

City Of
Glenpool
Creating Opportunity



ANNUAL FINANCIAL REPORT

City of Glenpool Oklahoma
For the Year Ended June 30, 2013

Prepared by:
City of Glenpool Finance Department

Charles Barnes, CPA
Finance Director

CITY OF GLENPOOL
Glenpool, Oklahoma

CONTENTS

	Page No.
Introductory Section:	
Letter of Transmittal	1-6
List of Principal Officials	7
City Council / City Manager Photos	8
City Governmental Organization Chart	9
Financial Section:	
Independent Auditor's Report	10-11
Management Discussion and Analysis	12-17
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	18
Statement of Activities and Changes in Net Position	19-20
Fund Financial Statements:	
Balance Sheet - Governmental Funds	21
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	23
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Government-Wide Statement of Activities and Changes in Net Position	24
Statement of Net Position - Proprietary Funds	25
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	26
Statement of Cash Flows - Proprietary Funds	27
Statement of Fiduciary Net Position - Fiduciary Funds	28
Notes to the Basic Financial Statements	29-45
Required Supplemental Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Budgetary Basis) and Actual – Governmental Funds	46
Notes to Required Supplemental Information	47

**CITY OF GLENPOOL
Glenpool, Oklahoma**

CONTENTS

	Page No.
Other Information:	
Schedule of Expenditures of Federal Awards	48
Reports Required by <i>Government Auditing Standards</i>:	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	49-50

City Of
Glenpool
Creating Opportunity



INTRODUCTORY SECTION

City of Glenpool Oklahoma
For the Year Ended June 30, 2013



October 18, 2013

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, 2013, 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, 2013. 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 controls and compliance with legal requirements involved with the administration of major federal grant awards received by the City. These reports are designed to meet the special needs of federal grantor agencies and are available in the City's separately issued Single Audit Report.

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. 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 19.28% 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 (18.02%), sales jobs (15.39%) and management occupations (8.54%). The city's good public school district and large population of college-educated adults provide an environment conducive to academic success. Many people own their own single-family homes, providing areas for children to play and stability in the community. Finally, Glenpool's overall crime rate is lower than average for the country. 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 \$24,096, 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 \$96,384 for a family of four. Glenpool is a very ethnically-diverse city. The people who call Glenpool home describe themselves as belonging to a variety of racial and ethnic groups. The greatest number of Glenpool residents report their race to be White, followed by Native American. Important ancestries of people in Glenpool include German, Irish, English, Scots-Irish, Dutch and Italian.

The City has adopted a statutory council-manager form 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

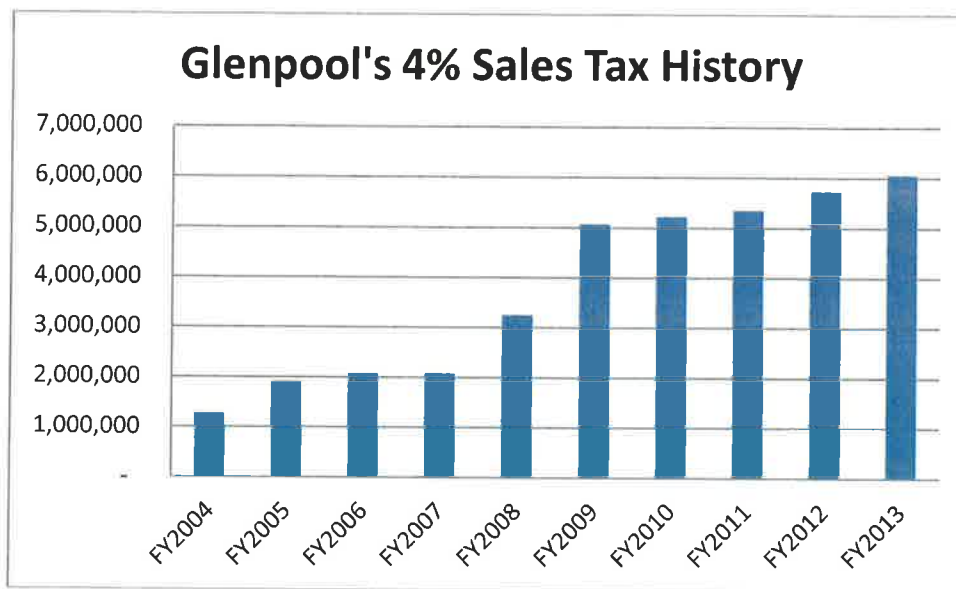
throughout the year. The City also provides water, wastewater, drainage and solid waste services to its residents under the legal entity of the Glenpool Utility Service Authority (GUSA). GUSA is a public trust created under applicable Oklahoma statutes on June 12, 1967, with the City named as the beneficiary 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.

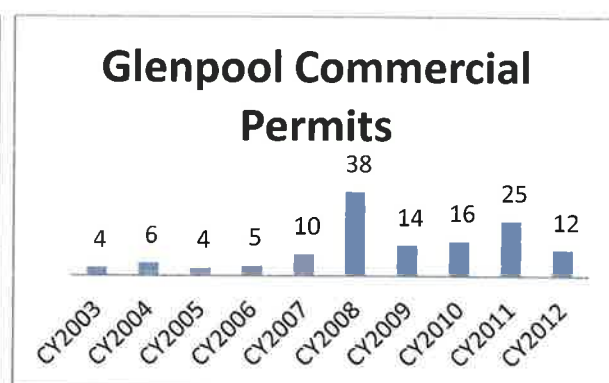
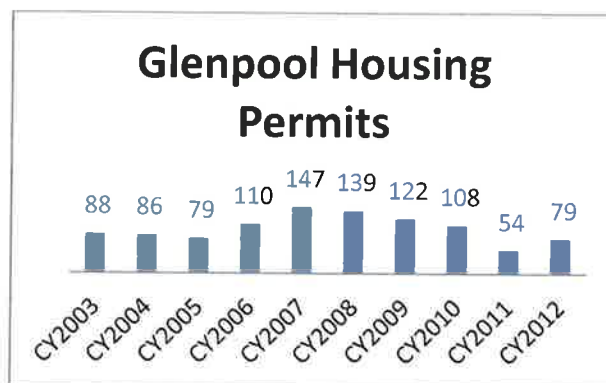
Sales Tax and Our Local Economy

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 outlook 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 then projected another increase of 5% for FY12-13. The actual Sales Tax for FY12-13 was \$6,064,456 which represents a 5.9% growth and an increase of \$338,631. The City has once again projected a growth of 5% for FY13-14.



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 12 – 25 permits per year, housing permits, which was steady at 100-150 permits per year, has declined to only 79 permits in 2012. The value of the 12 commercial permits issued in 2012 totaled \$2,782,900 compared to \$10,926,767 for 25 permits in 2011. The value of the 79 residential permits issued in 2012 totaled \$9,036,250 compared to \$6,445,181 for the 54 permits issued in 2011.



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 apartment complex in the southern portion of the City.

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 almost completed in fiscal year 2013 with the City incurring \$1,740,930 in expenditures and receiving \$1,761,953 in reimbursement from OWRB during the Fiscal Year. 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.

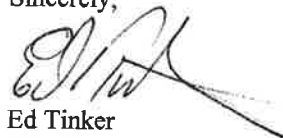
The City also participates in the Oklahoma Police Pension Retirement Fund and the Oklahoma Firefighters Pension and Retirement Fund on behalf of the City's police officers and firefighters. These are statewide plans managed by the state of Oklahoma. The City has no obligation in connection with employee 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.

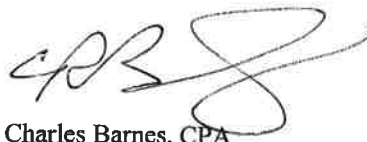
ACKNOWLEDGMENTS

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, 2013

ELECTED OFFICIALS

**Momodou Ceesay
Alyce Korb
Tim Fox
Patricia Agee
Tommy E. Carner**

**Mayor
Vice – Mayor
Councilmember-Ward 1
Councilmember-Ward 3
Councilmember-Ward 4**

ADMINISTRATION

**Ed Tinker
David Tillotson
Lowell Peterson
Susan White
Charles Barnes, CPA**

**Paul Newton
Dennis Waller
Lynn Burrow**

Lea Ann Reed

**Debbie Pengelly
Rick Malone
Robert Gayle
Joe Robinson
George Miles**

**City Manager
Assistant City Manager
City Attorney
City Clerk
Director, Finance / City
Treasurer
Fire Chief
Police Chief
Director, Community
Development
Director, Community
Relations / Conference
Center Director
Director, Human Resources
City Planner
Director, Streets and Parks
Building Inspector
Municipal Judge**

FINANCE DEPARTMENT STAFF

**Kathy Smith
Cynthia Padgett
Gina Copeland**

**Payroll, Accounts Payable
Accounts Payable
City Clerk, Admin. Asst.**

City of Glenpool, Oklahoma

ELECTED OFFICIALS

Ward II - Mayor



Momodou Ceesay

At Large - Vice Mayor



Alyce Korb

Ward I



Tim Fox

Ward III



Patricia Agee

Ward IV



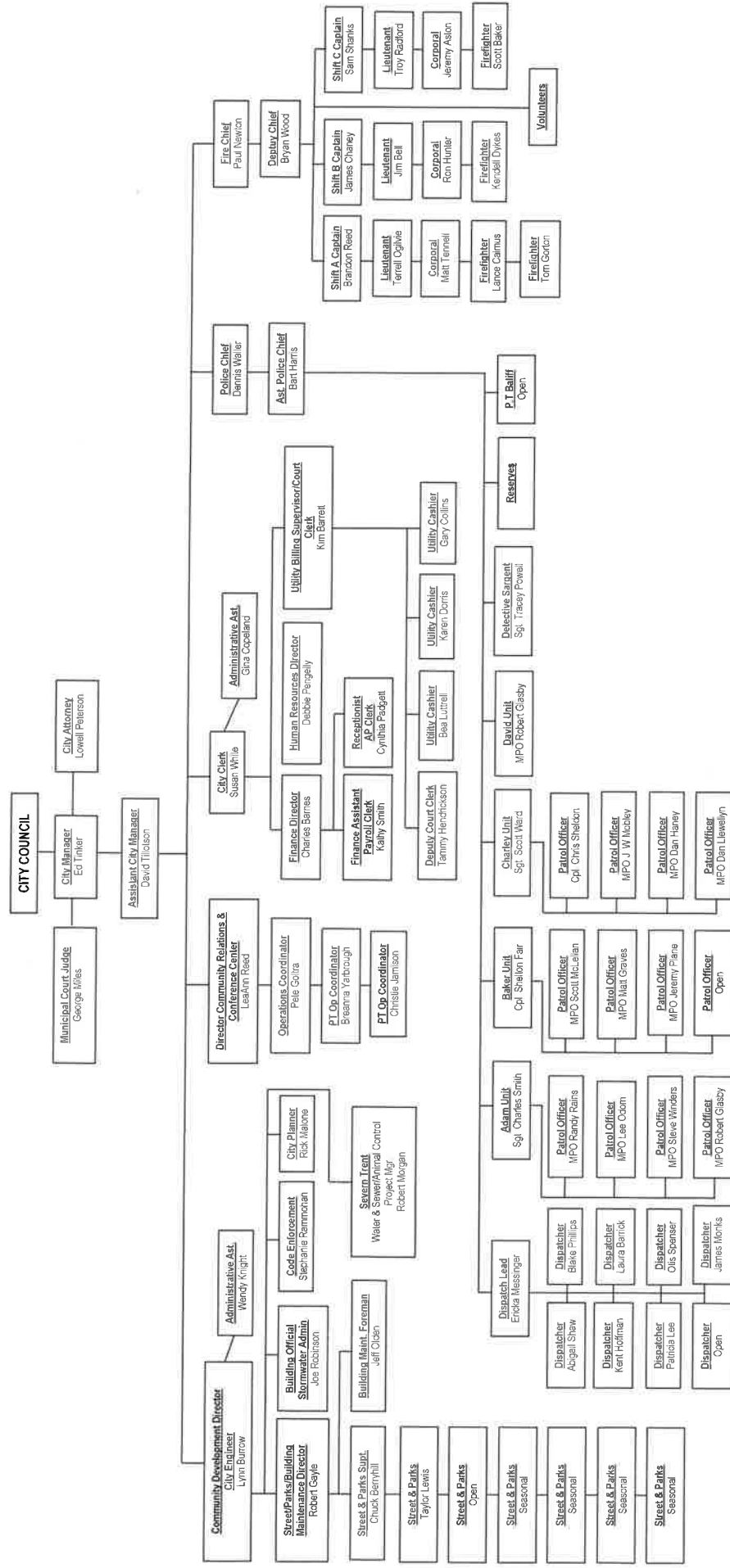
Tommy E. Carner

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, 2013



CBEW
Professional
Group, LLP

Certified Public Accountants

206 N. HARRISON • P.O. BOX 790 • CUSHING, OKLAHOMA 74023 • 918-225-4218 • 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 18, 2013

The Honorable City Council
City of Glenpool
Glenpool, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Glenpool, Oklahoma, (City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Glenpool, Oklahoma, as of June 30, 2013, and the respective changes in financial position, thereof for the year then ended in conformity with accounting

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 – 16 and 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 for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

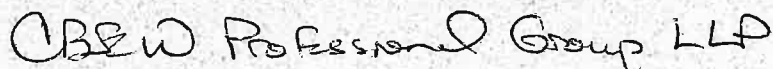
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CBEW Professional Group, LLP
Certified Public Accountants



**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013**

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, 2013. 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 Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental Activities – Most of the City’s basic services are reported here, including the police, fire, administration, streets and parks. Sales and other taxes, license and permit fees, franchise fees, fines, rental income and reimbursements finance most of these activities. The City’s 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 Position and the Statement of Revenues, Expenses and Changes in Fund Net Position. In fact, the City’s enterprise funds, along with certain capital project funds, are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.

The City as a Whole

For the year ended June 30, 2013, net position for the governmental activities and business-type activities changed as follows:

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

	Governmental Activities	Business-Type Activities	Total
Beginning net position	\$ 9,661	\$ (2,265)	\$ 7,396
Increase / (Decrease)	196	(4,651)	(4,455)
Ending net position	<u>\$ 9,857</u>	<u>\$ (6,916)</u>	<u>\$ 2,941</u>

The above numbers reflect an increase of 2.03% in net position for governmental activities and a decrease in net position for business-type activities. Overall, the net position for both governmental and business-type activities decreased for this fiscal year mainly due to the new guidance from GASB which the City was required to write off loan issue and discount costs during the year which amounted to more than \$3 million dollars.

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

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

	Governmental Activities		Business-Type Activities		Total	
	6/30/13	6/30/12	6/30/13	6/30/12	6/30/13	6/30/12
Current and other assets	\$ 2,673	\$ 2,256	\$ 14,427	\$ 14,999	\$ 17,100	\$ 17,255
Capital assets	8,114	8,605	32,730	34,942	40,844	43,547
Total assets	<u>10,787</u>	<u>10,861</u>	<u>47,157</u>	<u>49,941</u>	<u>57,944</u>	<u>60,802</u>
Long-term liabilities	672	1,082	52,922	51,561	53,594	52,643
Other liabilities	258	102	1,151	645	1,409	747
Total liabilities	<u>930</u>	<u>1,184</u>	<u>54,073</u>	<u>52,206</u>	<u>55,003</u>	<u>53,390</u>

Net position:

Invested in capital assets,

net of related debt	7,442	7,758	(20,192)	(16,619)	(12,750)	(8,861)
---------------------	-------	-------	----------	----------	----------	---------

Restricted	89	81	12,881	13,598	12,970	13,679
------------	----	----	--------	--------	--------	--------

Unrestricted	<u>2,326</u>	<u>1,838</u>	<u>395</u>	<u>756</u>	<u>2,721</u>	<u>2,594</u>
--------------	--------------	--------------	------------	------------	--------------	--------------

Total net position	<u>\$ 9,857</u>	<u>\$ 9,677</u>	<u>\$ (6,916)</u>	<u>\$ (2,265)</u>	<u>\$ 2,941</u>	<u>\$ 7,412</u>
--------------------	-----------------	-----------------	-------------------	-------------------	-----------------	-----------------

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

Net accounts receivable increased .79% 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 position, less than one percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

Governmental Activities

Governmental activities increased the City of Glenpool's net position by \$195,791, the business-type activities decreased by \$4,650,692 which contributed to the overall decrease in the net position 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	
	6/30/13	6/30/12	6/30/13	6/30/12	6/30/13	6/30/12
Revenues:						
Program revenues						
Charges for services	\$ 558	\$ 743	\$ 3,775	\$ 3,464	\$ 4,333	\$ 4,207
Operating grants and contributions	24	26	-	643	24	669
General revenues:						
Sales and use taxes	6,064	5,726	-	-	6,064	5,726
Other taxes	720	685	-	-	720	685
Other general revenue	212	102	397	422	609	524
Total revenues	<u>7,578</u>	<u>7,282</u>	<u>4,172</u>	<u>4,529</u>	<u>11,750</u>	<u>11,811</u>
Expenses:						
General government	1,717	1,716	-	-	1,717	1,716
Public safety and judiciary	3,048	2,975	-	-	3,048	2,975
Streets and parks	572	736	-	-	572	736
Financing	25	20	5,445	2,758	5,470	2,778
Glenpool Utility Service Authority	-	-	3,841	3,989	3,841	3,989
Glenpool Industrial Authority	-	-	131	86	131	86
Glenpool Emergency Medical Service	-	-	102	126	102	126
Unallocated depreciation	566	673	758	734	1,324	1,407
Total expenses	<u>5,928</u>	<u>6,120</u>	<u>10,277</u>	<u>7,693</u>	<u>16,205</u>	<u>13,813</u>
Increases in net position						
before transfers	1,650	1,162	(6,105)	(3,164)	(4,455)	(2,002)
Transfers	<u>(1,454)</u>	<u>(1,419)</u>	<u>1,454</u>	<u>1,419</u>	<u>-</u>	<u>-</u>
Increase in net position	196	(257)	(4,651)	(1,745)	(4,455)	(2,002)
Net position - beginning of year	9,661	9,918	(2,265)	(520)	7,396	9,398
Net position - end of year	<u>\$ 9,857</u>	<u>\$ 9,661</u>	<u>\$ (6,916)</u>	<u>\$ (2,265)</u>	<u>\$ 2,941</u>	<u>\$ 7,396</u>

Governmental Activities

Sales and use tax received in fiscal year 2013 resulted in an increase from the prior year of \$338,631. Investment income decreased by \$28,345 from the prior year.

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 \$307,621 or 4%. This was mainly due to an increase in Sales and Use Taxes which exceeded budget by \$240,862 or 4.1%. Licenses and permits, as well as, franchise and hotel taxes increased from last fiscal year. Expenditures were controlled to allow them to come in under budget, thus allowed us to increase the fund balance for the year by \$425,382 or 19.8%.

Capital Asset & Debt Administration

The following is a summary of changes in capital assets and debt administration for Fiscal Year 2013. More detailed information on capital asset activity and long-term debt activity is contained in the accompanying notes to the financial statements on pages 37 to 38; and, pages 39 to 41, respectively.

Capital Assets

At the end of June 30, 2013, the City had \$52.3 million invested in capital assets including police and fire equipment, buildings, park facilities, water and sewer lines and roads.

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

	Governmental Activities		Business-Type Activities		Total	
	6/30/13	6/30/12	6/30/13	6/30/12	6/30/13	6/30/12
Land	\$ 310	\$ 310	\$ 3,534	\$ 3,534	\$ 3,844	\$ 3,844
Construction in process	-	-	3,332	2,460	3,332	2,460
Buildings & Improvement	8,719	8,719	14,447	14,447	23,166	23,166
Furniture & Equipment	2,292	2,288	727	727	3,019	3,015
Vehicles	2,673	2,603	495	495	3,168	3,098
Infrastructure	275	275	15,569	14,679	15,844	14,954
	14,269	14,195	38,104	36,342	52,373	50,537
Less: Depreciation	(6,156)	(5,590)	(5,374)	(4,617)	(11,530)	(10,207)
Total	<u>\$ 8,113</u>	<u>\$ 8,605</u>	<u>\$ 32,730</u>	<u>\$ 31,725</u>	<u>\$ 40,843</u>	<u>\$ 40,330</u>

Debt Administration

At year end, the City had \$53.6 million in long term debt. These debts are further detailed below as follows:

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

	Governmental Activities		Business-Type Activities		Total	
	6/30/13	6/30/12	6/30/13	6/30/12	6/30/13	6/30/12
Revenue bonds payable	\$ 644	\$ 833	\$ 3,552	\$ 1,951	\$ 4,196	\$ 2,784
Notes payable	-	-	49,370	49,605	49,370	49,605
Total	\$ 644	\$ 833	\$ 52,922	\$ 51,556	\$ 53,566	\$ 52,389

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 FY2013-2014 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 FY2013-2014 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 FY2013-2014 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 FY2013-2014. This was primarily based on the fact that in FY2012-2013, our sales/use tax collections improved almost 6%.

While the economic recovery is not sufficient to make up for having no wage increases for two previous years, except for union employees, we have added an across the board four percent wage increase for FY2014. This was accomplished through a 2% increase in base wages and a 2% increase in retirement contribution from 7% to 9%.

CITY OF GLENPOOL
Glenpool, Oklahoma

BASIC FINANCIAL STATEMENTS
June 30, 2013

CITY OF GLENPOOL
STATEMENT OF NET POSITION
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments:			
Cash & cash equivalents (Note 1)	\$ 1,052,930	\$ 634,534	\$ 1,687,464
Investments	-	74,413	74,413
Receivables (net of allowance for uncollectibles):			
Accounts receivable	375,731	273,071	648,802
Notes receivable	-	296,776	296,776
Taxes	1,154,507	-	1,154,507
Grants receivable	5,651	-	5,651
Due to/from others	13,055	(13,055)	-
Restricted assets:			
Cash and investments (Note 1)	72,028	13,161,492	13,233,520
Capital assets:			
Land and construction in progress	310,000	6,865,860	7,175,860
Depreciable buildings, property, equipment and infrastructure, net of depreciation (Notes 1 & 2)	7,803,548	25,864,136	33,667,684
Total assets	\$ 10,787,450	\$ 47,157,227	\$ 57,944,677
Deferred outflows of resources:			
Total deferred outflows	-	-	-
Liabilities:			
Current liabilities:			
Accounts payable	\$ 75,997	\$ 261,745	\$ 337,742
Cash overdraft	-	604,929	604,929
Accrued compensated absences payable (Note 1)	179,031	4,344	183,375
Payable from restricted assets:			
State court fees	3,493	-	3,493
Interest payable	-	280,697	280,697
Accrued interest payable	12,109	-	12,109
Leases payable (Note 3)	124,734	-	124,734
Notes payable (Note 2)	15,733	68,069	83,802
Revenue bonds payable (Note 2)	-	390,000	390,000
Non-current liabilities:			
Leases payable (Note 3)	479,273	-	479,273
Notes payable (Note 2)	40,398	3,483,512	3,523,910
Revenue bonds payable (Note 2)	-	48,980,000	48,980,000
Total liabilities	930,768	54,073,296	55,004,064
Deferred inflows of resources:			
Total deferred inflows	-	-	-
Net position:			
Invested in capital assets, net of related debt	7,441,301	(20,191,585)	(12,750,284)
Restricted	89,943	12,880,795	12,970,738
Unrestricted	2,325,438	394,721	2,720,159
Total net position	\$ 9,856,682	\$ (6,916,069)	\$ 2,940,613

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

CITY OF GLENPOOL
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government:					
General government	\$ 1,321,778	\$ 143,470	\$ -	\$ -	\$ (1,178,308)
Code and planning	395,533	-	-	-	(395,533)
Total general government	<u>1,717,311</u>	<u>143,470</u>	<u>-</u>	<u>-</u>	<u>(1,573,841)</u>
Public safety and judiciary:					
City attorney	-	-	-	-	-
Fire	1,233,928	-	8,767	-	(1,225,161)
Municipal court	16,481	349,844	-	-	333,363
Police	1,749,878	-	15,239	-	(1,734,639)
Emergency management	12,636	-	-	-	(12,636)
911 operations	34,534	64,940	-	-	30,406
Total public safety and judiciary	<u>3,047,457</u>	<u>414,784</u>	<u>24,006</u>	<u>-</u>	<u>(2,608,667)</u>
Transportation:					
Streets	165,549	-	-	-	(165,549)
Total transportation	<u>165,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(165,549)</u>
Cultural, parks and recreation:					
Parks	406,731	-	-	-	(406,731)
Total cultural, parks and recreation	<u>406,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(406,731)</u>
Financing costs	25,530	-	-	-	(25,530)
Unallocated depreciation*	566,011	-	-	-	(566,011)
Total governmental activities	<u>5,928,589</u>	<u>558,254</u>	<u>24,006</u>	<u>-</u>	<u>(5,346,329)</u>
Business-type activities					
General and administrative	-	-	-	-	-
Water treatment	3,334,696	1,931,353	-	-	(1,403,343)
Sewer treatment	-	765,493	-	-	765,493
Solid waste	506,645	534,340	-	-	27,695
Storm water	-	98,713	-	-	98,713
Medical services	131,074	212,638	-	-	81,564
Industrial Authority	101,795	233,056	-	-	131,261
Financing costs	5,444,989	-	-	-	(5,444,989)
Unallocated depreciation*	757,541	-	-	-	(757,541)
Total business-type activities	<u>10,276,740</u>	<u>3,775,593</u>	<u>-</u>	<u>-</u>	<u>(6,501,147)</u>
Total	<u>\$ 16,205,329</u>	<u>\$ 4,333,847</u>	<u>\$ 24,006</u>	<u>\$ -</u>	<u>\$ (11,847,476)</u>

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

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

CITY OF GLENPOOL
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2013

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Net (expense)/revenue	(5,346,329)	(6,501,147)	(11,847,476)
General revenues:			
Taxes:			
Sales and use taxes	6,064,456	-	6,064,456
Franchise taxes	435,436	-	435,436
Cigarette taxes	74,595	-	74,595
Intergovernmental	116,161	-	116,161
Hotel/motel tax	91,486	-	91,486
Property taxes	1,296	-	1,296
Investment earnings	974	284,015	284,989
Miscellaneous	153,110	-	153,110
Other fees	-	112,707	112,707
Rental income	45,039	-	45,039
Sale of property	13,300	-	13,300
Transfers	(1,453,733)	1,453,733	-
Total general revenues and transfers	<u>5,542,120</u>	<u>1,850,455</u>	<u>7,392,575</u>
Change in net position	195,791	(4,650,692)	(4,454,901)
Net position - beginning of year	<u>9,660,891</u>	<u>(2,265,377)</u>	<u>7,395,514</u>
Net position - end of year	<u>\$ 9,856,682</u>	<u>\$ (6,916,069)</u>	<u>\$ 2,940,613</u>

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

**CITY OF GLENPOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013**

	<u>General Fund</u>	<u>Debt Service Sinking Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments:			
Cash & cash equivalents (Note 1)	\$ 1,031,522	\$ 21,408	\$ 1,052,930
Investments	-	-	-
Accrued governmental transfers	1,154,507	-	1,154,507
Accounts receivable (net of allowance for uncollectibles)	375,731	-	375,731
Grant receivable	5,651	-	5,651
Prepaid expenses	-	-	-
Due from others	38,502	-	38,502
Restricted assets:			
Cash and investments (Note 1)	72,028	-	72,028
Total assets	<u>\$ 2,677,941</u>	<u>\$ 21,408</u>	<u>\$ 2,699,349</u>
Liabilities:			
Accounts payable	\$ 75,997	\$ -	\$ 75,997
Due to others	25,447	-	25,447
Payable from restricted assets:			
State court fees	3,493	-	3,493
Total liabilities	<u>104,937</u>	<u>-</u>	<u>104,937</u>
Fund balance:			
Restricted for:			
Debt service	-	21,408	21,408
DEA forfeitures	68,535	-	68,535
Unassigned	2,504,469	-	2,504,469
Total fund balance	<u>2,573,004</u>	<u>21,408</u>	<u>2,594,412</u>
Total liabilities and fund balance	<u>\$ 2,677,941</u>	<u>\$ 21,408</u>	<u>\$ 2,699,349</u>

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

CITY OF GLENPOOL
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
June 30, 2013

Total Fund Balances - Total Governmental Funds	\$	2,594,412
---	-----------	------------------

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

Accrued compensated absences		(179,031)
------------------------------	--	-----------

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	(604,007)		
Notes payable	(56,131)		
Accrued interest payable	(12,109)		
Total		(672,247)	(672,247)

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

Land	\$	310,000	
Infrastructure		275,376	
Buildings		8,718,813	
Equipment		2,292,393	
Vehicles		2,673,247	
Accumulated depreciation		(6,156,281)	8,113,548

Net position of governmental activities	\$	<u>9,856,682</u>
--	-----------	-------------------------

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

CITY OF GLENPOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2013

	General Fund	Debt Service Sinking Fund	Total Governmental Funds
Revenues:			
Charges for services	\$ 56,183	\$ -	\$ 56,183
Cigarette taxes	74,595	-	74,595
Interest	972	3	975
Franchise taxes	435,436	-	435,436
Hotel/motel taxes	91,486	-	91,486
Intergovernmental programs	140,168	-	140,168
Fines and forfeits	349,844	-	349,844
Rental receipts	45,039	-	45,039
Licenses and permits	87,287	-	87,287
Miscellaneous revenue	153,109	-	153,109
Donations	-	-	-
Property sales	13,300	-	13,300
Property taxes	1,296	-	1,296
Sales and use taxes	6,064,456	-	6,064,456
Special assessments	64,940	-	64,940
Total revenues	<u>7,578,111</u>	<u>3</u>	<u>7,578,114</u>
Expenditures:			
Current:			
General government	1,787,448	-	1,787,448
Public safety	3,047,456	-	3,047,456
Highways and roads	165,549	-	165,549
Cultural and recreational	406,731	-	406,731
Debt Service:			
Principal	188,815	-	188,815
Interest expense	26,826	-	26,826
Capital outlay	74,910	-	74,910
Total expenditures	<u>5,697,735</u>	<u>-</u>	<u>5,697,735</u>
Excess of revenues over (under) expenditures	1,880,376	3	1,880,379
Other financing uses:			
Operating transfers in (out)	(1,454,994)	1,261	(1,453,733)
Lease proceeds	-	-	-
Excess of revenues over (under) expenditures & transfers	425,382	1,264	426,646
Fund balance - beginning of year	<u>2,147,622</u>	<u>20,144</u>	<u>2,167,766</u>
Fund balance - end of year	<u><u>\$ 2,573,004</u></u>	<u><u>\$ 21,408</u></u>	<u><u>\$ 2,594,412</u></u>

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

CITY OF GLENPOOL
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES
IN NET POSITION
Year Ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds	\$ 426,646
Amounts reported for governmental activities in the Statement of Activities are different because:	
The interest paid on notes and judgements is recorded as an expense in governmental funds and not as a payment against the accrual. However, in the Government-Wide Statement of Activities and Changes in Net Position, the interest is recorded against the payable. This is the amount of interest paid in the current period.	1,297
Government-Wide Statement of Activities and Changes in Net Position report accrued compensated absences in the period incurred. However, Governmental Funds do not pay on this liability until the employee has left employment. The amount of the change in accrued absences recorded in the current period.	70,134
Governmental Funds report note and lease payments as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the principal paid on that liability is applied against the liability. This is the amount of principal recorded in the current period.	188,815
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.	(566,011)
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	74,910
Change in Net Position of Governmental Activities	\$ 195,791

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

**CITY OF GLENPOOL
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013**

	Business-type Activities - Enterprise Funds			
	Utility Service Authority	Industrial Authority	GEMS Trust Authority	Totals
Assets:				
Cash and investments:				
Cash & cash equivalents (Note 3)	\$ -	\$ 341,424	\$ 293,110	\$ 634,534
Investments, at cost	74,413	-	-	74,413
Receivables (net of allowance for uncollectibles):				
Accounts receivable	261,105	11,966	-	273,071
Notes receivable	-	296,776	-	296,776
Due from others	-	-	-	-
Restricted assets:				
Cash & investments (Notes 3 & 4)	13,161,492	-	-	13,161,492
Capital assets:				
Land and construction in process	6,865,860	-	-	6,865,860
Depreciable buildings, equipment and infrastructure, net of depreciation (Notes 1 & 3)	25,864,136	-	-	25,864,136
Total assets	\$ 46,227,006	\$ 650,166	\$ 293,110	\$ 47,170,282
Deferred outflows of resources:				
Total deferred outflows	-	-	-	-
Liabilities:				
Current liabilities:				
Accounts payable	\$ 261,603	\$ -	\$ 142	\$ 261,745
Cash overdraft	604,929	-	-	604,929
Due to other funds	-	13,055	-	13,055
Accrued compensated absences payable (Note 1)	4,344	-	-	4,344
Payable from restricted assets:				
Interest payable	280,697	-	-	280,697
Notes payable (Note 3)	68,069	-	-	68,069
Revenue bonds payable (Notes 3 & 4)	390,000	-	-	390,000
Non-current liabilities:				
Notes payable (Note 3)	3,483,512	-	-	3,483,512
Revenue bonds payable (Notes 3 & 4)	48,980,000	-	-	48,980,000
Total liabilities	54,073,154	13,055	142	54,086,351
Deferred inflows of resources:				
Total deferred inflows	-	-	-	-
Net position:				
Invested in capital assets, net of related debt	(20,191,585)	-	-	(20,191,585)
Restricted	12,880,795	-	-	12,880,795
Unrestricted	(535,358)	637,111	292,968	394,721
Net position	\$ (7,846,148)	\$ 637,111	\$ 292,968	\$ (6,916,069)

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

CITY OF GLENPOOL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2013

Business-type Activities - Enterprise Funds

	Utility Service Authority	Industrial Authority	GEMS Trust Authority	Totals
Revenues:				
Water revenue	\$ 1,851,348	\$ -	\$ -	\$ 1,851,348
Sewer revenue	748,524	-	-	748,524
Solid waste revenue	518,396	-	-	518,396
Water taps	80,005	-	-	80,005
Sewer taps	16,969	-	-	16,969
Solid waste management fees	15,944	-	-	15,944
Storm water management fees	98,713	-	-	98,713
Water/sewer fees	-	-	-	-
Connect/transfer fees	6,809	-	-	6,809
Delinquent fees	92,408	-	-	92,408
Miscellaneous charges	13,490	-	-	13,490
Return on fees	-	-	-	-
Property tax revenues	-	-	212,638	212,638
Lease revenue	-	233,056	-	233,056
Total revenues	3,442,606	233,056	212,638	3,888,300
Operations expense:				
General and administrative	-	-	-	-
Water treatment	3,334,696	-	-	3,334,696
Sewer treatment	-	-	-	-
Solid waste	506,645	-	-	506,645
Storm water	-	-	-	-
Medical services	-	-	131,074	131,074
Community Center operating expense	-	101,795	-	101,795
Depreciation	757,541	-	-	757,541
Total operations expense	4,598,882	101,795	131,074	4,831,751
Income before non-operating revenues, expenses & transfers	(1,156,276)	131,261	81,564	(943,451)
Non-operating revenues (expenses):				
Interest revenue	262,584	21,256	175	284,015
Interest expense	(2,050,036)	-	-	(2,050,036)
Loan costs	(3,216,730)	-	-	(3,216,730)
Grant revenues	-	-	-	-
Trustee fees	(178,223)	-	-	(178,223)
Total	(5,182,405)	21,256	175	(5,160,974)
Income (loss) before operating transfers	(6,338,681)	152,517	81,739	(6,104,425)
Transfers in (out)	1,531,990	(32,466)	(45,791)	1,453,733
Change in net position	(4,806,691)	120,051	35,948	(4,650,692)
Net position at beginning of year	(3,039,457)	517,060	257,020	(2,265,377)
Net position at end of year	\$ (7,846,148)	\$ 637,111	\$ 292,968	\$ (6,916,069)

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, 2013

Business-type Activities - Enterprise Funds

	Utility Service Authority	Industrial Authority	GEMS Trust Authority	Totals
Cash flows from operating activities:				
Cash received from customers & service users	\$ 3,400,275	\$ 226,089	\$ 212,638	\$ 3,839,002
Cash payments for goods & services & employees	(3,835,244)	(104,501)	(130,932)	(4,070,677)
Net cash provided by operating activities	<u>(434,969)</u>	<u>121,588</u>	<u>81,706</u>	<u>(231,675)</u>
Cash flows from noncapital financing activities:				
Net change in due to/due from other funds	-	-	-	-
Operating transfers in/out to other funds	1,531,990	(32,466)	(45,791)	1,453,733
Net cash provided (used) for noncapital financing activities	<u>1,531,990</u>	<u>(32,466)</u>	<u>(45,791)</u>	<u>1,453,733</u>
Cash flows from capital and related financing activities:				
Acquisition & construction of capital assets	(1,761,953)	-	-	(1,761,953)
Principal paid on debt	(396,585)	-	-	(396,585)
New debt issued	1,761,954	-	-	1,761,954
Interest paid on debt	(2,099,790)	-	-	(2,099,790)
Receipts on notes receivable	-	11,261	-	11,261
Trustee fees	(178,223)	-	-	(178,223)
Net cash provided (used) for capital and related financing activities	<u>(2,674,597)</u>	<u>11,261</u>	<u>-</u>	<u>(2,663,336)</u>
Cash flows from investing activities:				
(Purchase) liquidation of investments - unrestricted	(67)	-	-	(67)
Interest on investments	262,584	21,256	175	284,015
Net cash provided by investing activities	<u>262,517</u>	<u>21,256</u>	<u>175</u>	<u>283,948</u>
Net increase (decrease) in cash & cash equivalents	(1,315,059)	121,639	36,090	(1,157,330)
Cash and cash equivalents - beginning of year	<u>13,871,622</u>	<u>219,785</u>	<u>257,020</u>	<u>14,348,427</u>
Cash and cash equivalents - end of year	<u>\$ 12,556,563</u>	<u>\$ 341,424</u>	<u>\$ 293,110</u>	<u>\$ 13,191,097</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ (1,156,276)	\$ 131,261	\$ 81,564	\$ (943,451)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	757,541	-	-	757,541
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(42,331)	(6,967)	-	(49,298)
Increase (decrease) in accounts payable	6,302	(2,706)	142	3,738
Increase (decrease) in accrued expenses	(205)	-	-	(205)
Total adjustments	<u>721,307</u>	<u>(9,673)</u>	<u>142</u>	<u>711,776</u>
Net cash provided by operating activities	<u>\$ (434,969)</u>	<u>\$ 121,588</u>	<u>\$ 81,706</u>	<u>\$ (231,675)</u>

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

**CITY OF GLENPOOL
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2013**

	Agency Funds
Assets:	
Cash and investments at cost	\$ <u>234,322</u>
Total assets	\$ <u><u>234,322</u></u>
Liabilities:	
Deposits	\$ <u>234,322</u>
Total liabilities	\$ <u><u>234,322</u></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, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of Glenpool, Oklahoma is organized under the statutes of the State of Oklahoma. The City operates under a council form of government and is governed by a five-member board of commissioners. The commissioners elect the mayor from their own body. The City provides the following services as authorized by the State of Oklahoma: 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, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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, 2013

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, 2013

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

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

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

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

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities and Equity (Continued)

8. Compensated Absences

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

9. Long-term Obligations

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

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

10. Net Position/Fund Balance

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

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

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

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

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities and Equity (Continued)

10. Net Position/Fund Balance (Continued)

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

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

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

11. Resource Use Policy

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

2. DETAILED NOTES CONCERNING THE FUNDS

A. Deposits and Investments

Custodial Credit Risk

At June 30, 2013, the City held deposits of approximately \$14,622,629 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, 2013

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, 2013 are as follows:

Type	Weighted Average Maturity (Months)	Credit Rating	Market Value	Cost
Investments				
Money Market	N/A	AAAm	\$ 14,333,724	\$ 14,333,724
Certificate of deposit	6.00	N/A	288,605	288,605
Total investments			<u>\$ 14,622,329</u>	<u>\$ 14,622,329</u>

Reconciliation to Statement of Net Assets	
Governmental activities	\$ 1,215,699
Business-type activities	13,175,298
Fiduciary activities	231,332
	<u>\$ 14,622,329</u>

Concentration of Investment Credit Risk

The City places no limit on the amount it may invest in any one issuer. The City has the following of credit risk: 2% in Certificates of deposit (\$288,605) and 98% in Money Market funds (\$14,333,74).

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

B. Capital Assets

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

Governmental Activities:	Balance 6/30/12	Additions	Disposals	Balance 6/30/13
Non-depreciable assets:				
Land	\$ 310,000	\$ -	\$ -	\$ 310,000
Construction in progress	-	-	-	-
Total non-depreciable assets	<u>310,000</u>	<u>-</u>	<u>-</u>	<u>310,000</u>
Depreciable assets:				
Buildings and improvements	8,718,813	-	-	8,718,813
Furniture, fixtures and equipment	2,287,915	4,478	-	2,292,393
Vehicles	2,602,815	70,432	-	2,673,247
Infrastructure	275,376	-	-	275,376
Total depreciable assets	<u>13,884,919</u>	<u>74,910</u>	<u>-</u>	<u>13,959,829</u>
Less accumulated depreciation:				
Buildings and improvements	(2,001,450)	(217,970)	-	(2,219,420)
Furniture, fixtures and equipment	(1,680,126)	(207,350)	-	(1,887,476)
Vehicles	(1,891,890)	(133,806)	-	(2,025,696)
Infrastructure	(16,804)	(6,885)	-	(23,689)
Total accumulated depreciation	<u>(5,590,270)</u>	<u>(566,011)</u>	<u>-</u>	<u>(6,156,281)</u>
Net depreciable assets	<u>8,294,649</u>	<u>(491,101)</u>	<u>-</u>	<u>7,803,548</u>
Net governmental activities capital assets	<u>\$ 8,604,649</u>	<u>\$ (491,101)</u>	<u>\$ -</u>	<u>\$ 8,113,548</u>

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

B. Capital Assets (Continued)

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

Business-Type Activities:	Balance 6/30/12	Additions	Disposals	Balance 6/30/13
Non-depreciable assets:				
Land	\$ 3,533,953	\$ -	\$ -	\$ 3,533,953
Construction in progress	2,459,758	1,761,953	(889,805)	3,331,906
Total non-depreciable assets	<u>5,993,711</u>	<u>1,761,953</u>	<u>(889,805)</u>	<u>6,865,859</u>
Depreciable assets:				
Buildings and improvements	14,447,380	-	-	14,447,380
Furniture, fixtures and equipment	727,203	-	-	727,203
Vehicles	495,181	-	-	495,181
Infrastructure	14,678,781	-	889,805	15,568,586
Total depreciable assets	<u>30,348,545</u>	<u>-</u>	<u>889,805</u>	<u>31,238,350</u>
Less accumulated depreciation:				
Buildings and improvements	(476,654)	(361,559)	-	(838,213)
Furniture, fixtures and equipment	(483,803)	(29,000)	-	(512,803)
Vehicles	(363,504)	(29,034)	-	(392,538)
Infrastructure	(3,292,711)	(337,948)	-	(3,630,659)
Total accumulated depreciation	<u>(4,616,672)</u>	<u>(757,541)</u>	<u>-</u>	<u>(5,374,213)</u>
Net depreciable assets	<u>25,731,873</u>	<u>(757,541)</u>	<u>889,805</u>	<u>25,864,137</u>
Net business-type activities capital assets	<u>\$ 31,725,584</u>	<u>\$ 1,004,412</u>	<u>\$ -</u>	<u>\$ 32,729,996</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, 2013

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

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

The long-term debt is described below.

(1) Lease payable to Oshkosh Capital for the lease purchase of a fire truck. 10 yearly payments plus interest.	439,513
(2) Lease payable to Oklahoma State Bank for lease purchase of 5 police cruisers. 36 monthly payments of \$5,401.09 plus interest at 2.93%.	105,298
(3) Lease payable to Oklahoma State Bank for 2 police supervisor vehicles. 36 monthly payments of \$2,1125.77 plus interest at 2.93%.	43,463
(4) Note payable to the Oklahoma Department of Transportation for right-of-way. Monthly payments of \$1,200 plus interest at 0%.	18,225
(5) Note payable to the Oklahoma Department of Transportation for right-of-way. Monthly payments of \$1,200 plus interest at 0%.	23,461
(6) Note payable to the Oklahoma Department of Commerce for CDBG. Monthly payments of \$1,111 plus interest at 0%.	14,445
(7) 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%. Paid off.	<u>-</u>
Total	<u>\$ 644,405</u>

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

	Balance July 1, 2012	Additions	Payments and Cancellations	Balance June 30, 2013	Current Portion
Capital lease obligations	\$ 761,356	\$ -	\$ 173,082	\$ 588,274	\$ 124,734
Notes payable	71,864	-	15,733	56,131	15,733
Total	<u>\$ 833,220</u>	<u>\$ -</u>	<u>\$ 188,815</u>	<u>\$ 644,405</u>	<u>\$ 140,467</u>

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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
2014	\$ 140,467	\$ 21,851	\$ 162,318
2015	104,448	17,667	122,115
2016	43,469	15,193	58,662
2017	45,318	13,345	58,663
2018	47,249	11,414	58,663
2019-2023	245,769	22,078	267,847
2024-2028	12,000	-	12,000
2029-2033	5,685	-	5,685
Total	\$ 644,405	\$ 101,548	\$ 745,953

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 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.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

D. Long-term Debt (Continued)

\$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 6/30/12	Additions	Reductions	Balance 6/30/13	Current Portion
Revenue Bond 2007	\$ 6,110,000	\$ -	\$ 125,000	\$ 5,985,000	\$ 130,000
Revenue Bond 2007A	3,915,000	-	30,000	3,885,000	35,000
Revenue Bond 2010A	29,575,000	-	-	29,575,000	-
Revenue Bond 2010B	2,740,000	-	80,000	2,660,000	155,000
Revenue Bond 2011	7,265,000	-	-	7,265,000	70,000
OWRB 2011	1,338,587	1,761,954	93,516	3,007,025	-
OWRB 2001	612,624	-	68,069	544,555	68,069
Total	<u>\$ 51,556,211</u>	<u>\$ 1,761,954</u>	<u>\$ 396,585</u>	<u>\$ 52,921,580</u>	<u>\$ 458,069</u>

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

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
2014	\$ 458,069	\$ 2,386,606	\$ 2,844,675
2015	548,069	2,370,660	2,918,729
2016	1,093,069	2,343,594	3,436,663
2017	1,133,069	2,304,617	3,437,686
2018	1,183,070	2,264,249	3,447,319
2019-2023	6,554,209	8,703,679	15,257,888
2024-2028	7,890,000	9,032,077	16,922,077
2029-2033	10,055,000	6,848,498	16,903,498
2034-2038	13,695,000	3,958,581	17,653,581
2039-2041	7,305,000	576,671	7,881,671
Total Liability	* <u>\$ 49,914,555</u>	<u>\$ 40,789,232</u>	<u>\$ 90,703,787</u>

* 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.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

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.

B. Contingent Liabilities

The City is currently involved with one legal action. It is with a Rural Water District over a contract dispute. The City is not aware of any other 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.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

3. OTHER INFORMATION (Continued)

C. Employee Retirement System and Plans (Continued)

1. Oklahoma Police Pension and Retirement Fund

All City police department employees hired before age 45 are covered by a statewide cost sharing multi-employer defined benefit plan adopted under Oklahoma Statutes. This plan is operated and administered by the Oklahoma Police Pension and Retirement System (OPPRS). Under this plan, police department personnel contribute 8.0% of base salary and the City contributes an additional 13.0%. The OPPRS issue publicly available financial reports that include financial statements and required supplementary information for the fund. These reports may be obtained by writing to the Oklahoma Police Pension and Retirement System, 101 NW 63rd Street, Suite 305, Oklahoma City, OK 73116-7335, or by calling 1-800-347-6552.

The required contribution from the City for these plans was \$125,829, \$120,039 and \$111,735 for 2013, 2012 and 2011. The required contribution was fully contributed. At June 30, 2013 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 \$110,253, \$110,326 and \$97,972 for 2013, 2012 and 2011. The required contribution was fully contributed. At June 30, 2013 the system held no related-party investments of the City or of its related entities.

3. Defined contribution plan

The City participates in a defined contribution plan with the Oklahoma Municipal Retirement Fund. The defined contribution plan is available to all full-time employees not already participating in another plan. A defined contribution plan's benefits depend solely on amounts contributed to the plan, investment earnings and forfeitures of other participants' benefits that may be allocated to remaining participants' accounts. Benefits vest at time of employment, with normal retirement at age 65 and early retirement at age 55 with 10 years or more of service. Participants are required to contribute 2% of their covered compensation and the City is required to contribute 5% of covered compensation. Participants are permitted to make voluntary deductible contributions to the plan. The City's annual pension cost of \$55,753, \$56,135 and \$60,085 for 2013, 2012 and 2011, 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 \$41,004, \$34,020, and \$33,919 for 2013, 2012 and 2011, 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.

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013

3. OTHER INFORMATION (Continued)

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. The plan is only provided for employees between the ages of 62 and 65. As of June 30, 2013, approximately no retired employees are receiving benefits under this plan.

Funding Policy. The contribution requirement of the City is an implicit subsidy. The implicit subsidy is not a direct payment from the employer on behalf of the member but rather stems from retiree contribution levels that are less than the claims cost at retiree ages. Since claims experience for employees and non-Medicare eligible retirees are pooled when determining premiums, these retired members pay a premium based on a pool of members that, on average, are younger and healthier. There is an implicit subsidy from the employee group since the premiums paid by the retirees are lower than they would have been if the retirees were insured separately. The subsidies are valued using the difference between the age-based claims costs and the premium paid by the retiree. The amount required to fund the implicit rate is based on projected pay-as-you-go financing requirements. For fiscal year 2013, the City contributed 0% to the plan for previously retired employees (0 retirees) and 0% of premiums on newly retired employees (0 retirees).

Annual OPEB Cost and Net OPEB Obligation. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. GASB 45 requires entities with over 200 employees to have the actuarial valuation performed biennially. The City is not required to perform the actuarial valuation of the OPEB cost and related OPEB obligation for the year ended June 30, 2013 since no one is participating at this time.

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

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

**CITY OF GLENPOOL
Glenpool, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2013**

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. That report has been issued on October 3, 2013, and is available to the public on the OASI website. Management has evaluated subsequent events through date of the audit report, which is the date the financial statements were available to be issued and has determined that no additional information needs to be added to the financial statements.

CITY OF GLENPOOL
Glenpool, Oklahoma

REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2013

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, 2013
(Unaudited)

GENERAL FUND

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Revenues:				
Charges for services	\$ 51,600	\$ 51,600	\$ 56,183	\$ 4,583
Cigarette taxes	85,000	85,000	74,595	(10,405)
Interest	5,000	5,000	972	(4,028)
Franchise taxes	440,000	440,000	435,436	(4,564)
Hotel/motel taxes	85,000	85,000	91,486	6,486
Intergovernmental programs	123,000	123,000	140,168	17,168
Fines and forfeits	450,000	450,000	349,844	(100,156)
Rental receipts	50,000	50,000	45,039	(4,961)
Licenses and permits	135,000	135,000	87,287	(47,713)
Miscellaneous revenue	20,000	20,000	153,109	133,109
Property sales	-	-	13,300	13,300
Property taxes	2,000	2,000	1,296	(704)
Sales and use taxes	5,823,524	5,823,524	6,064,456	240,932
Special assessments	75,000	75,000	64,940	(10,060)
Total revenues	<u>7,345,124</u>	<u>7,345,124</u>	<u>7,578,111</u>	<u>232,987</u>
Expenditures:				
Current:				
General government	1,752,965	1,798,615	1,787,448	11,167
Public safety	3,289,615	3,129,615	3,047,456	82,159
Highways and roads	232,100	165,589	165,549	40
Cultural and recreational	407,877	499,238	406,731	92,507
Debt Service:				
Principal	142,000	232,000	188,815	43,185
Interest expense	31,500	31,500	26,826	4,674
Capital outlay	2,176,180	1,934,653	74,910	1,859,743
Total expenditures	<u>8,032,237</u>	<u>7,791,210</u>	<u>5,697,735</u>	<u>2,093,475</u>
Excess of revenue over				
(under) expenditures	(687,113)	(446,086)	1,880,376	2,326,462
Other financing sources (uses):				
Operating transfers in (out)	<u>272,586</u>	<u>272,586</u>	<u>(1,454,994)</u>	<u>(1,727,580)</u>
Net changes in fund balance	(414,527)	(173,500)	425,382	598,882
Fund balance at beginning of year	<u>2,147,622</u>	<u>2,147,622</u>	<u>2,147,622</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,733,095</u>	<u>\$ 1,974,122</u>	<u>\$ 2,573,004</u>	<u>\$ 598,882</u>

CITY OF GLENPOOL
Glenpool, Oklahoma

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
Year Ended June 30, 2013
(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, 2013

**CITY OF GLENPOOL
Glenpool, Oklahoma**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Collected</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Homeland Security:</u>				
<u>Passed through the Oklahoma Department of Emergency Management:</u>				
Emergency Management Assistance	97.042	<u>37,957</u>	<u>8,767</u>	<u>8,767</u>
Total of Expenditures of Federal Awards		\$ <u>37,957</u>	\$ <u>8,767</u>	\$ <u>8,767</u>

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

CITY OF GLENPOOL
Glenpool, Oklahoma

REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
June 30, 2013



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 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 18, 2013

Honorable Board of City Commissioners
City of Glenpool
Glenpool, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glenpool, Oklahoma, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Glenpool, Oklahoma's basic financial statements, and have issued our report thereon dated October 18, 2013

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

CBEW Professional Group, LLP

CBEW Professional Group, LLP
Certified Public Accountants

City Of
Glenpool
Creating Opportunity



STATISTICAL SECTION

City of Glenpool Oklahoma
For the Year Ended June 30, 2013

CITY OF GLENPOOL
NET POSITION BY COMPONENT
TABLE 1

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
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	\$ 7,441,301
Restricted	223,758	215,144	209,653	199,517	197,314	178,707	174,666	17,859	80,453	89,943
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	2,325,438
Total governmental activities net position	\$ 800,463	\$ 1,060,298	\$ 1,436,558	\$ 2,026,321	\$ 3,561,031	\$ 6,709,142	\$ 7,268,832	\$ 10,190,078	\$ 9,676,620	\$ 9,856,682
Business-type activities										
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)	\$ (20,191,585)
Restricted	-	1,560,613	987,017	753,158	4,749,613	16,194,761	6,549,413	32,291,546	13,598,212	12,880,795
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	394,721
Total business-type activities net position	\$ 5,138,363	\$ 5,544,936	\$ 6,268,449	\$ 6,364,924	\$ 5,776,529	\$ 3,372,772	\$ 4,339,607	\$ (519,534)	\$ (2,265,378)	\$ (6,916,069)
Primary government										
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)	\$ (12,750,284)
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	12,970,738
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	2,720,159
Total primary government net position	\$ 5,938,826	\$ 6,605,234	\$ 7,705,007	\$ 8,391,245	\$ 9,337,560	\$ 10,081,914	\$ 11,608,439	\$ 9,670,544	\$ 7,411,242	\$ 2,940,613

* The change in Business-Type Activities – Unrestricted Net Position in 2013 is due to the new GASB 63 and 65 presentation of Bond Issue Costs and Discounts.

This section formerly called NET ASSETS BY COMPONENT.

CITY OF GLENPOOL
CHANGES IN NET POSITION
TABLE 2

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Government activities:										
General Government										
Code and planning	\$ 534,608	\$ 495,695	\$ 519,001	\$ 565,969	\$ 835,124	\$ 933,019	\$ 981,486	\$ 1,206,347	\$ 1,305,516	\$ 1,321,778
Fire	-	-	-	-	136,456	302,780	314,518	316,685	410,016	395,533
Municipal court	-	-	-	-	899,561	1,072,571	1,090,097	1,120,032	1,188,512	1,233,928
City attorney	-	-	-	-	38,162	14,780	25,642	14,317	-	16,481
Police	-	-	-	-	30,388	30,338	35,746	-	-	-
Public safety and judiciary	1,587,693	1,709,859	1,703,196	1,812,371	1,205,162	1,435,185	1,531,703	1,581,897	1,717,500	1,749,878
Emergency management	-	-	-	-	1,149	1,106	8,532	-	-	-
911 operations	-	-	-	-	6,362	18,409	25,325	12,933	25,578	12,636
Streets	44,482	92,486	106,805	104,250	115,194	494,817	393,452	33,535	43,174	34,534
Cultural, parks and recreation	26,175	15,830	25,338	15,468	15,959	19,793	-	328,660	736,592	165,549
Financing costs	-	-	-	-	50,201	124,804	25,955	25,248	20,226	25,530
Unallocated depreciation	166,932	226,606	208,458	313,491	433,483	539,422	666,346	788,448	673,457	566,011
Total governmental activities expenses	2,359,890	2,540,476	2,562,798	2,811,549	3,767,201	4,967,231	5,098,802	5,447,895	6,120,571	5,928,589
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	3,334,696
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	506,645
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	131,074
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	101,795
Unallocated depreciation	108,987	122,123	132,821	340,339	334,250	358,942	385,066	415,546	734,070	5,444,989
Total business-type activities	2,032,741	2,237,345	2,341,626	2,675,591	3,433,151	4,603,054	4,453,063	7,122,102	7,607,494	757,541
Total governmental activities expenses	\$ 4,392,631	\$ 4,777,821	\$ 4,904,424	\$ 5,487,140	\$ 7,200,352	\$ 9,570,285	\$ 9,551,865	\$ 12,569,997	\$ 13,728,065	\$ 16,205,329
Program revenues										
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	\$ 143,470
Code and planning	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Municipal court	-	-	-	-	250,315	287,367	675,020	489,912	554,959	349,844
Police	-	-	-	-	42,980	29,498	-	-	-	-
Public safety and judiciary	192,000	219,711	230,779	216,392	-	-	-	-	-	-
Emergency management	-	-	-	-	-	-	-	-	-	-
911 operations	-	-	-	-	-	-	-	-	-	-
Streets	-	-	-	-	63,153	81,196	66,898	64,783	73,262	64,940
Cultural, parks and recreation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	46,022	89,265	180,413	-	5,100	290,100	74,878	17,068	26,555	24,006
Total governmental activities program revenues	273,591	352,134	479,110	266,305	502,191	814,659	939,523	701,806	769,178	582,260

* Financing Costs - Business-Type Activities: GASB 63 and 65 changed the presentation for FY2013 and required us to record the remaining Bond Issue Cost and Discount Deferred Charges as current expense.

This statement was formerly called CHANGES IN NET ASSETS.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
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	1,931,353
Sewer treatment	539,034	645,518	664,587	733,240	725,487	733,821	687,114	725,691	756,416	765,493
Solid waste	357,278	413,653	11,786	419,759	450,707	478,467	25,920	27,946	15,668	534,340
Storm water	54,327	52,022	67,890	73,488	77,072	81,064	79,458	88,436	96,943	98,713
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	212,638
Industrial Authority	-	-	-	-	35,939	32,524	-	10,783	178,098	233,056
Total business-type activities program revenue	2,324,795	2,601,116	2,875,465	2,932,033	3,374,033	3,198,348	3,573,812	3,565,470	4,107,086	3,775,593
Total primary government program revenue	2,598,386	2,953,250	3,354,575	3,198,338	3,876,224	4,013,007	4,513,335	4,267,276	4,876,264	4,357,853
Net (Expense) / Revenue										
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)	\$ (5,346,329)
Business-type activities *	292,054	363,771	533,839	256,442	(59,118)	(1,404,706)	(879,251)	(3,556,632)	(3,500,408)	(6,501,147)
Total primary government net expenses	\$ (1,794,245)	\$ (1,824,571)	\$ (1,549,849)	\$ (2,288,802)	\$ (3,324,128)	\$ (5,557,278)	\$ (5,038,530)	\$ (8,302,721)	\$ (8,851,801)	\$ (11,847,476)
General Revenues and Other Changes in Net Position										
Government activities:										
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	6,064,456
Franchise taxes	286,227	-	-	-	392,492	380,706	422,415	440,185	397,725	435,436
Cigarette taxes	75,475	-	-	-	40,527	66,664	72,453	76,262	81,026	74,595
Intergovernmental	-	-	-	-	109,890	87,504	90,265	92,983	112,641	116,161
Hotel / motel taxes	-	-	-	-	44,590	44,605	44,362	74,623	87,580	91,486
Property taxes	63,694	-	-	-	188,396	168,173	175,494	15,029	2,276	1,296
Investment earnings	3,797	877	3,828	6,170	15,122	857	2,433	4,706	3,564	974
Miscellaneous	91,813	132,470	52,218	20,885	51,319	101,232	129,054	13,806	60,155	153,110
Other fees	63,694	116,073	76,772	213,048	-	-	-	-	-	-
Rental income	-	-	-	-	18,864	18,976	18,169	20,757	42,095	45,039
Sale of property	33,992	-	-	-	-	28,079	85,892	(7,903)	-	13,300
Total governmental activities	1,903,822	2,164,177	2,213,978	2,329,046	4,113,498	5,968,859	6,269,223	6,087,327	6,512,887	6,995,853
Business-type activities:										
Investment earnings	12,591	23,745	59,870	44,597	163,651	163,571	136,239	145,207	309,770	284,015
Other fees	403,694	303,057	375,774	666,457	88,293	169,204	159,593	131,700	112,433	112,707
Total business-type activities	416,285	326,802	435,644	711,054	251,944	332,775	295,832	276,907	422,203	396,722
Total primary government expenses	2,320,107	2,490,979	2,649,622	3,040,100	4,365,442	6,301,634	6,565,055	6,364,234	6,935,090	7,392,575
Change in Net Position										
Government activities	\$ 202,818	\$ 259,838	\$ 376,260	\$ 654,823	\$ 1,724,412	\$ 3,148,111	\$ 559,690	\$ 2,920,656	\$ (257,362)	\$ 195,791
Business-type activities *	479,450	406,573	723,513	96,475	(683,098)	(2,403,755)	966,835	(4,859,143)	(1,659,349)	(4,650,692)
Total primary government	\$ 682,268	\$ 666,411	\$ 1,099,773	\$ 751,298	\$ 1,041,314	\$ 744,356	\$ 1,526,525	\$ (1,938,487)	\$ (1,916,711)	\$ (4,454,901)

* Financing Costs - Business-Type Activities: GASB 63 and 65 changed the presentation for FY2013 and required us to record the remaining Bond Issue Cost and Discount Deferred Charges as current expense.

This statement was formerly called CHANGES IN NET ASSETS.

CITY OF GLENPOOL
FUND BALANCES, GOVERNMENTAL FUNDS
TABLE 3

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 351,206	\$ 362,496	\$ 293,413	\$ 472,578	\$ 1,257,170	\$ 1,386,833	\$ 1,608,480	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	1,877,658	60,309	68,535
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	2,087,313	2,504,469
Total general fund	\$ 351,206	\$ 362,496	\$ 293,413	\$ 472,578	\$ 1,257,170	\$ 1,386,833	\$ 1,608,480	\$ 1,877,658	\$ 2,147,622	\$ 2,573,004
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	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	17,859	20,144	21,408
Total all other governmental funds	\$ 223,965	\$ 215,144	\$ 209,653	\$ 199,517	\$ 197,314	\$ 178,707	\$ 174,666	\$ 17,859	\$ 20,144	\$ 21,408
GRAND TOTAL	\$ 575,171	\$ 577,640	\$ 503,066	\$ 672,095	\$ 1,454,484	\$ 1,565,540	\$ 1,783,146	\$ 1,895,517	\$ 2,167,766	\$ 2,594,412

NOTE: Beginning in FY 2011, the City implemented GASB Statement 54, changing the categories of Fund Balance.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
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	\$ 6,064,456
Franchise taxes	286,227	-	-	-	392,492	380,706	422,415	440,185	397,725	435,436
Cigarette taxes	-	-	-	-	40,527	66,664	72,453	76,262	81,026	74,595
Intergovernmental	75,475	-	-	-	109,890	87,504	90,265	92,983	112,641	140,168
Hotel / motel taxes	-	-	-	-	44,590	44,605	44,362	74,623	87,580	91,486
Ad valorem (property) taxes	220,100	-	-	-	188,396	168,173	175,494	15,029	2,276	1,296
Charges for services	227,569	262,869	298,697	266,305	497,091	524,559	864,645	684,738	742,623	414,784
Operating grants and contributions	46,022	89,265	269,151	-	68,756	290,100	82,299	126,701	669,895	24,006
Investment earnings	16,388	24,622	63,698	50,767	178,773	164,428	138,672	149,913	313,334	284,989
Miscellaneous	105,600	135,506	52,218	20,885	51,319	101,232	129,054	13,806	60,155	153,110
Other fees	97,686	128,874	76,772	438,241	88,293	169,204	159,593	131,700	112,433	112,707
Rental income	-	-	-	-	18,864	18,976	18,169	20,757	42,095	45,039
Sale of property	-	(100,678)	-	-	-	28,079	85,892	(7,903)	-	13,300
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	1,931,353
Sewer treatment	539,034	645,518	664,587	733,240	725,487	733,821	687,114	725,691	756,416	765,493
Solid waste	357,278	413,653	11,786	419,759	450,707	478,467	25,920	27,946	15,668	534,340
Storm water	543,270	52,022	67,890	73,488	77,072	81,064	79,458	88,436	96,943	98,713
Medical services	-	-	-	-	149,174	158,746	183,863	187,518	200,160	212,638
Industrial authority	-	-	-	-	35,939	32,524	-	10,783	178,098	233,056
Total Revenues	\$ 5,584,402	\$ 5,468,121	\$ 6,020,176	\$ 6,254,417	\$ 8,241,666	\$ 10,314,641	\$ 11,078,390	\$ 10,631,510	\$ 11,811,354	\$ 11,630,965

* Financing Costs - Business-Type Activities: GASB 63 and 65 changed the presentation for FY2013 and required us to record the remaining Bond Issue Cost and Discount Deferred Charges as current expense.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
General Government	\$ 534,608	\$ 495,695	\$ 519,001	\$ 565,969	\$ 835,124	\$ 933,019	\$ 981,486	\$ 1,206,347	\$ 1,305,516	\$ 1,321,778
Code and planning	-	-	-	-	136,456	302,780	314,518	316,685	410,016	395,533
Fire	-	-	-	-	899,561	1,072,571	1,090,097	1,120,032	1,188,512	1,233,928
Municipal court	-	-	-	-	38,162	14,780	25,642	14,317	-	16,481
City attorney	-	-	-	-	30,388	30,338	35,746	-	-	-
Police	-	-	-	-	1,205,162	1,435,185	1,531,703	1,581,897	1,717,500	1,749,878
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	12,636
911 operations	-	-	-	-	6,362	18,409	25,325	33,535	43,174	34,534
Streets	44,482	92,486	106,805	104,250	115,194	494,817	393,452	328,660	736,592	165,549
Cultural, parks and recreation	26,175	15,830	25,338	15,468	15,959	-	-	19,793	-	406,731
General administration (GUSA)	84,856	87,726	111,801	106,645	115,788	-	-	101,379	49,308	-
Water service	952,338	1,058,207	1,111,367	1,171,603	1,540,604	1,805,158	80,000	2,885,472	3,443,570	3,334,696
Sewer treatment	145,890	161,818	183,659	279,504	208,028	194,392	1,721,235	-	-	-
Solid waste	337,585	402,606	413,741	423,439	437,604	465,367	466,566	480,468	496,700	506,645
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	131,074
Industrial authority	-	-	-	-	-	-	-	-	-	101,795
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	5,444,989
Unallocated depreciation	275,919	348,729	341,279	653,830	767,733	898,364	1,051,412	1,203,994	1,407,527	1,323,552
Total Expenditures	\$ 4,413,191	\$ 4,801,713	\$ 4,920,403	\$ 5,503,139	\$ 7,200,352	\$ 9,570,285	\$ 9,551,865	\$ 12,569,997	\$ 13,728,065	\$ 16,179,799
Excess of revenues over (under) expenditures	\$ 1,171,211	\$ 666,408	\$ 1,099,773	\$ 751,278	\$ 1,041,314	\$ 744,356	\$ 1,526,525	\$ (1,938,487)	\$ (1,916,711)	\$ (4,548,834)
Other financing sources (uses)										
Transfers in	\$ 228,889	\$ 284,000	\$ 245,970	\$ 871,021	\$ 875,924	\$ 1,331,824	\$ 1,550,254	\$ 1,579,418	\$ 1,418,856	\$ 1,453,733
Transfers out	(228,889)	(284,000)	(245,970)	(871,021)	(875,924)	(1,331,824)	(1,550,254)	(1,579,418)	(1,418,856)	(1,453,733)
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Financing Costs - Business-Type Activities: GASB 63 and 65 changed the presentation for FY2013 and required us to record the remaining Bond Issue Cost and Discount Deferred Charges as current expense.

CITY OF GLENPOOL
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
TABLE 5

Fiscal Year	Ad		Sales and Use Tax	Franchise Tax	Cigarette Tax	Inter- governmental	Hotel / Motel Tax	Totals
	Valorem Tax							
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	5,819,715
2009	168,173	5,072,063	380,706	66,664	87,504	44,605	6,033,675	6,055,961
2010	175,494	5,228,686	422,415	72,453	90,265	44,362	6,407,073	6,783,431
2011	15,029	5,356,879	440,185	76,262	92,983	74,623	6,055,961	6,407,073
2012	2,276	5,725,825	397,725	81,026	112,641	87,580	6,407,073	6,783,431
2013	1,296	6,064,456	435,436	74,595	116,161	91,486	6,783,431	6,783,431

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

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government
	Revenue	Capital Leases Payable	Notes Payable	Revenue	Notes Payable	Capital Leases Payable		
	Bonds Payable			Bonds Payable				
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	
2009	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	
2013	-	588,274	56,131	49,370,000	3,551,580	-	53,565,985	

**CITY OF GLENPOOL
UTILITY SERVICE AUTHORITY
COMPARATIVE NET REVENUE**

Table 7

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
REVENUES							
Water	\$ 1,813,387	\$ 1,644,317	\$ 1,864,124	\$ 2,026,944	\$ 1,587,600	\$ 1,708,170	\$ 1,604,673
Sewer	748,524	742,816	714,891	661,916	707,296	690,712	695,228
Solid Waste	-	-	12,488	13,914	464,168	437,311	419,759
Miscellaneous	17,574	17,839	7,694	24,421	50,114	11,268	201,430
Solid Waste Mgmt Fees	15,944	15,668	15,458	12,006	14,299	13,396	12,856
Water Taps	80,005	62,175	52,253	108,903	113,053	149,232	100,873
Sewer Taps	16,969	13,600	10,800	25,198	26,525	34,775	21,838
Delinquent Fees	92,408	85,113	79,539	73,409	88,878	46,351	-
Storm Water Mgmt Fees	91,298	96,943	88,436	79,458	81,064	77,072	73,488
Connect Transfer Fees	6,809	6,421	41,375	37,925	7,130	6,910	6,660
Return on Fees	3,090	3,060	3,092	23,838	23,082	23,564	4,247
Water/Sewer Fees							
	556,357	509,969	499,086	454,189	13,073	14,596	16,174
TOTAL REVENUES	\$ 3,442,365	\$ 3,197,921	\$ 3,389,236	\$ 3,542,121	\$ 3,176,282	\$ 3,213,357	\$ 3,157,226
EXPENSES							
General Administration	\$ 68,808	\$ 49,308	\$ 101,379	\$ 80,000	\$ -	\$ 115,788	\$ 106,645
Water Treatment (1)	2,900,056	3,443,570	2,885,472	1,721,235	1,805,158	1,540,604	1,171,603
Sewer Treatment		-	-	-	194,392	208,028	279,504
Solid Waste	506,645	496,700	480,468	466,566	465,367	437,604	423,439
Storm Water		-	-	47,619	44,263	40,465	38,236
TOTAL EXPENSES (2)	\$ 3,475,509	\$ 3,989,578	\$ 3,467,319	\$ 2,315,420	\$ 2,509,180	\$ 2,342,489	\$ 2,019,427
NET INCOME	\$ (33,144)	\$ (791,657)	\$ (78,083)	\$ 1,226,701	\$ 667,102	\$ 870,868	\$ 1,137,799
NON OPERATING REVENUES & EXPENSES							
Interest Revenue	\$ 262,481	\$ 287,583	\$ 121,742	\$ 111,784	\$ 162,384	\$ 162,897	\$ 44,597
*Sales Tax Collections (3)	5,949,268	5,555,841	5,208,797	5,182,318	4,935,404	2,205,228	1,828,968
TOTAL NON OPERATING REVENUES & EXPENSES	\$ 6,211,749	\$ 5,843,424	\$ 5,330,539	\$ 5,294,102	\$ 5,097,788	\$ 2,368,125	\$ 1,873,565
INCOME AVAILABLE FOR DEBT SERVICE	\$ 6,178,605	\$ 5,051,767	\$ 5,252,456	\$ 6,520,803	\$ 5,764,890	\$ 3,238,993	\$ 3,011,364
DEBT SERVICE REQUIREMENTS							
Series 2010 Debt Service Requirement	\$ 1,446,976	\$ 1,446,976	\$ 1,446,976	\$ 1,446,976	\$ 1,446,976	\$ 1,446,976	\$ 1,446,976
Series 2011 Debt Service Requirement	364,321	364,321	364,321	364,321	364,321	364,321	364,321
TOTAL DEBT SERVICE REQUIREMENTS	\$ 1,811,297	\$ 1,811,297	\$ 1,811,297	\$ 1,811,297	\$ 1,811,297	\$ 1,811,297	\$ 1,811,297
COVERAGE	3.41	2.79	2.90	3.60	3.18	1.79	1.66

(1) Beginning 2010, Issuer combines Water and Sewer expenses (no record of the separation of these expenses)

(2) Less depreciation

(3) Source: Okla Tax Commission (Sales tax amounts used are based on total 4 cent collections)

CITY OF GLENPOOL
UTILITY REVENUE BY TYPE
TABLE 8

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Water	\$ 1,260,316	\$ 1,354,227	\$ 1,454,231	\$ 1,604,673	\$ 1,708,170	\$ 1,587,600	\$ 2,026,944	\$ 1,864,124	\$ 1,644,317	\$ 1,813,387
Sewer	516,378	627,098	664,587	695,228	690,712	707,296	661,916	714,891	742,816	748,524
Solid Waste	348,203	405,011	398,075	419,759	437,311	464,168	454,189	499,086	509,969	556,357
Waste Management Fees	9,075	8,642	11,786	12,856	13,396	14,299	12,006	15,458	15,668	15,944
Water Taps	71,673	77,542	84,837	100,873	149,232	113,053	108,903	52,253	62,175	80,005
Sewer Taps	22,656	18,420	18,568	21,838	34,775	26,525	25,198	10,800	13,600	16,969
Stormwater Management Fees	54,327	52,022	67,890	73,488	77,072	81,064	79,458	88,436	96,943	91,298
Other Revenues	55,954	73,991	86,753	228,511	102,689	182,277	173,507	144,188	112,433	119,881
Total Revenues	\$ 2,338,582	\$ 2,616,953	\$ 2,786,727	\$ 3,157,226	\$ 3,213,357	\$ 3,176,282	\$ 3,542,121	\$ 3,389,236	\$ 3,197,921	\$ 3,442,365