, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 25, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. The finding reference number is 12-1. 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.

City of Glenpool  
October 25, 2012

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*.

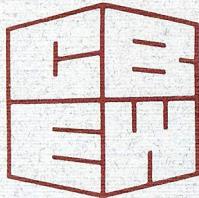
The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

We also noted certain additional matters that we have reported to management of the City in a separate letter dated October 25, 2012.

This report is intended solely for the information and use of management, all applicable federal and state agencies, and those other Governments from which federal financial assistance was received and is not intended to be and should not be used by anyone other than these specified parties.

*CBEW professional Group, LLP*

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Certified Public Accountants



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

October 25, 2012

Honorable Board of City Commissioners  
City of Glenpool  
Glenpool, Oklahoma

Compliance

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

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

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

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, all applicable federal and state agencies, and those other Governments from which federal financial assistance was received and is not intended to be and should not be used by anyone other than these specified parties.

*CBEW Professional Group, LLP*

CBEW PROFESSIONAL GROUP, LLP

Certified Public Accountants

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***  
**June 30, 2012**

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

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

**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the governmental, business-type activities, each major fund and on the aggregate remaining fund information for the City of Glenpool.
2. One significant deficiency relating to the audit of the financial statements is reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of City of Glenpool were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance with Requirements That Could Have a Material Effect on Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133".
5. The auditor's report on compliance for the major federal award programs for City of Glenpool expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for City of Glenpool required to be reported in this Schedule.
7. The programs tested as major programs included: Capitalization Grant for Clean Water Revolving Funds – CFDA No. 66.458.
8. The threshold used for distinguishing between Types A and B programs was \$300,000.
9. The City of Glenpool did not qualify as a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENT AUDIT**

**12-1. Internal Control – Material Adjusting Journal Entries**

Criteria: The government's management is responsible for internal controls over accounting and financial reporting. This responsibility includes the design and implementation of controls over the fair and complete presentation of the government's annual financial statements in accordance with generally accepted accounting principles (GAAP) from trial balances derived from the government's accounting records. For trial balances to be both complete and accurate, the government must have effective internal controls over recording, processing, summarizing, and adjusting accounting data. As evidence of effective internal controls over accounting and financial reporting, there should generally be few, if any, material adjustments to the trial balances required that are detected and corrected solely as a result of the financial statement audit. In other words, government management should not rely on the external auditor to detect and correct material misstatements in the books and records as part of its internal controls, but rather should have its own procedures designed and in place that are independent of the external auditor to provide reasonable, although not absolute, assurance that material misstatements will be detected and corrected in its trial balances prior to audit.

Condition: The government's trial balances for the year ended June 30, 2012, required a number of material adjusting journal entries in order for the financial statements to be prepared in accordance with GAAP. These necessary adjusting entries, identified solely as a result of the financial statement audit, included such adjustments as the following: accounts receivables, fines receivable, accrued interest, interest expenses, amortization of bond issue costs and discounts, purchased assets and transfers. This finding was also noted in 2011.

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

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

**Cause:** Although the government's accounting and financial reporting staff possess the necessary knowledge and expertise to provide reasonable assurance that the trial balances used for preparing the governmental GAAP financial statements are complete and accurate prior to audit, because of work load and other time constraints sufficient efforts were not expended to correct these misstatements prior to the auditors' arrival to perform fieldwork. As a result, management has had to rely on the external auditors to identify and correct a number of material misstatements in the trial balances. However, management was able to review, understand and accept the adjusting entries proposed by the auditor in order to take responsibility for them and the financial statements.

**Effect or Potential Effect:** As a result of this condition, without reliance on its external auditors, the government did not comply with its internal controls over the completeness and accuracy of the trial balances that are used in the preparation of its financial statements in accordance with GAAP. This condition can result in undetected and uncorrected material misstatements in the financial statements that are not detected by management and may also not be detected by the financial statement audit. In addition, if management's intentions are to continue to rely on the external auditor to detect and correct material misstatements, this condition could place the auditor in a questionable position regarding auditor independence since management is responsible for the completeness and accuracy of the financial statements.

**Recommendation:** The accounting and financial reporting staff should spend sufficient time in evaluating the completeness and accuracy of trial balances that will be used to prepare the government's annual financial statements. If accounting staff doesn't have sufficient time because of workload constraints the government might consider outsourcing certain activities to other individuals or a qualified accounting firm other than the external auditor.

**Responsible Official's Response:** The City concurs with the recommendation, and will strive to prepare and post material adjusting journal entries to the financial statements in a timely manner.

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

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

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

1. None

**CITY OF GLENPOOL**  
**Glenpool, Oklahoma**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Fiscal Year Ended June 30, 2012**

None.

City Of

# Glenpool

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*Creating Opportunity*



## Statistical Section

**City of Glenpool Oklahoma**  
**For the Year Ended June 30, 2012**

## **STATISTICAL SECTION**

This part of the City of Glenpool's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the city's overall financial health.

Such statistical information includes:

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

*REVENUE CAPACITY* – These schedules contain information to help the reader assess the city's most significant local sources of revenue, sales and use taxes, franchise taxes, hotel/motel taxes, etc.

*DEBT CAPACITY* – This schedule contains information to help the reader assess the trend of outstanding long term debt of the city.

**CITY OF GLENPOOL**  
**NET ASSETS BY COMPONENT**  
**TABLE 1**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 1,354,226	\$ 2,106,547	\$ 5,143,602	\$ 5,666,741	\$ 8,495,966	\$ 7,758,023
Restricted	223,758	215,144	209,653	199,517	197,314	178,707	174,666	17,859	80,453
Unrestricted	576,705	845,154	1,226,905	472,578	1,257,170	1,386,833	1,427,425	1,676,253	1,838,144
Total governmental activities net assets	<u>\$ 800,463</u>	<u>\$ 1,060,298</u>	<u>\$ 1,436,558</u>	<u>\$ 2,026,321</u>	<u>\$ 3,561,031</u>	<u>\$ 6,709,142</u>	<u>\$ 7,268,832</u>	<u>\$ 10,190,078</u>	<u>\$ 9,676,620</u>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 396,924	\$ 3,299,191	\$ 4,681,862	\$ 4,380,120	\$ (1,277,102)	\$ (16,001,100)	\$ (5,782,398)	\$ (37,980,711)	\$ (19,830,629)
Restricted	-	1,560,613	987,017	753,158	4,749,613	16,194,761	6,549,413	32,291,546	13,598,212
Unrestricted	4,741,439	685,132	599,570	1,231,646	2,304,018	3,179,111	3,572,592	5,169,631	3,967,039
Total business-type activities net assets	<u>\$ 5,138,363</u>	<u>\$ 5,544,936</u>	<u>\$ 6,268,449</u>	<u>\$ 6,364,924</u>	<u>\$ 5,776,529</u>	<u>\$ 3,372,772</u>	<u>\$ 4,339,607</u>	<u>\$ (519,534)</u>	<u>\$ (2,265,378)</u>
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$ 396,924	\$ 3,299,191	\$ 4,681,862	\$ 5,734,346	\$ 829,445	\$ (10,857,498)	\$ (115,657)	\$ (29,484,745)	\$ (12,072,606)
Restricted	223,758	1,775,757	1,196,670	952,675	4,946,927	16,373,468	6,724,079	32,309,405	13,678,665
Unrestricted	5,318,144	1,530,286	1,826,475	1,704,224	3,561,188	4,565,944	5,000,017	6,845,884	5,805,183
Total primary government net assets	<u>\$ 5,938,826</u>	<u>\$ 6,605,234</u>	<u>\$ 7,705,007</u>	<u>\$ 8,391,245</u>	<u>\$ 9,337,560</u>	<u>\$ 10,081,914</u>	<u>\$ 11,608,439</u>	<u>\$ 9,670,544</u>	<u>\$ 7,411,242</u>

**CITY OF GLENPOOL**  
**CHANGES IN NET ASSETS**  
**TABLE 2**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Expenses</b>									
Government activities:									
General Government	\$ 534,608	\$ 495,695	\$ 519,001	\$ 565,969	\$ 835,124	\$ 933,019	\$ 981,486	\$ 1,206,347	\$ 1,305,516
Code and planning	-	-	-	-	136,456	302,780	314,518	316,685	410,016
Fire	-	-	-	-	899,561	1,072,571	1,090,097	1,120,032	1,188,512
Municipal court	-	-	-	-	38,162	14,780	25,642	14,317	-
City attorney	-	-	-	-	30,388	30,338	35,746	-	-
Police	-	-	-	-	1,205,162	1,435,185	1,531,703	1,581,897	1,717,500
Public safety and judiciary	1,587,693	1,709,859	1,703,196	1,812,371	-	-	-	-	-
Emergency management	-	-	-	-	1,149	1,106	8,532	12,933	25,578
911 operations	-	-	-	-	6,362	18,409	25,325	33,535	43,174
Streets	44,482	92,486	106,805	104,250	115,194	494,817	393,452	328,660	736,592
Cultural, parks and recreation	26,175	15,830	25,338	15,468	15,959	-	-	19,793	-
Financing costs	-	-	-	-	50,201	124,804	25,955	25,248	20,226
Unallocated depreciation	166,932	226,606	208,458	313,491	433,483	539,422	666,346	788,448	673,457
Total governmental activities expenses	<u>2,359,890</u>	<u>2,540,476</u>	<u>2,562,798</u>	<u>2,811,549</u>	<u>3,767,201</u>	<u>4,967,231</u>	<u>5,098,802</u>	<u>5,447,895</u>	<u>6,120,571</u>
Business-type activities:									
General and administrative	84,856	87,726	111,801	106,645	115,788	-	80,000	101,379	49,308
Water treatment	952,338	1,058,207	1,111,367	1,171,603	1,540,604	1,805,158	1,721,235	2,885,472	3,443,570
Sewer treatment	145,890	161,818	183,659	279,504	208,028	194,392	-	-	-
Solid waste	337,585	402,606	413,741	423,439	437,604	465,367	466,566	480,468	496,700
Storm water	35,404	38,054	40,040	38,236	40,465	44,263	47,619	-	-
Medical services	-	-	-	-	105,320	108,636	117,102	122,684	125,554
Industrial Authority	-	-	-	-	-	-	-	-	-
financing costs	367,681	366,811	348,197	315,825	651,092	1,626,296	1,635,475	3,116,553	2,758,292
Unallocated depreciation	108,987	122,123	132,821	340,339	334,250	358,942	385,066	415,546	734,070
Total business-type activities	<u>2,032,741</u>	<u>2,237,345</u>	<u>2,341,626</u>	<u>2,675,591</u>	<u>3,433,151</u>	<u>4,603,054</u>	<u>4,453,063</u>	<u>7,122,102</u>	<u>7,607,494</u>
Total governmental activities expenses	<u><u>\$ 4,392,631</u></u>	<u><u>\$ 4,777,821</u></u>	<u><u>\$ 4,904,424</u></u>	<u><u>\$ 5,487,140</u></u>	<u><u>\$ 7,200,352</u></u>	<u><u>\$ 9,570,285</u></u>	<u><u>\$ 9,551,865</u></u>	<u><u>\$ 12,569,997</u></u>	<u><u>\$ 13,728,065</u></u>
<b>Program revenues</b>									
Government activities:									
Charges for services:									
General Government	\$ 35,569	\$ 43,158	\$ 67,918	\$ 49,913	\$ 140,643	\$ 126,498	\$ 122,727	\$ 130,043	\$ 114,402
Code and planning	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Municipal court	-	-	-	-	250,315	287,367	675,020	489,912	554,959
Police	-	-	-	-	42,980	29,498	-	-	-
Public safety and judiciary	192,000	219,711	230,779	216,392	-	-	-	-	-
Emergency management	-	-	-	-	-	-	-	-	-
911 operations	-	-	-	-	63,153	81,196	66,898	64,783	73,262
Streets	-	-	-	-	-	-	-	-	-
Cultural, parks and recreation	-	-	-	-	-	-	-	-	-
Operating grants and contributions	46,022	89,265	180,413	-	5,100	290,100	74,878	17,068	26,555
Total governmental activities program revenues	<u>273,591</u>	<u>352,134</u>	<u>479,110</u>	<u>266,305</u>	<u>502,191</u>	<u>814,659</u>	<u>939,523</u>	<u>701,806</u>	<u>769,178</u>

**CITY OF GLENPOOL**  
**CHANGES IN NET ASSETS**  
**TABLE 2 (Continued)**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Business-type activites:</b>									
Charges for services:									
Water treatment	1,374,156	1,489,923	2,042,464	1,705,546	1,871,998	1,713,726	2,590,036	2,415,463	2,216,461
Sewer treatment	539,034	645,518	664,587	733,240	725,487	733,821	687,114	725,691	756,416
Solid waste	357,278	413,653	11,786	419,759	450,707	478,467	25,920	27,946	15,668
Storm water	54,327	52,022	67,890	73,488	77,072	81,064	79,458	88,436	96,943
Operating grants and contributions			88,738		63,656		7,421	109,633	643,340
Medical services	-	-	-	-	149,174	158,746	183,863	187,518	200,160
Industrial Authority	-	-	-	-	35,939	32,524	-	10,783	178,098
Total business-type activites program revenue	<u>2,324,795</u>	<u>2,601,116</u>	<u>2,875,465</u>	<u>2,932,033</u>	<u>3,374,033</u>	<u>3,198,348</u>	<u>3,573,812</u>	<u>3,565,470</u>	<u>4,107,086</u>
Total primary government program revenue	<u>\$ 2,598,386</u>	<u>\$ 2,953,250</u>	<u>\$ 3,354,575</u>	<u>\$ 3,198,338</u>	<u>\$ 3,876,224</u>	<u>\$ 4,013,007</u>	<u>\$ 4,513,335</u>	<u>\$ 4,267,276</u>	<u>\$ 4,876,264</u>
<b>Net (Expenses) / Revenue</b>									
Government activities	\$ (2,086,299)	\$ (2,188,342)	\$ (2,083,688)	\$ (2,545,244)	\$ (3,265,010)	\$ (4,152,572)	\$ (4,159,279)	\$ (4,746,089)	\$ (5,351,393)
Business-type activites	292,054	363,771	533,839	256,442	(59,118)	(1,404,706)	(879,251)	(3,556,632)	(3,500,408)
Total primary government net expenes	<u>\$ (1,794,245)</u>	<u>\$ (1,824,571)</u>	<u>\$ (1,549,849)</u>	<u>\$ (2,288,802)</u>	<u>\$ (3,324,128)</u>	<u>\$ (5,557,278)</u>	<u>\$ (5,038,530)</u>	<u>\$ (8,302,721)</u>	<u>\$ (8,851,801)</u>
<b>General Revenues and Other Changes in Net Assets</b>									
<b>Government activities:</b>									
Taxes:									
Sales and use taxes	1,285,130	1,914,757	2,081,160	2,088,943	3,252,298	5,072,063	5,228,686	5,356,879	5,725,825
Franchise taxes	286,227	-	-	-	392,492	380,706	422,415	440,185	397,725
Cigarette taxes	-	-	-	-	40,527	66,664	72,453	76,262	81,026
Intergovernmental	75,475	-	-	-	109,890	87,504	90,265	92,983	112,641
Hotel / motel taxes	-	-	-	-	44,590	44,605	44,362	74,623	87,580
Property taxes	63,694	-	-	-	188,396	168,173	175,494	15,029	2,276
Investment earnings	3,797	877	3,828	6,170	15,122	857	2,433	4,706	3,564
Miscellaneous	91,813	132,470	52,218	20,885	51,319	101,232	129,054	13,806	60,155
Other fees	63,694	116,073	76,772	213,048	-	-	-	-	-
Rental income	-	-	-	-	18,864	18,976	18,169	20,757	42,095
Sale of property	33,992	-	-	-	-	28,079	85,892	(7,903)	-
Total governmental activities	<u>1,903,822</u>	<u>2,164,177</u>	<u>2,213,978</u>	<u>2,329,046</u>	<u>4,113,498</u>	<u>5,968,859</u>	<u>6,269,223</u>	<u>6,087,327</u>	<u>6,512,887</u>
<b>Business-type activites:</b>									
Investment earnings	12,591	23,745	59,870	44,597	163,651	163,571	136,239	145,207	309,770
Other fees	403,694	303,057	375,774	666,457	88,293	169,204	159,593	131,700	112,433
Total business-type activities	<u>416,285</u>	<u>326,802</u>	<u>435,644</u>	<u>711,054</u>	<u>251,944</u>	<u>332,775</u>	<u>295,832</u>	<u>276,907</u>	<u>422,203</u>
Total primary government expenses	<u>\$ 2,320,107</u>	<u>\$ 2,490,979</u>	<u>\$ 2,649,622</u>	<u>\$ 3,040,100</u>	<u>\$ 4,365,442</u>	<u>\$ 6,301,634</u>	<u>\$ 6,565,055</u>	<u>\$ 6,364,234</u>	<u>\$ 6,935,090</u>
<b>Change in Net Assets</b>									
Government activities	\$ 202,818	\$ 259,838	\$ 376,260	\$ 654,823	\$ 1,724,412	\$ 3,148,111	\$ 559,690	\$ 2,920,656	\$ (257,362)
Business-type activites	479,450	406,573	723,513	96,475	(683,098)	(2,403,755)	966,835	(4,859,143)	(1,659,349)
Total primary government	<u>\$ 682,268</u>	<u>\$ 666,411</u>	<u>\$ 1,099,773</u>	<u>\$ 751,298</u>	<u>\$ 1,041,314</u>	<u>\$ 744,356</u>	<u>\$ 1,526,525</u>	<u>\$ (1,938,487)</u>	<u>\$ (1,916,711)</u>

**CITY OF GLENPOOL**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**TABLE 3**

	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	351,206	362,496	293,413	472,578	1,257,170	1,386,833	1,608,480	1,877,658	60,309
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 351,206</u>	<u>\$ 362,496</u>	<u>\$ 293,413</u>	<u>\$ 472,578</u>	<u>\$ 1,257,170</u>	<u>\$ 1,386,833</u>	<u>\$ 1,608,480</u>	<u>\$ 1,877,658</u>	<u>\$ 2,087,313</u>
All Other Governmental Funds									
Reserved	\$ 223,758	\$ 215,144	\$ 198,727	\$ 199,517	\$ 197,314	\$ 178,707	\$ 174,666	\$ -	\$ -
Unreserved	207	-	10,926	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Unreserved, reported in:									
Designated	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	17,859	20,144
Capital project funds	-	-	-	-	-	-	-	-	-
55 Total all other governmental funds	<u>\$ 223,965</u>	<u>\$ 215,144</u>	<u>\$ 209,653</u>	<u>\$ 199,517</u>	<u>\$ 197,314</u>	<u>\$ 178,707</u>	<u>\$ 174,666</u>	<u>\$ 17,859</u>	<u>\$ 20,144</u>
GRAND TOTAL	<u><b>\$ 575,171</b></u>	<u><b>\$ 577,640</b></u>	<u><b>\$ 503,066</b></u>	<u><b>\$ 672,095</b></u>	<u><b>\$ 1,454,484</b></u>	<u><b>\$ 1,565,540</b></u>	<u><b>\$ 1,783,146</b></u>	<u><b>\$ 1,895,517</b></u>	<u><b>\$ 2,167,766</b></u>

**CITY OF GLENPOOL**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**TABLE 4**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Revenues</b>									
Sales and use taxes	\$ 1,695,597	\$ 2,326,547	\$ 2,472,913	\$ 2,546,186	\$ 3,252,298	\$ 5,072,063	\$ 5,228,686	\$ 5,356,879	\$ 5,725,825
Franchise taxes	286,227	-	-	-	392,492	380,706	422,415	440,185	397,725
Cigarette taxes	-	-	-	-	40,527	66,664	72,453	76,262	81,026
Intergovernmental	75,475	-	-	-	109,890	87,504	90,265	92,983	112,641
Hotel / motel taxes	-	-	-	-	44,590	44,605	44,362	74,623	87,580
Ad valorem (property) taxes	220,100	-	-	-	188,396	168,173	175,494	15,029	2,276
Charges for services	227,569	262,869	298,697	266,305	497,091	524,559	864,645	684,738	742,623
Operating grants and contributions	46,022	89,265	269,151	-	68,756	290,100	82,299	126,701	669,895
Investment earnings	16,388	24,622	63,698	50,767	178,773	164,428	138,672	149,913	313,334
Miscellaneous	105,600	135,506	52,218	20,885	51,319	101,232	129,054	13,806	60,155
Other fees	97,686	128,874	76,772	438,241	88,293	169,204	159,593	131,700	112,433
Rental income	-	-	-	-	18,864	18,976	18,169	20,757	42,095
Sale of property	-	(100,678)	-	-	-	28,079	85,892	(7,903)	-
Water service	1,374,156	1,489,923	2,042,464	1,705,546	1,871,998	1,713,726	2,590,036	2,415,463	2,216,461
Sewer treatment	539,034	645,518	664,587	733,240	725,487	733,821	687,114	725,691	756,416
Solid waste	357,278	413,653	11,786	419,759	450,707	478,467	25,920	27,946	15,668
Storm water	543,270	52,022	67,890	73,488	77,072	81,064	79,458	88,436	96,943
Medical services	-	-	-	-	149,174	158,746	183,863	187,518	200,160
Industrial authority	-	-	-	-	35,939	32,524	-	10,783	178,098
<b>Total Revenues</b>	<b>\$ 5,584,402</b>	<b>\$ 5,468,121</b>	<b>\$ 6,020,176</b>	<b>\$ 6,254,417</b>	<b>\$ 8,241,666</b>	<b>\$ 10,314,641</b>	<b>\$ 11,078,390</b>	<b>\$ 10,631,510</b>	<b>\$ 11,811,354</b>

**CITY OF GLENPOOL**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**TABLE 4 (Continued)**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Expenses</b>									
General Government	\$ 534,608	\$ 495,695	\$ 519,001	\$ 565,969	\$ 835,124	\$ 933,019	\$ 981,486	\$ 1,206,347	\$ 1,305,516
Code and planning	-	-	-	-	136,456	302,780	314,518	316,685	410,016
Fire	-	-	-	-	899,561	1,072,571	1,090,097	1,120,032	1,188,512
Municipal court	-	-	-	-	38,162	14,780	25,642	14,317	-
City attorney	-	-	-	-	30,388	30,338	35,746	-	-
Police	-	-	-	-	1,205,162	1,435,185	1,531,703	1,581,897	1,717,500
Public safety and judiciary	1,587,693	1,709,859	1,703,196	1,812,371	-	-	-	-	-
Emergency management	-	-	-	-	1,149	1,106	8,532	12,933	25,578
911 operations	-	-	-	-	6,362	18,409	25,325	33,535	43,174
Streets	44,482	92,486	106,805	104,250	115,194	494,817	393,452	328,660	736,592
Cultural, parks and recreation	26,175	15,830	25,338	15,468	15,959	-	-	19,793	-
General administration (GUSA)	84,856	87,726	111,801	106,645	115,788	-	80,000	101,379	49,308
Water service	952,338	1,058,207	1,111,367	1,171,603	1,540,604	1,805,158	1,721,235	2,885,472	3,443,570
Sewer treatment	145,890	161,818	183,659	279,504	208,028	194,392	-	-	-
Solid waste	337,585	402,606	413,741	423,439	437,604	465,367	466,566	480,468	496,700
Storm water	35,404	38,054	40,040	38,256	40,465	44,263	47,619	-	-
Medical services	-	-	-	-	105,320	108,636	117,102	122,684	125,554
Industrial authority	-	-	-	-	-	-	-	-	-
Bond expenses	20,560	23,892	15,979	15,979	-	-	-	-	-
Financing costs	367,681	366,811	348,197	315,825	701,293	1,751,100	1,661,430	3,141,801	2,778,518
Unallocated depreciation	275,919	348,729	341,279	653,830	767,733	898,364	1,051,412	1,203,994	1,407,527
<b>Total Expenditures</b>	<b>\$ 4,413,191</b>	<b>\$ 4,801,713</b>	<b>\$ 4,920,403</b>	<b>\$ 5,503,139</b>	<b>\$ 7,200,352</b>	<b>\$ 9,570,285</b>	<b>\$ 9,551,865</b>	<b>\$ 12,569,997</b>	<b>\$ 13,728,065</b>
Excess of revenues over (under) expenditures	<b>\$ 1,171,211</b>	<b>\$ 666,408</b>	<b>\$ 1,099,773</b>	<b>\$ 751,278</b>	<b>\$ 1,041,314</b>	<b>\$ 744,356</b>	<b>\$ 1,526,525</b>	<b>\$ (1,938,487)</b>	<b>\$ (1,916,711)</b>
<b>Other financing sources (uses)</b>									
Transfers in	\$ 228,889	\$ 284,000	\$ 245,970	\$ 871,021	\$ 875,924	\$ 1,331,824	\$ 1,550,254	\$ 1,579,418	\$ 1,418,856
Transfers out	(228,889)	(284,000)	(245,970)	(871,021)	(875,924)	(1,331,824)	(1,550,254)	(1,579,418)	(1,418,856)
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>							

**CITY OF GLENPOOL**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**TABLE 5**

<b>Fiscal Year</b>	<b>Ad Valorem Tax</b>	<b>Sales and Use Tax</b>	<b>Franchise Tax</b>	<b>Cigarette Tax</b>	<b>Inter-governmental</b>	<b>Hotel / Motel Tax</b>	<b>Totals</b>
2004	\$ 63,694	\$ 1,285,130	\$ 286,227	\$ -	\$ 75,475	\$ -	\$ 1,710,526
2005	-	1,914,757	-	-	-	-	1,914,757
2006	-	2,081,160	-	-	-	-	2,081,160
2007	-	2,088,943	-	-	-	-	2,088,943
2008	188,396	3,252,298	392,492	40,527	109,890	44,590	4,028,193
2009	168,173	5,072,063	380,706	66,664	87,504	44,605	5,819,715
2010	175,494	5,228,686	422,415	72,453	90,265	44,362	6,033,675
2011	15,029	5,356,879	440,185	76,262	92,983	74,623	6,055,961
2012	2,276	5,725,825	397,725	81,026	112,641	87,580	6,407,073

**CITY OF GLENPOOL**  
**OUTSTANDING DEBT BY TYPE**  
**TABLE 6**

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Business-Type Activities</b>				<b>Total Primary Government</b>
	<b>Revenue Bonds Payable</b>	<b>Capital Leases Payable</b>	<b>Notes Payable</b>	<b>Revenue Bonds Payable</b>	<b>Notes Payable</b>	<b>Capital Leases Payable</b>		
2004	\$ 1,155,000	\$ 355,504	\$ 134,445	\$ 7,360,000	\$ 1,340,481	\$ 480		\$ 10,345,910
2005	990,000	306,445	121,111	6,910,000	1,266,111	23,730		9,617,397
2006	825,000	484,779	107,777	6,340,000	1,191,243	18,874		8,967,673
2007	660,000	355,105	94,445	6,080,000	1,115,772	103,296		8,408,618
2008	495,000	323,851	135,486	14,010,000	1,039,702	62,988		16,067,027
63	330,000	463,994	120,264	31,835,000	960,733	20,546		33,730,537
2010	165,000	283,223	105,042	31,530,000	883,114	-		32,966,379
2011	-	656,482	87,597	67,685,000	680,694	-		69,109,773
2012	-	761,356	71,864	49,605,000	1,951,212	-		52,389,432