

**CITY OF SALLISAW, OKLAHOMA
SALLISAW, OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS
AND ACCOMPANYING
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2019**

City of Sallisaw, Oklahoma
Annual Financial Statements
June 30, 2019

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City of Sallisaw, Oklahoma
Year Ended June 30, 2019
List of Principal Officials

Mayor
Ernie Martens

Commissioner Ward 1
Ronnie Lowe

Commissioner Ward 2
Philip Gay

Commissioner Ward 3
Julian Mendiola

Commissioner Ward 4
Shannon Vann

City of Sallisaw, Oklahoma

Statement of Net Position

June 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,724,045	\$ 1,818,725	\$ 5,542,770
Investments	393,803	1,244,031	1,637,834
Receivables (net of allowance for uncollectible)	1,132,611	1,633,330	2,765,941
Inventory	10,843	-	10,843
Other assets	192,088	-	192,088
Restricted assets:			
Cash and cash equivalents	7,239	2,509,428	2,516,667
Investments	768,019	495,063	1,263,082
Pension asset	131,143	-	131,143
Capital assets (net of accumulated depreciation)	7,003,060	36,712,200	43,715,260
Total assets	13,362,851	44,412,777	57,775,628
Deferred outflows of resources			
Loss on refunding of debt	-	1,781,491	1,781,491
Deferred amounts related to pensions	1,610,076	300,528	1,910,604
Total deferred outflows of resources	1,610,076	2,082,019	3,692,095
Liabilities			
<u>Current liabilities</u>			
Accounts payable	220,316	713,382	933,698
Payroll liabilities	-	-	-
Due to other funds	314,703	(314,703)	-
Salary payable	44,848	26,185	71,033
Capital leases, current	326,383	-	326,383
Notes payable, current	-	274,941	274,941
Bonds payable, current	-	1,790,000	1,790,000
<u>Payable from restricted assets</u>			
Accrued interest payable	-	309,277	309,277
Customer deposits	-	668,218	668,218
<u>Long-term liabilities</u>			
Compensated absences	387,780	137,595	525,375
Capital lease obligation	719,819	-	719,819
Notes payable	-	3,034,996	3,034,996
Bonds payable	-	24,370,000	24,370,000
Landfill closure	-	2,247,503	2,247,503
Pension liability	3,267,508	806,615	4,074,123
Total liabilities	5,281,357	34,064,009	39,345,366
Deferred inflows of resources			
Deferred amounts related to pensions	1,134,781	234,730	1,369,511
Total deferred inflows of resources	1,134,781	234,730	1,369,511
Net position			
Net investment in capital assets	5,956,858	7,242,263	13,199,121
Restricted	2,799,273	1,092,031	3,891,304
Unrestricted	(199,342)	3,861,763	3,662,421
Total net position	\$ 8,556,789	\$ 12,196,057	\$ 20,752,846

City of Sallisaw, Oklahoma

Statement of Activities

Year Ended June 30, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 2,580,754	\$ 104,665	\$ -	\$ -	\$ (2,476,089)	\$ -	\$ (2,476,089)
Public safety	3,522,642	473,633	348,039	-	(2,700,970)	-	(2,700,970)
Public works	1,148,176	105,567	174,692	444,971	(422,946)	-	(422,946)
Culture and recreation	913,432	54,707	2,600	107,747	(748,378)	-	(748,378)
Economic development	742,203	-	-	-	(742,203)	-	(742,203)
Total governmental activities	<u>8,907,207</u>	<u>738,572</u>	<u>525,331</u>	<u>552,718</u>	<u>(7,090,586)</u>	<u>-</u>	<u>(7,090,586)</u>
Business-type activities:							
Administration	1,499,342	464,594	-	-	-	(1,034,748)	(1,034,748)
Electric	7,965,221	10,319,588	-	-	-	2,354,367	2,354,367
Water	1,098,212	1,948,887	-	-	-	850,675	850,675
Wastewater	1,354,452	820,409	-	-	-	(534,043)	(534,043)
Landfill	1,181,785	1,557,103	-	-	-	375,318	375,318
Sanitation	583,109	1,213,481	-	-	-	630,372	630,372
Telecommunications	2,660,511	3,092,843	-	-	-	432,332	432,332
Total business-type activities	<u>16,342,632</u>	<u>19,416,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,074,273</u>	<u>3,074,273</u>
Total primary government	<u>\$ 25,249,839</u>	<u>\$ 20,155,477</u>	<u>\$ 525,331</u>	<u>\$ 552,718</u>	<u>\$ (7,090,586)</u>	<u>\$ 3,074,273</u>	<u>\$ (4,016,313)</u>
General revenues:							
Sales tax					2,884,683	2,884,682	5,769,365
Other taxes					404,990	442,145	847,135
Interest income					31,309	57,294	88,603
Miscellaneous					250,029	838,913	1,088,942
Change in pension obligation					751,585	-	751,585
Transfers - internal activity					5,192,015	(5,192,015)	-
Transfers - other governments					(721,171)	-	(721,171)
Total general revenues and transfers					<u>8,793,440</u>	<u>(968,981)</u>	<u>7,824,459</u>
Change in net position					1,702,854	2,105,292	3,808,146
Net position, beginning					6,853,935	10,090,765	16,944,700
Net position, ending					<u>\$ 8,556,789</u>	<u>\$ 12,196,057</u>	<u>\$ 20,752,846</u>

City of Sallisaw, Oklahoma

Balance Sheet
Governmental Funds
June 30, 2019

	<u>General</u>	<u>Oklahoma State Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 509,919	\$ -	\$ 3,214,126	\$ 3,724,045
Investments	103,288	-	290,515	393,803
Restricted cash	7,239	-	-	7,239
Restricted investments	768,019	-	-	768,019
Receivables:				
Taxes	581,591	-	8,589	590,180
Grant	-	309,664	36,307	345,971
Municipal court fines	184,390	-	-	184,390
Accrued interest	705	-	223	928
Other, net of allowance	11,142	-	-	11,142
Due from other funds	165,278	-	76,168	241,446
Inventory	10,843	-	-	10,843
Other assets	192,088	-	-	192,088
Total assets	<u>\$ 2,534,502</u>	<u>\$ 309,664</u>	<u>\$ 3,625,928</u>	<u>\$ 6,470,094</u>
Liabilities				
Accounts payable	\$ 208,938	\$ -	\$ 10,261	\$ 219,199
Salary payable	44,848	-	-	44,848
Capital lease, current obligation	-	-	143,065	143,065
Due to other funds	550,383	-	5,766	556,149
Court bonds payable	1,117	-	-	1,117
Total liabilities	<u>805,286</u>	<u>-</u>	<u>159,092</u>	<u>964,378</u>
Fund balance				
Nonspendable	10,843	-	-	10,843
Restricted	775,258	-	2,024,015	2,799,273
Committed	-	-	1,335,671	1,335,671
Assigned	-	-	107,150	107,150
Unassigned	943,115	309,664	-	1,252,779
Total fund balances	<u>1,729,216</u>	<u>309,664</u>	<u>3,466,836</u>	<u>5,505,716</u>
Total liabilities and fund balances	<u>\$ 2,534,502</u>	<u>\$ 309,664</u>	<u>\$ 3,625,928</u>	<u>\$ 6,470,094</u>

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

Land and capital assets, net of accumulated depreciation, are not financial resources and, in the funds, and therefore, are not reported

Land and construction in process	1,849,636	
Capital assets	15,406,510	
Less: Accumulated depreciation	<u>(10,253,086)</u>	7,003,060

Long-term portion of liabilities are not due and payable in the current period and are not reported

Capital lease obligations	(903,137)	
Compensated absences	(387,780)	
Net deferred outflows(inflows) on pension obligations	475,295	
Net pension (obligation)/asset	<u>(3,136,365)</u>	<u>(3,951,987)</u>

Net position of governmental activities \$ 8,556,789

City of Sallisaw, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2019

	<u>General</u>	<u>Oklahoma State Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Sales tax	\$ 2,163,512	\$ -	\$ 721,171	\$ 2,884,683
Other taxes	314,501	-	90,489	404,990
Licenses and permits	66,625	-	-	66,625
Intergovernmental	2,500	434,971	586,157	1,023,628
Fines and forfeitures	449,789	-	16,549	466,338
Charges for services	181,869	-	21,700	203,569
Rental	11,010	-	9,640	20,650
Donations	-	-	35,811	35,811
Other	272,316	11,238	75,243	358,797
Interest	21,142	-	10,167	31,309
Total revenues	<u>3,483,264</u>	<u>446,209</u>	<u>1,566,927</u>	<u>5,496,400</u>
Expenditures				
General government	2,483,633	-	-	2,483,633
Public safety	3,075,930	-	304,169	3,380,099
Public works	860,918	-	69,375	930,293
Culture and recreation	846,226	-	38,547	884,773
Economic development	532,197	-	-	532,197
Debt service:				
Principal	-	-	283,625	283,625
Interest	-	-	24,865	24,865
Capital outlay	80,666	91,053	978,619	1,150,338
Total expenditures	<u>7,879,570</u>	<u>91,053</u>	<u>1,699,200</u>	<u>9,669,823</u>
Excess of revenues over (under) expenditures	(4,396,306)	355,156	(132,273)	(4,173,423)
Other financing sources (uses)				
Proceeds from capital lease obligations	-	-	918,113	918,113
Transfers in	9,757,145	-	603,000	10,360,145
Transfers out	(4,243,438)	-	(924,692)	(5,168,130)
Transfers out to other governments	(721,171)	-	-	(721,171)
Total other financing sources (uses)	<u>4,792,536</u>	<u>-</u>	<u>596,421</u>	<u>5,388,957</u>
Net change in fund balances	396,230	355,156	464,148	1,215,534
Fund balances, beginning	<u>1,332,986</u>	<u>(45,492)</u>	<u>3,002,688</u>	<u>4,290,182</u>
Fund balances, ending	<u>\$ 1,729,216</u>	<u>\$ 309,664</u>	<u>\$ 3,466,836</u>	<u>\$ 5,505,716</u>

City of Sallisaw, Oklahoma

Reconciliation of Governmental Funds and Government-Wide
Financial Statements
Year Ended June 30, 2019

Net change in fund balances - total governmental funds	\$ 1,215,534
<p>Governmental funds report capital outlays as expenditures; whereas, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as a depreciation expense.</p>	
Capital outlay expenditures capitalized	1,150,338
Depreciation expense	(698,094)
<p>In the statement of activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures.</p>	
	751,585
<p>The proceeds of debt issuance provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Proceeds from capital lease obligations	(918,113)
Capital lease principal payments	283,625
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds.</p>	
Accrued compensated absences, net change	<u>(82,021)</u>
Change in net position of governmental activities	<u>\$ 1,702,854</u>

City of Sallisaw, Oklahoma

Statement of Net Position

Proprietary Funds

June 30, 2019

	Enterprise Funds		
	Sallisaw Municipal Authority	Sallisaw Economic Authority	Total
Assets			
Cash and cash equivalents	\$ 1,781,187	\$ 37,538	\$ 1,818,725
Investments	1,244,031	-	1,244,031
Receivables:			
Accounts (net of allowance for uncollectible)	1,631,834	-	1,631,834
Accrued interest	1,496	-	1,496
Due from other funds	553,777	-	553,777
Restricted assets:			
Cash and cash equivalents	2,509,428	-	2,509,428
Investments	495,063	-	495,063
Capital assets (net of accumulated depreciation)	35,930,868	781,332	36,712,200
Total assets	44,147,684	818,870	44,966,554
Deferred outflows of resources			
Loss on refunding of debt	1,781,491	-	1,781,491
Deferred amounts related to pensions	300,528	-	300,528
Total deferred outflows of resources	2,082,019	-	2,082,019
Liabilities			
Accounts payable	713,382	-	713,382
Salary payable	26,185	-	26,185
Notes payable, current	274,941	-	274,941
Bonds payable, current	1,790,000	-	1,790,000
Payable from restricted assets:			
Accrued interest payable	309,277	-	309,277
Customer deposits	668,218	-	668,218
Due to other funds	239,074	-	239,074
Noncurrent liabilities:			
Compensated absences	137,595	-	137,595
Notes payable	3,034,996	-	3,034,996
Bonds payable	24,370,000	-	24,370,000
Landfill closure	2,247,503	-	2,247,503
Pension obligation	806,615	-	806,615
Total liabilities	34,617,786	-	34,617,786
Deferred inflows of resources			
Deferred amounts related to pensions	234,730	-	234,730
Net position			
Net investment in capital assets	6,460,931	781,332	7,242,263
Restricted:			
Debt service	1,092,031	-	1,092,031
Unrestricted	3,824,225	37,538	3,861,763
Total net position	\$ 11,377,187	\$ 818,870	\$ 12,196,057

City of Sallisaw, Oklahoma

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds Year Ended June 30, 2019

	Enterprise funds		Totals
	Sallisaw Municipal Authority	Sallisaw Economic Authority	
Operating revenues			
Charges for services:			
Electric	\$ 10,319,588	\$ -	\$ 10,319,588
Water	1,948,887	-	1,948,887
Wastewater	820,409	-	820,409
Landfill	1,557,103	-	1,557,103
Sanitation	1,213,481	-	1,213,481
Telecommunications	3,092,843	-	3,092,843
Other	464,594	-	464,594
Total operating revenues	19,416,905	-	19,416,905
Operating expenses			
Administration	90,325	12	90,337
Electric	7,688,053	-	7,688,053
Water	681,101	-	681,101
Wastewater	671,363	-	671,363
Landfill	831,741	-	831,741
Sanitation	478,206	-	478,206
Telecommunications	2,358,833	-	2,358,833
Depreciation and amortization	2,350,300	-	2,350,300
Bad debt expense	58,337	-	58,337
Total operating expenses	15,208,259	12	15,208,271
Total operating income (loss)	4,208,646	(12)	4,208,634
Nonoperating revenues (expenses)			
Sales tax	2,884,682	-	2,884,682
Other taxes	442,145	-	442,145
Miscellaneous revenues	228,913	610,000	838,913
Interest income	57,294	-	57,294
Gain (loss) on disposal of assets	-	-	-
Interest expense and fiscal charges	(1,134,361)	-	(1,134,361)
Payments to hospital	-	-	-
Total nonoperating revenues (expenses)	2,478,673	610,000	3,088,673
Operating transfers			
Transfers in	4,963,964	201,166	5,165,130
Transfers (out)	(10,357,145)	-	(10,357,145)
Total operating transfers	(5,393,181)	201,166	(5,192,015)
Net income (loss)	1,294,138	811,154	2,105,292
Net position, beginning	10,083,049	7,716	10,090,765
Net position, ending	\$ 11,377,187	\$ 818,870	\$ 12,196,057

City of Sallisaw, Oklahoma

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019

	Enterprise Funds		
	Sallisaw Municipal Authority	Sallisaw Economic Authority	Total
<u>Cash flows from operating activities:</u>			
Receipts from customers	\$ 19,585,378	\$ -	\$ 19,585,378
Payments to suppliers	(10,556,261)	(12)	(10,556,273)
Payments to employees	<u>(2,577,030)</u>	-	<u>(2,577,030)</u>
Net cash provided (used) by operating activities	<u>6,452,087</u>	<u>(12)</u>	<u>6,452,075</u>
<u>Cash flows from non-capital financing activities:</u>			
Transfers from other funds	4,963,964	201,166	5,165,130
Transfers to other funds	(10,357,145)	-	(10,357,145)
Intergovernmental revenues	3,326,827	610,000	3,936,827
Net cash provided (used) by non-capital financing activities	<u>(2,066,354)</u>	<u>811,166</u>	<u>(1,255,188)</u>
<u>Cash flows from capital and related financing activities:</u>			
Purchase of capital assets	(2,047,429)	(781,332)	(2,828,761)
Capital grants and contributions	552,597	-	552,597
Principal paid on capital debt	(2,004,634)	-	(2,004,634)
Interest paid on capital debt	(1,130,509)	-	(1,130,509)
Net cash provided (used) by capital and related financing activities	<u>(4,629,975)</u>	<u>(781,332)</u>	<u>(5,411,307)</u>
<u>Cash flows from investing activities:</u>			
Purchase of investments	273,760	-	273,760
Investment income	57,294	-	57,294
Net cash provided (used) by investing activities	<u>331,054</u>	<u>-</u>	<u>331,054</u>
Net increase (decrease) in cash and cash equivalents	86,812	29,822	116,634
Cash & cash equivalents, June 30, 2018	<u>2,938,406</u>	<u>7,716</u>	<u>2,946,122</u>
Cash & cash equivalents, June 30, 2019	<u>\$ 3,025,218</u>	<u>\$ 37,538</u>	<u>\$ 3,062,756</u>
Cash, including time deposits	\$ 1,781,187	\$ 37,538	\$ 1,818,725
Restricted cash, including time deposits	1,244,031	-	1,244,031
Total cash and cash equivalents, end of year	<u>\$ 3,025,218</u>	<u>\$ 37,538</u>	<u>\$ 3,062,756</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 4,208,646	\$ (12)	\$ 4,208,634
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,350,300	-	2,350,300
Bad debt	58,337	-	58,337
Changes in assets and liabilities:			
(Increase) decrease in receivables	168,473	-	168,473
Increase (decrease) in accounts payable	(189,337)	-	(189,337)
Increase (decrease) in payroll liabilities	(88,703)	-	(88,703)
Increase (decrease) in other liabilities	(55,629)	-	(55,629)
Total adjustments	<u>2,243,441</u>	<u>-</u>	<u>2,243,441</u>
Net cash provided (used) by operating activities	<u>\$ 6,452,087</u>	<u>\$ (12)</u>	<u>\$ 6,452,075</u>

City of Sallisaw, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances -
General Fund - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budget	Revisions	Revised Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES					
Sales tax	\$ 5,413,000	\$ -	\$ 5,413,000	\$ 5,769,364	\$ 356,364
Other taxes	652,074	-	652,074	756,647	104,573
Licenses and permits	24,250	-	24,250	66,625	42,375
Intergovernmental	-	-	-	2,500	2,500
Fines and forfeitures	359,100	-	359,100	449,789	90,689
Charges for services	122,000	-	122,000	181,869	59,869
Rental	6,000	-	6,000	11,010	5,010
Other	319,250	-	319,250	272,316	(46,934)
Interest	1,500	-	1,500	21,142	19,642
Total revenues	6,897,174	-	6,897,174	7,531,262	634,088
EXPENDITURES					
<u>General government:</u>					
Administration	1,420,083	(106,655)	1,313,428	1,154,043	159,385
Customer Service	479,013	(430)	478,583	465,728	12,855
Fleet Maintenance	218,425	26,447	244,872	244,870	2
Information services	132,631	(77)	132,554	108,686	23,868
Finance	619,944	1,482	621,426	499,369	122,057
General sundry	22,000	16,368	38,368	69,064	(30,696)
<u>Public safety:</u>					
Police	1,973,400	(46,685)	1,926,715	1,857,035	69,680
Police Auxillary	518,563	19,078	537,641	491,607	46,034
Animal Welfare	169,137	29,538	198,675	141,853	56,822
Municipal Court	63,678	2,950	66,628	66,628	-
Fire	474,354	136	474,490	442,696	31,794
<u>Public works:</u>					
Streets	710,251	1,226	711,477	687,737	23,740
Sanitation	494,965	1,452	496,417	464,466	31,951
Landfill	755,947	67,845	823,792	823,591	201
Electric	868,292	(247)	868,045	777,648	90,397
Telecommunications	677,329	11,982	689,311	608,874	80,437
Water production	527,477	(337)	527,140	440,257	86,883
Water distribution	281,788	(653)	281,135	253,774	27,361
Wastewater collection	265,887	329	266,216	241,753	24,463
Wastewater treatment	443,535	(555)	442,980	440,348	2,632
<u>Culture and recreation:</u>					
Airport	164,700	(11,254)	153,446	117,029	36,417
Parks	715,857	3,284	719,141	676,051	43,090
Swimming Pool	76,591	(9,837)	66,754	51,309	15,445
Cemetery	14,766	(60)	14,706	7,428	7,278
<u>Economic Development:</u>					
Building development	582,997	(5,327)	577,670	533,936	43,734
Total expenditures	12,671,610	-	12,671,610	11,665,780	1,005,830
Revenue over (under) expenditures	(5,774,436)	-	(5,774,436)	(4,134,518)	(371,742)
OTHER FINANCING SOURCES (USES)					
Operating transfers in/(out)	5,355,153	-	5,355,153	4,071,366	(1,283,787)
Balance forward	419,283	-	419,283	-	(419,283)
Net other financing sources (uses)	5,774,436	-	5,774,436	4,071,366	(1,703,070)
Revenues and other financing sources over (under) expenditures and other uses	-	-	-	(63,152)	(2,074,812)
Fund balance at beginning of year (Non-GAAP budgetary basis)				1,575,969	
Fund balance at end of year (Non-GAAP budgetary basis)				<u>\$ 1,512,817</u>	
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES					
Revenue and transfer accruals				216,399	
Fund balance at end of year (GAAP basis)				<u>\$ 1,729,216</u>	

City of Sallisaw, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances -
OK State Projects Fund - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	<u>Budget</u>	<u>Revisions</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ 434,971	\$ 434,971
Other	-	-	-	11,238	11,238
Total revenues	-	-	-	446,209	446,209
EXPENDITURES					
Capital outlay	-	-	-	91,053	(91,053)
Total expenditures	-	-	-	91,053	(91,053)
Revenue over (under) expenditures	-	-	-	355,156	537,262
OTHER FINANCING SOURCES (USES)					
Operating transfers in/(out)	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-
Revenues and other financing sources over (under) expenditures and other uses	-	-	-	355,156	537,262
Fund balance at beginning of year (Non-GAAP budgetary basis)				(45,492)	
Fund balance at end of year (Non-GAAP budgetary basis)				<u>\$ 309,664</u>	
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES					
Revenue and transfer accruals				-	
Fund balance at end of year (GAAP basis)				<u>\$ 309,664</u>	

City of Sallisaw, Oklahoma
Schedules of Required Supplementary Information

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

Oklahoma Municipal Retirement Fund SINCE INITIAL APPLICATION					
	2015*	2016*	2017*	2018*	2019*
Total pension liability					
Service cost	\$ 366,952	\$ 408,732	\$ 425,998	\$ 412,468	\$ 404,894
Interest	1,223,894	1,250,385	1,291,059	1,304,887	1,318,346
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(227,314)	(559,807)	(174,613)	(160,360)
Changes in assumptions	-	-	-	210,427	-
Benefit payments, including refunds of employee contributions	(904,499)	(858,806)	(956,975)	(1,001,518)	(1,023,236)
Net change in total pension liability	686,347	572,997	200,275	751,651	539,644
Total pension liability - beginning	15,869,042	16,555,389	17,128,386	17,328,661	18,080,312
Total pension liability - ending (a)	<u>\$ 16,555,389</u>	<u>\$ 17,128,386</u>	<u>\$ 17,328,661</u>	<u>\$ 18,080,312</u>	<u>\$ 18,619,956</u>
Plan fiduciary net position					
Contributions - employer	593,615	623,077	640,405	604,182	607,837
Contributions - employee	228,564	248,235	251,139	259,627	265,928
Net investment income	1,805,094	356,175	116,710	1,610,821	1,070,688
Benefit payments, including refunds of employee contributions	(904,499)	(858,806)	(956,975)	(1,001,518)	(1,023,236)
Administrative expense	(26,721)	(26,404)	(25,775)	(28,185)	(30,045)
Other	-	-	-	-	-
Net change in plan fiduciary net position	1,696,053	342,277	25,504	1,444,927	891,172
Plan fiduciary net position - beginning	11,043,455	12,739,508	13,081,785	13,107,289	14,552,216
Plan fiduciary net position - ending (b)	<u>\$ 12,739,508</u>	<u>\$ 13,081,785</u>	<u>\$ 13,107,289</u>	<u>\$ 14,552,216</u>	<u>\$ 15,443,388</u>
City's net pension liability - ending (a) - (b)	<u>\$ 3,815,881</u>	<u>\$ 4,046,601</u>	<u>\$ 4,221,372</u>	<u>\$ 3,528,096</u>	<u>\$ 3,176,568</u>
Plan fiduciary net position as a percentage of the total pension liability	76.95%	76.37%	75.64%	80.49%	82.94%
Covered-employee payroll	\$ 3,329,223	\$ 3,503,183	\$ 3,564,633	\$ 3,511,459	\$ 3,752,847
City's net pension liability as a percentage of covered-employee payroll	114.62%	115.51%	118.42%	100.47%	84.64%

* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

SCHEDULE OF CITY CONTRIBUTIONS
Oklahoma Municipal Retirement Plan

	2015*	2016*	2017*	2018*	2019*
Actuarially determined contribution	\$ 593,615	\$ 623,077	\$ 640,405	\$ 604,182	\$ 607,837
Contributions in relation to the actuarially determined contribution	(593,615)	(639,165)	(696,228)	(636,690)	(581,452)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (16,088)</u>	<u>\$ (55,823)</u>	<u>\$ (32,508)</u>	<u>\$ 26,385</u>
City's covered-employee payroll	\$ 3,329,223	\$ 3,503,183	\$ 3,564,633	\$ 3,511,459	\$ 3,752,847
Contributions as a percentage of covered-employee payroll	17.83%	17.79%	17.97%	17.21%	16.20%

City of Sallisaw, Oklahoma
Schedules of Required Supplementary Information

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Oklahoma Police Pension Retirement Plan
Year Ended June 30, 2019

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>
City's portion of the net pension liability (asset)	0.2792%	0.2768%	0.2427%	0.2603%	0.2753%
City's proportionate share of the net pension liability (asset)	\$ (94,003)	\$ 11,288	\$ 371,631	\$ 20,051	\$ (131,143)
City's covered-employee payroll	\$ 753,098	\$ 759,023	\$ 753,272	\$ 838,373	\$ 989,550
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-12.48%	1.49%	49.34%	2.39%	-13.25%
Plan fiduciary net position as a percentage of the total pension liability	139.12%	100.00%	99.76%	100.00%	100.01%

* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

SCHEDULE OF CITY CONTRIBUTIONS
Oklahoma Police Pension Retirement Plan

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>
Contractually required contribution	\$ 97,903	\$ 98,673	\$ 93,034	\$ 108,988	\$ 128,641
Contributions in relation to the contractually required contribution	<u>(97,903)</u>	<u>(98,673)</u>	<u>(93,034)</u>	<u>(108,988)</u>	<u>(128,641)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 753,098	\$ 759,023	\$ 753,272	\$ 838,373	\$ 989,550
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	12.35%	13.00%	13.00%

** Only the current fiscal year is presented because 10-year data is not yet available

City of Sallisaw, Oklahoma
Schedules of Required Supplementary Information

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Oklahoma Fire Pension Retirement Plan
Year Ended June 30, 2019

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>
City's portion of the net pension liability (asset)	0.0874%	0.089412%	0.089085%	0.087642%	0.079737%
City's proportionate share of the net pension liability (asset)	\$ 899,045	\$ 949,024	\$ 1,088,360	\$ 1,102,295	\$ 897,555
City's covered-employee payroll	\$ 231,105	\$ 246,186	\$ 239,007	\$ 228,035	\$ 264,111
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	389%	385%	455%	483%	340%
Plan fiduciary net position as a percentage of the total pension liability	99.30%	100.00%	99.91%	99.97%	99.98%

* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

SCHEDULE OF CITY CONTRIBUTIONS
Oklahoma Fire Pension Retirement Plan

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>
Contractually required contribution	\$ 32,354	\$ 34,466	\$ 34,886	\$ 31,925	\$ 36,976
Contributions in relation to the contractually required contribution	<u>(32,354)</u>	<u>(34,466)</u>	<u>(34,886)</u>	<u>(31,925)</u>	<u>(36,976)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 231,105	\$ 246,186	\$ 239,007	\$ 228,035	\$ 264,111
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.60%	14.00%	14.00%

** Only the current fiscal year is presented because 10-year data is not yet available

City of Sallisaw, Oklahoma
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	<u>Street and Alley Fund</u>	<u>Library Fund</u>	<u>Library Trust Authority</u>	<u>Youth & Recreation Fund</u>	<u>Fire Department Fund</u>
Assets					
Cash and cash equivalents	\$ 260,424	\$ 2,150	\$ 45	\$ 317,229	\$ 78,797
Investments	-	-	87,789	-	-
Receivables:					
Taxes	5,985	-	-	-	2,604
Grants	-	-	-	-	-
Accrued interest	-	-	67	-	-
Due from other funds	-	-	-	11,415	-
Total assets	<u>\$ 266,409</u>	<u>\$ 2,150</u>	<u>\$ 87,901</u>	<u>\$ 328,644</u>	<u>\$ 81,401</u>
Liabilities					
Accounts payable	-	-	-	-	-
Current portion of capital leases	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:					
Nonspendable	-	-	-	-	-
Restricted	266,409	-	87,901	-	-
Committed	-	-	-	328,644	-
Assigned	-	2,150	-	-	81,401
Unassigned	-	-	-	-	-
Total fund balance	<u>266,409</u>	<u>2,150</u>	<u>87,901</u>	<u>328,644</u>	<u>81,401</u>
Total liabilities and fund balance	<u>\$ 266,409</u>	<u>\$ 2,150</u>	<u>\$ 87,901</u>	<u>\$ 328,644</u>	<u>\$ 81,401</u>

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	<u>Police Department Fund</u>	<u>Sallisaw NOW PFS Grant</u>	<u>Police Drug Fund</u>	<u>Sallisaw NOW</u>	<u>Department of Justice Grants</u>	<u>Sallisaw NOW DFC Grant</u>	<u>Capital Improvements Fund</u>
Assets							
Cash and cash equivalents	\$ 29,365	\$ 5,779	\$ 137,293	\$ (10,674)	\$ (16,591)	\$ 3,353	\$ 1,311,880
Investments	-	-	-	-	-	-	-
Receivables:							
Taxes	-	-	-	-	-	-	-
Grants	-	7,957	-	-	11,150	11,890	-
Accrued interest	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	64,753
Total assets	<u>\$ 29,365</u>	<u>\$ 13,736</u>	<u>\$ 137,293</u>	<u>\$ (10,674)</u>	<u>\$ (5,441)</u>	<u>\$ 15,243</u>	<u>\$ 1,376,633</u>
Liabilities							
Accounts payable	-	55	-	-	-	68	4,900
Current portion of capital leases	-	-	-	-	-	-	143,065
Due to other funds	5,766	-	-	-	-	-	-
Total liabilities	<u>5,766</u>	<u>55</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68</u>	<u>147,965</u>
Fund balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	13,681	-	(10,674)	(5,441)	15,175	1,228,668
Committed	-	-	137,293	-	-	-	-
Assigned	23,599	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>23,599</u>	<u>13,681</u>	<u>137,293</u>	<u>(10,674)</u>	<u>(5,441)</u>	<u>15,175</u>	<u>1,228,668</u>
Total liabilities and fund balance	<u>\$ 29,365</u>	<u>\$ 13,736</u>	<u>\$ 137,293</u>	<u>\$ (10,674)</u>	<u>\$ (5,441)</u>	<u>\$ 15,243</u>	<u>\$ 1,376,633</u>

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Cemetery Fund	Infrastructure Improvements Fund	FAA Grant	CDBG Fund	Police Technology Fund	COPS Grant	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 149,354	\$ 869,734	\$ 35,171	\$ 21,000	\$ 25,127	\$ (5,310)	\$ 3,214,126
Investments	202,726	-	-	-	-	-	290,515
Receivables:							
Taxes	-	-	-	-	-	-	8,589
Grants	-	-	-	-	-	5,310	36,307
Accrued interest	156	-	-	-	-	-	223
Due from other funds	-	-	-	-	-	-	76,168
Total assets	<u>\$ 352,236</u>	<u>\$ 869,734</u>	<u>\$ 35,171</u>	<u>\$ 21,000</u>	<u>\$ 25,127</u>	<u>\$ -</u>	<u>\$ 3,625,928</u>
Liabilities							
Accounts payable	-	-	5,238	-	-	-	10,261
Current portion of capital leases	-	-	-	-	-	-	143,065
Due to other funds	-	-	-	-	-	-	5,766
Total liabilities	<u>-</u>	<u>-</u>	<u>5,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,092</u>
Fund balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted	352,236	-	29,933	21,000	25,127	-	2,024,015
Committed	-	869,734	-	-	-	-	1,335,671
Assigned	-	-	-	-	-	-	107,150
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>352,236</u>	<u>869,734</u>	<u>29,933</u>	<u>21,000</u>	<u>25,127</u>	<u>-</u>	<u>3,466,836</u>
Total liabilities and fund balance	<u>\$ 352,236</u>	<u>\$ 869,734</u>	<u>\$ 35,171</u>	<u>\$ 21,000</u>	<u>\$ 25,127</u>	<u>\$ -</u>	<u>\$ 3,625,928</u>

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2019

	Street and Alley Fund	Library Fund	Library Trust Authority	Youth & Recreation Fund	Fire Department Fund	Police Department Fund	Sallisaw NOW PFS Grant	Police Drug Fund	Sallisaw NOW
Revenues									
Intergovernmental	\$ 75,472	\$ -	\$ -	\$ -	\$ 41,448	\$ 6,500	\$ 71,402	\$ 99,220	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-
Hotel tax	-	-	-	90,489	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-
Donations	-	-	-	35,711	-	-	-	-	-
Interest	-	-	1,709	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 75,472	\$ -	\$ 1,709	\$ 126,200	\$ 41,448	\$ 6,500	\$ 71,402	\$ 99,220	\$ -
Expenditures									
Public safety	-	-	-	-	-	-	62,184	810	14,674
Public works	-	-	-	8,332	-	-	-	-	-
Culture and recreation	-	6,282	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	61,000	-	-	35,711	-	-	-	-	-
Total expenditures	61,000	6,282	-	44,043	-	-	62,184	810	14,674
Excess of revenues over (under) expenditures	14,472	(6,282)	1,709	82,157	41,448	6,500	9,218	98,410	(14,674)
Other financing sources (uses)									
Proceeds from debt issuance	-	-	-	-	-	-	-	-	-
Transfers in	-	3,000	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	3,000	-	-	-	-	-	-	-
Net change in fund balances	14,472	(3,282)	1,709	82,157	41,448	6,500	9,218	98,410	(14,674)
Fund balances, beginning	251,937	5,432	86,192	246,487	39,953	17,099	4,463	38,883	4,000
Fund balances, ending	\$ 266,409	\$ 2,150	\$ 87,901	\$ 328,644	\$ 81,401	\$ 23,599	\$ 13,681	\$ 137,293	\$ (10,674)

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2019

	Department of Justice Grants	Sallisaw NOW DFC Grant	Capital Improvements Fund	Cemetery Fund	Infrastructure Improvements Fund	FAA Grant	CDBG Fund
Revenues							
Intergovernmental	\$ 11,150	\$ 128,562	\$ -	\$ -	\$ -	\$ 53,425	\$ 10,000
Sales Tax	-	-	721,171	-	-	-	-
Hotel tax	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Charges for services	-	-	-	21,700	-	-	-
Rental income	-	-	-	9,640	-	-	-
Donations	-	-	-	100	-	-	-
Interest	-	-	1,270	3,948	3,240	-	-
Miscellaneous income	-	-	71,943	-	-	3,300	-
Proceeds from debt issuance	-	-	918,113	-	-	-	-
Total Revenues	<u>\$ 11,150</u>	<u>\$ 128,562</u>	<u>\$ 1,712,497</u>	<u>\$ 35,388</u>	<u>\$ 3,240</u>	<u>\$ 56,725</u>	<u>\$ 10,000</u>
Expenditures							
Public safety	9,970	116,163	1,262	-	-	-	-
Public works	-	-	12,826	2,111	36,106	-	10,000
Culture and recreation	-	-	32,265	-	-	-	-
Debt service:							
Principal	-	-	283,625	-	-	-	-
Interest	-	-	24,865	-	-	-	-
Capital outlay	-	-	795,245	-	36,926	49,737	-
Total expenditures	<u>9,970</u>	<u>116,163</u>	<u>1,150,088</u>	<u>2,111</u>	<u>73,032</u>	<u>49,737</u>	<u>10,000</u>
Excess of revenues over (under) expenditures	1,180	12,399	562,409	33,277	(69,792)	6,988	-
Other financing sources (uses)							
Proceeds from debt issuance	-	-	-	-	-	-	-
Transfers in	-	-	500,000	-	100,000	-	-
Transfers (out)	-	-	(924,692)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(424,692)</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,180	12,399	137,717	33,277	30,208	6,988	-
Fund balances, beginning	(6,621)	2,776	1,090,951	318,959	839,526	22,945	21,000
Fund balances, ending	<u>\$ (5,441)</u>	<u>\$ 15,175</u>	<u>\$ 1,228,668</u>	<u>\$ 352,236</u>	<u>\$ 869,734</u>	<u>\$ 29,933</u>	<u>\$ 21,000</u>

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2019

	Police Technology Fund	COPS Grant	Total Governmental Funds
Revenues			
Intergovernmental	\$ -	\$ 88,978	\$ 586,157
Sales Tax	-	-	721,171
Hotel tax	-	-	90,489
Fines and forfeitures	16,549	-	16,549
Charges for services	-	-	21,700
Rental income	-	-	9,640
Donations	-	-	35,811
Interest	-	-	10,167
Miscellaneous income	-	-	75,243
Proceeds from debt issuance	-	-	918,113
Total Revenues	<u>\$ 16,549</u>	<u>\$ 88,978</u>	<u>\$ 2,485,040</u>
Expenditures			
Public safety	10,128	88,978	304,169
Public works	-	-	69,375
Culture and recreation	-	-	38,547
Debt service:			
Principal	-	-	283,625
Interest	-	-	24,865
Capital outlay	-	-	978,619
Total expenditures	<u>10,128</u>	<u>88,978</u>	<u>1,699,200</u>
Excess of revenues over (under) expenditures	6,421	-	785,840
Other financing sources (uses)			
Proceeds from debt issuance	-	-	-
Transfers in	-	-	603,000
Transfers (out)	-	-	(924,692)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(321,692)</u>
Net change in fund balances	6,421	-	464,148
Fund balances, beginning	18,706	-	3,002,688
Fund balances, ending	<u>\$ 25,127</u>	<u>\$ -</u>	<u>\$ 3,466,836</u>