

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

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

**FOR THE YEAR ENDED
JUNE 30, 2018**

City of Sallisaw, Oklahoma
Annual Financial Statements
June 30, 2018

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City of Sallisaw, Oklahoma
Year Ended June 30, 2018
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, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 2,880,422	\$ 1,476,142	\$ 4,356,564
Investments	386,630	1,469,980	1,856,610
Receivables (net of allowance for uncollectible)	994,701	1,801,665	2,796,366
Inventory	8,648	-	8,648
Other assets	393,573	-	393,573
Restricted assets:			
Cash and cash equivalents	7,239	2,446,290	2,453,529
Investments	951,696	492,268	1,443,964
Capital assets (net of accumulated depreciation)	6,550,816	36,887,678	43,438,494
Total assets	<u>12,173,725</u>	<u>44,574,023</u>	<u>56,747,748</u>
Deferred outflows of resources			
Loss on refunding of debt	-	1,908,884	1,908,884
Deferred amounts related to pensions	1,797,833	347,013	2,144,846
Total deferred outflows of resources	<u>1,797,833</u>	<u>2,255,897</u>	<u>4,053,730</u>
Liabilities			
<u>Current liabilities</u>			
Accounts payable	738,933	902,719	1,641,652
Payroll liabilities	45,558	-	45,558
Due to other funds	305,995	(305,995)	-
Salary payable	43,902	26,569	70,471
Capital leases, current	198,339	-	198,339
Notes payable, current	-	259,634	259,634
Bonds payable, current	-	1,745,000	1,745,000
<u>Payable from restricted assets</u>			
Accrued interest payable	-	313,129	313,129
Customer deposits	-	664,327	664,327
<u>Long-term liabilities</u>			
Compensated absences	361,033	136,651	497,684
Capital lease obligation	213,375	-	213,375
Notes payable	-	3,309,937	3,309,937
Bonds payable	-	26,160,000	26,160,000
Landfill closure	-	2,303,132	2,303,132
Pension liability	3,754,534	895,878	4,650,412
Total liabilities	<u>5,661,669</u>	<u>36,410,981</u>	<u>42,072,650</u>
Deferred inflows of resources			
Deferred amounts related to pensions	1,455,954	328,174	1,784,128
Total deferred inflows of resources	<u>1,455,954</u>	<u>328,174</u>	<u>1,784,128</u>
Net position			
Net investment in capital assets	6,139,102	5,413,107	11,552,209
Restricted	2,774,243	2,300,754	5,074,997
Unrestricted	(2,059,410)	2,376,904	317,494
Total net position	<u>\$ 6,853,935</u>	<u>\$ 10,090,765</u>	<u>\$ 16,944,700</u>

City of Sallisaw, Oklahoma

Statement of Activities

Year Ended June 30, 2018

	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	\$ 2,660,364	\$ 63,508	\$ 21,664	\$ 1,960,797	\$ (614,395)	\$ -	\$ (614,395)
Public safety	3,471,562	459,001	221,771	42,341	(2,748,449)	-	(2,748,449)
Public works	1,440,250	169,097	75,754	-	(1,195,399)	-	(1,195,399)
Culture and recreation	943,191	50,527	-	245,776	(646,888)	-	(646,888)
Economic development	779,520	-	-	-	(779,520)	-	(779,520)
Total governmental activities	<u>9,294,887</u>	<u>742,133</u>	<u>319,189</u>	<u>2,248,914</u>	<u>(5,984,651)</u>	<u>-</u>	<u>(5,984,651)</u>
Business-type activities:							
Administration	1,820,286	160,839	-	-	-	(1,659,447)	(1,659,447)
Electric	7,845,387	10,217,338	-	-	-	2,371,951	2,371,951
Water	1,480,771	1,876,806	-	-	-	396,035	396,035
Wastewater	884,110	802,005	-	-	-	(82,105)	(82,105)
Landfill	1,326,312	1,400,682	-	-	-	74,370	74,370
Sanitation	511,979	1,164,849	-	-	-	652,870	652,870
Telecommunications	2,542,082	2,977,207	-	-	-	435,125	435,125
Total business-type activities	<u>16,410,927</u>	<u>18,599,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,188,799</u>	<u>2,188,799</u>
Total primary government	<u>\$ 25,705,814</u>	<u>\$ 19,341,859</u>	<u>\$ 319,189</u>	<u>\$ 2,248,914</u>	<u>\$ (5,984,651)</u>	<u>\$ 2,188,799</u>	<u>\$ (3,795,852)</u>
General revenues:							
Sales tax					2,728,695	2,728,694	5,457,389
Other taxes					384,700	304,024	688,724
Interest income					18,282	35,111	53,393
Miscellaneous					468,918	53,258	522,176
Gain (loss) on disposition of assets					-	-	-
Change in pension obligation					227,251	-	227,251
Transfers - internal activity					3,029,836	(3,029,836)	-
Transfer to other governments					(682,174)	-	(682,174)
Total general revenues and transfers					<u>6,175,508</u>	<u>91,251</u>	<u>6,266,759</u>
Change in net position					190,857	2,280,050	2,470,907
Net position, beginning					<u>6,663,078</u>	<u>7,810,715</u>	<u>14,473,793</u>
Net position, ending					<u>\$ 6,853,935</u>	<u>\$ 10,090,765</u>	<u>\$ 16,944,700</u>

City of Sallisaw, Oklahoma

Balance Sheet
Governmental Funds
June 30, 2018

	General	Oklahoma State Project Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 2,880,422	\$ 2,880,422
Investments	101,758	-	284,872	386,630
Restricted cash	7,239	-	-	7,239
Restricted investments	951,696	-	-	951,696
Receivables:				
Taxes	556,652	-	8,763	565,415
Grant	-	309,664	4,757	314,421
Municipal court fines	68,117	-	-	68,117
Accrued interest	746	-	208	954
Other, net of allowance	45,794	-	-	45,794
Due from other funds	221,399	-	71,191	292,590
Inventory	8,648	-	-	8,648
Prepaid assets	118,607	-	-	118,607
Other assets	274,966	-	-	274,966
Total assets	<u>\$ 2,355,622</u>	<u>\$ 309,664</u>	<u>\$ 3,250,213</u>	<u>\$ 5,915,499</u>
Liabilities				
Accounts payable	\$ 326,272	\$ 355,156	\$ 49,186	\$ 730,614
Payroll liabilities	45,558	-	-	45,558
Salary payable	43,902	-	-	43,902
Capital lease, current obligation	-	-	198,339	198,339
Due to other funds	598,585	-	-	598,585
Court bonds payable	8,319	-	-	8,319
Total liabilities	<u>1,022,636</u>	<u>355,156</u>	<u>247,525</u>	<u>1,625,317</u>
Fund balance				
Nonspendable	8,648	-	-	8,648
Restricted	958,935	-	1,815,308	2,774,243
Committed	-	-	1,124,896	1,124,896
Assigned	-	-	62,484	62,484
Unassigned	365,403	(45,492)	-	319,911
Total fund balances	<u>1,332,986</u>	<u>(45,492)</u>	<u>3,002,688</u>	<u>4,290,182</u>
Total liabilities and fund balances	<u>\$ 2,355,622</u>	<u>\$ 309,664</u>	<u>\$ 3,250,213</u>	<u>\$ 5,915,499</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	1,456,321	
Capital assets	14,649,487	
Less: Accumulated depreciation	<u>(9,554,992)</u>	6,550,816

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

Capital lease obligations	(213,375)	
Compensated absences	(361,033)	
Net deferred outflows(inflows) on pension obligations	341,879	
Net pension (obligation)/asset	<u>(3,754,534)</u>	<u>(3,987,063)</u>

Net position of governmental activities \$ 6,853,935

City of Sallisaw, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2018

	<u>General</u>	<u>Oklahoma State Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Sales tax	\$ 2,046,521	\$ -	\$ 682,174	\$ 2,728,695
Other taxes	292,822	-	91,878	384,700
Licenses and permits	27,508	-	-	27,508
Intergovernmental	15,498	1,939,797	611,756	2,567,051
Fines and forfeitures	410,033	-	44,631	454,664
Charges for services	239,061	-	-	239,061
Rental	10,280	-	13,100	23,380
Donations	-	-	1,050	1,050
Other	458,576	-	7,864	466,440
Interest	13,092	-	5,190	18,282
Total revenues	<u>3,513,391</u>	<u>1,939,797</u>	<u>1,457,643</u>	<u>6,910,831</u>
Expenditures				
General government	2,526,585	-	-	2,526,585
Public safety	2,878,857	-	415,362	3,294,219
Public works	814,891	343,918	69,575	1,228,384
Culture and recreation	875,649	-	9,306	884,955
Economic development	588,547	-	-	588,547
Debt service:				
Principal	-	-	215,344	215,344
Interest	-	-	8,375	8,375
Capital outlay	358,452	-	271,709	630,161
Total expenditures	<u>8,042,981</u>	<u>343,918</u>	<u>989,671</u>	<u>9,376,570</u>
Excess of revenues over (under) expenditures	(4,529,590)	1,595,879	467,972	(2,465,739)
Other financing sources (uses)				
Proceeds from capital lease obligations	-	-	416,700	416,700
Transfers in	8,176,081	-	1,135,000	9,311,081
Transfers out	(3,434,105)	(1,729,443)	(1,117,697)	(6,281,245)
Transfer to other governments	(682,174)	-	-	(682,174)
Total other financing sources (uses)	<u>4,059,802</u>	<u>(1,729,443)</u>	<u>434,003</u>	<u>2,764,362</u>
Net change in fund balances	(469,788)	(133,564)	901,975	298,623
Fund balances, beginning	1,802,774	88,072	2,100,713	3,991,559
Prior period adjustment	-	-	-	-
Fund balances, ending	<u>\$ 1,332,986</u>	<u>\$ (45,492)</u>	<u>\$ 3,002,688</u>	<u>\$ 4,290,182</u>

City of Sallisaw, Oklahoma
 Reconciliation of Governmental Funds and Government-Wide
 Financial Statements
 Year Ended June 30, 2018

Net change in fund balances - total governmental funds	\$	298,623
<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		630,161
Depreciation expense		(657,084)
<p>In the statement of activities, the loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net position differs from the change in fund balance by the cost of the assets disposed, net of related accumulated depreciation.</p>		
		-
<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>		
		227,251
<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		(416,700)
Capital lease principal payments		215,344
<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		(106,738)
Change in net position of governmental activities	\$	<u>190,857</u>

City of Sallisaw, Oklahoma

Statement of Net Position

Proprietary Funds

June 30, 2018

	Enterprise Funds		
	Sallisaw Municipal Authority	Sallisaw Economic Authority	Total
Assets			
Cash and cash equivalents	\$ 1,468,426	\$ 7,716	\$ 1,476,142
Investments	1,469,980	-	1,469,980
Receivables:			
Accounts (net of allowance for uncollectible)	1,800,307	-	1,800,307
Accrued interest	1,358	-	1,358
Due from other funds	589,834	-	589,834
Restricted assets:			
Cash and cash equivalents	2,446,290	-	2,446,290
Investments	492,268	-	492,268
Capital assets (net of accumulated depreciation)	36,887,678	-	36,887,678
Total assets	45,156,141	7,716	45,163,857
Deferred outflows of resources			
Loss on refunding of debt	1,908,884	-	1,908,884
Deferred amounts related to pensions	347,013	-	347,013
Total deferred outflows of resources	2,255,897	-	2,255,897
Liabilities			
Accounts payable	902,719	-	902,719
Salary payable	26,569	-	26,569
Notes payable, current	259,634	-	259,634
Bonds payable, current	1,745,000	-	1,745,000
Payable from restricted assets:			
Accrued interest payable	313,129	-	313,129
Customer deposits	664,327	-	664,327
Due to other funds	283,839	-	283,839
Noncurrent liabilities:			
Compensated absences	136,651	-	136,651
Notes payable	3,309,937	-	3,309,937
Bonds payable	26,160,000	-	26,160,000
Landfill closure	2,303,132	-	2,303,132
Pension obligation	895,878	-	895,878
Total liabilities	37,000,815	-	37,000,815
Deferred inflows of resources			
Deferred amounts related to pensions	328,174	-	328,174
Net position			
Net investment in capital assets	5,413,107	-	5,413,107
Restricted:			
Debt service	2,300,754	-	2,300,754
Unrestricted	2,369,188	7,716	2,376,904
Total net position	\$ 10,083,049	\$ 7,716	\$ 10,090,765

City of Sallisaw, Oklahoma

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds Year Ended June 30, 2018

	Enterprise funds		Totals
	Sallisaw Municipal Authority	Sallisaw Economic Authority	
Operating revenues			
Charges for services:			
Electric	\$ 10,217,338	\$ -	\$ 10,217,338
Water	1,876,806	-	1,876,806
Wastewater	802,005	-	802,005
Landfill	1,400,682	-	1,400,682
Sanitation	1,164,849	-	1,164,849
Telecommunications	2,977,207	-	2,977,207
Other	160,839	-	160,839
Total operating revenues	18,599,726	-	18,599,726
Operating expenses			
Administration	71,051	-	71,051
Electric	7,710,114	-	7,710,114
Water	674,419	-	674,419
Wastewater	597,330	-	597,330
Landfill	959,930	-	959,930
Sanitation	459,486	-	459,486
Telecommunications	2,247,332	-	2,247,332
Depreciation	2,147,367	-	2,147,367
Bad debt expense	233,308	-	233,308
Total operating expenses	15,100,337	-	15,100,337
Total operating income (loss)	3,499,389	-	3,499,389
Nonoperating revenues (expenses)			
Sales tax	2,728,694	-	2,728,694
Other taxes	304,024	-	304,024
Miscellaneous revenues	53,258	-	53,258
Interest income	35,111	-	35,111
Gain (loss) on disposal of assets	-	-	-
Interest expense and fiscal charges	(1,310,590)	-	(1,310,590)
Payments to hospital	-	-	-
Total nonoperating revenues (expenses)	1,810,497	-	1,810,497
Operating transfers			
Transfers in	5,619,188	-	5,619,188
Transfers (out)	(8,649,024)	-	(8,649,024)
Total operating transfers	(3,029,836)	-	(3,029,836)
Net income (loss)	2,280,050	-	2,280,050
Net position, beginning	7,802,999	7,716	7,810,715
Net position, ending	\$ 10,083,049	\$ 7,716	\$ 10,090,765

City of Sallisaw, Oklahoma

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2018

	Enterprise Funds		
	Sallisaw Municipal Authority	Sallisaw Economic Authority	Total
<u>Cash flows from operating activities:</u>			
Receipts from customers	\$ 18,854,267	\$ -	\$ 18,854,267
Payments to suppliers	(10,190,078)	-	(10,190,078)
Payments to employees	(2,472,961)	-	(2,472,961)
Net cash provided (used) by operating activities	6,191,228	-	6,191,228
<u>Cash flows from non-capital financing activities:</u>			
Transfers from other funds	5,619,188	-	5,619,188
Transfers to other funds	(8,649,024)	-	(8,649,024)
Intergovernmental revenues	3,032,718	-	3,032,718
Net cash provided (used) by non-capital financing activities	2,882	-	2,882
<u>Cash flows from capital and related financing activities:</u>			
Purchase of capital assets	(2,643,357)	-	(2,643,357)
Capital grants and contributions	53,258	-	53,258
Principal paid on capital debt	(1,957,325)	-	(1,957,325)
Interest paid on capital debt	(1,298,284)	-	(1,298,284)
Net cash provided (used) by capital and related financing activities	(5,845,708)	-	(5,845,708)
<u>Cash flows from investing activities:</u>			
Purchase of investments	-	-	-
Investment income	35,111	-	35,111
Net cash provided (used) by investing activities	35,111	-	35,111
Net increase (decrease) in cash and cash equivalents	383,513	-	383,513
Cash & cash equivalents, June 30, 2017	2,554,893	7,716	2,562,609
Cash & cash equivalents, June 30, 2018	\$ 2,938,406	\$ 7,716	\$ 2,946,122
Cash, including time deposits	\$ 1,468,426	\$ 7,716	\$ 1,476,142
Restricted cash, including time deposits	1,469,980	-	1,469,980
Total cash and cash equivalents, end of year	\$ 2,938,406	\$ 7,716	\$ 2,946,122
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</u>			
Operating income (loss)	\$ 3,499,389	\$ -	\$ 3,499,389
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,147,367	-	2,147,367
Bad debt	233,308	-	233,308
Changes in assets and liabilities:			
(Increase) decrease in receivables	254,541	-	254,541
Increase (decrease) in accounts payable	128,481	-	128,481
Increase (decrease) in payroll liabilities	(249,490)	-	(249,490)
Increase (decrease) in other liabilities	177,632	-	177,632
Total adjustments	2,691,839	-	2,691,839
Net cash provided (used) by operating activities	\$ 6,191,228	\$ -	\$ 6,191,228

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, 2018

	Budget	Revisions	Revised Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES					
Sales tax	\$ 5,408,000	\$ -	\$ 5,408,000	\$ 5,457,389	\$ 49,389
Other taxes	596,000	-	596,000	292,822	(303,178)
Licenses and permits	23,000	-	23,000	27,508	4,508
Intergovernmental	-	-	-	15,498	15,498
Fines and forfeitures	321,700	-	321,700	410,033	88,333
Charges for services	52,000	-	52,000	239,061	187,061
Rental	10,000	-	10,000	10,280	280
Other	369,050	-	369,050	458,576	89,526
Interest	900	-	900	13,092	12,192
Total revenues	6,780,650	-	6,780,650	6,924,259	143,609
EXPENDITURES					
<u>General government:</u>					
Administration	1,361,711	(75,416)	1,286,295	1,233,633	52,662
Customer Service	470,343	-	470,343	426,927	43,416
Fleet Maintenance	167,551	10,175	177,726	173,089	4,637
Information services	155,417	(23,423)	131,994	116,373	15,621
Finance	586,294	(12,079)	574,215	550,931	23,284
General sundry	66,500	83,603	150,103	159,711	(9,608)
<u>Public safety:</u>					
Police	1,718,063	43,125	1,761,188	1,735,541	25,647
Police Auxillary	477,681	(27,411)	450,270	422,770	27,500
Animal Welfare	165,918	3,438	169,356	136,410	32,946
Municipal Court	65,113	1,363	66,476	60,830	5,646
Fire	452,008	(4,925)	447,083	415,322	31,761
<u>Public works:</u>					
Streets	673,045	12,674	685,719	649,457	36,262
Sanitation	481,107	(53,819)	427,288	459,486	(32,198)
Landfill	606,593	94,798	701,391	706,464	(5,073)
Electric	848,921	(37,848)	811,073	709,491	101,582
Telecommunications	668,999	7,333	676,332	668,582	7,750
Water production	524,847	(29,766)	495,081	461,093	33,988
Water distribution	249,568	22,371	271,939	214,064	57,875
Wastewater collection	221,468	11,846	233,314	213,047	20,267
Wastewater treatment	440,748	6,037	446,785	383,545	63,240
<u>Culture and recreation:</u>					
Airport	154,517	1,279	155,796	127,879	27,917
Parks	743,113	(29,693)	713,420	690,518	22,902
Swimming Pool	72,677	(11,249)	61,428	51,102	10,326
Cemetery	14,347	502	14,849	7,064	7,785
<u>Economic Development:</u>					
Building development	643,568	7,085	650,653	588,562	62,091
Total expenditures	12,030,117	-	12,030,117	11,361,891	668,226
Revenue over (under) expenditures	(5,249,467)	-	(5,249,467)	(4,437,632)	(524,617)
OTHER FINANCING SOURCES (USES)					
Operating transfers in/(out)	5,249,467	-	5,249,467	4,059,802	(1,189,665)
Balance forward	-	-	-	-	-
Net other financing sources (uses)	5,249,467	-	5,249,467	4,059,802	(1,189,665)
Revenues and other financing sources over (under) expenditures and other uses	-	-	-	(377,830)	(1,714,282)
Fund balance at beginning of year (Non-GAAP budgetary basis)				1,953,799	
Fund balance at end of year (Non-GAAP budgetary basis)				<u>\$ 1,575,969</u>	
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES					
Revenue and transfer accruals				(242,983)	
Fund balance at end of year (GAAP basis)				<u>\$ 1,332,986</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, 2018

	<u>Budget</u>	<u>Revisions</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,939,797	\$ 1,939,797
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,939,797</u>	<u>1,939,797</u>
EXPENDITURES					
Construction	-	-	-	343,918	(343,918)
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>343,918</u>	<u>(343,918)</u>
Revenue over (under) expenditures	-	-	-	1,595,879	2,283,715
OTHER FINANCING SOURCES (USES)					
Operating transfers in/(out)	-	-	-	(1,729,443)	(1,729,443)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,729,443)</u>	<u>(1,729,443)</u>
Revenues and other financing sources over (under) expenditures and other uses	-	-	-	(133,564)	554,272
Fund balance at beginning of year (Non-GAAP budgetary basis)				<u>88,072</u>	
Fund balance at end of year (Non-GAAP budgetary basis)				<u>\$ (45,492)</u>	
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES					
Revenue and transfer accruals				-	
Fund balance at end of year (GAAP basis)				<u>\$ (45,492)</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

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>
Total pension liability				
Service cost	\$ 366,952	\$ 408,732	\$ 425,998	\$ 412,468
Interest	1,223,894	1,250,385	1,291,059	1,304,887
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	(227,314)	(559,807)	(174,613)
Changes in assumptions	-	-	-	210,427
Benefit payments, including refunds of employee contributions	(904,499)	(858,806)	(956,975)	(1,001,518)
Net change in total pension liability	<u>686,347</u>	<u>572,997</u>	<u>200,275</u>	<u>751,651</u>
Total pension liability - beginning	<u>15,869,042</u>	<u>16,555,389</u>	<u>17,128,386</u>	<u>17,328,661</u>
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>
Plan fiduciary net position				
Contributions - employer	593,615	623,077	640,405	604,182
Contributions - employee	228,564	248,235	251,139	259,627
Net investment income	1,805,094	356,175	116,710	1,610,821
Benefit payments, including refunds of employee contributions	(904,499)	(858,806)	(956,975)	(1,001,518)
Administrative expense	(26,721)	(26,404)	(25,775)	(28,185)
Other	-	-	-	-
Net change in plan fiduciary net position	<u>1,696,053</u>	<u>342,277</u>	<u>25,504</u>	<u>1,444,927</u>
Plan fiduciary net position - beginning	<u>11,043,455</u>	<u>12,739,508</u>	<u>13,081,785</u>	<u>13,107,289</u>
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>
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>
Plan fiduciary net position as a percentage of the total pension liability	76.95%	76.37%	75.64%	80.49%
Covered-employee payroll	\$ 3,329,223	\$ 3,503,183	\$ 3,564,633	\$ 3,511,459
City's net pension liability as a percentage of covered-employee payroll	114.62%	115.51%	118.42%	100.47%

* 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

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

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, 2018

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

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

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

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

	<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>	<u>Police Department Fund</u>	<u>Sallisaw NOW PFS Grant</u>	<u>Police Drug Fund</u>
Assets								
Cash and cash equivalents	\$ 245,523	\$ 5,432	\$ 45	\$ 237,736	\$ 37,604	\$ 17,099	\$ 4,463	\$ 38,883
Investments	-	-	86,084	-	-	-	-	-
Receivables:								
Taxes	6,414	-	-	-	2,349	-	-	-
Grants	-	-	-	-	-	-	-	-
Accrued interest	-	-	63	-	-	-	-	-
Due from other funds	-	-	-	8,751	-	-	-	-
Total assets	<u>\$ 251,937</u>	<u>\$ 5,432</u>	<u>\$ 86,192</u>	<u>\$ 246,487</u>	<u>\$ 39,953</u>	<u>\$ 17,099</u>	<u>\$ 4,463</u>	<u>\$ 38,883</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>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	251,937	-	86,192	-	-	-	4,463	-
Committed	-	-	-	246,487	-	-	-	38,883
Assigned	-	5,432	-	-	39,953	17,099	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	<u>251,937</u>	<u>5,432</u>	<u>86,192</u>	<u>246,487</u>	<u>39,953</u>	<u>17,099</u>	<u>4,463</u>	<u>38,883</u>
Total liabilities and fund balance	<u>\$ 251,937</u>	<u>\$ 5,432</u>	<u>\$ 86,192</u>	<u>\$ 246,487</u>	<u>\$ 39,953</u>	<u>\$ 17,099</u>	<u>\$ 4,463</u>	<u>\$ 38,883</u>

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Sallisaw NOW	Department of Justice Grants	Sallisaw NOW DFC Grant	Capital Improvements Fund	Cemetery Fund	Infrastructure Improvements Fund	FAA Grant
Assets							
Cash and cash equivalents	\$ 4,000	\$ (4,891)	\$ 3,780	\$ 1,233,150	\$ 120,026	\$ 876,378	\$ 26,245
Investments	-	-	-	-	198,788	-	-
Receivables:							
Taxes	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	145	-	-
Due from other funds	-	-	-	62,440	-	-	-
Total assets	<u>\$ 4,000</u>	<u>\$ (4,891)</u>	<u>\$ 3,780</u>	<u>\$ 1,295,590</u>	<u>\$ 318,959</u>	<u>\$ 876,378</u>	<u>\$ 26,245</u>
Liabilities							
Accounts payable	-	1,730	1,004	6,300	-	36,852	3,300
Current portion of capital leases	-	-	-	198,339	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,730</u>	<u>1,004</u>	<u>204,639</u>	<u>-</u>	<u>36,852</u>	<u>3,300</u>
Fund balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted	4,000	(6,621)	2,776	1,090,951	318,959	-	22,945
Committed	-	-	-	-	-	839,526	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>4,000</u>	<u>(6,621)</u>	<u>2,776</u>	<u>1,090,951</u>	<u>318,959</u>	<u>839,526</u>	<u>22,945</u>
Total liabilities and fund balance	<u>\$ 4,000</u>	<u>\$ (4,891)</u>	<u>\$ 3,780</u>	<u>\$ 1,295,590</u>	<u>\$ 318,959</u>	<u>\$ 876,378</u>	<u>\$ 26,245</u>

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	CDBG Fund	Police Technology Fund	USDA Grant Fund	COPS Grant	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 21,000	\$ 18,706	\$ -	\$ (4,757)	\$ 2,880,422
Investments	-	-	-	-	284,872
Receivables:					
Taxes	-	-	-	-	8,763
Grants	-	-	-	4,757	4,757
Accrued interest	-	-	-	-	208
Due from other funds	-	-	-	-	71,191
Total assets	<u>\$ 21,000</u>	<u>\$ 18,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,250,213</u>
Liabilities					
Accounts payable	-	-	-	-	49,186
Current portion of capital leases	-	-	-	-	198,339
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,525</u>
Fund balance:					
Nonspendable	-	-	-	-	-
Restricted	21,000	18,706	-	-	1,815,308
Committed	-	-	-	-	1,124,896
Assigned	-	-	-	-	62,484
Unassigned	-	-	-	-	-
Total fund balance	<u>21,000</u>	<u>18,706</u>	<u>-</u>	<u>-</u>	<u>3,002,688</u>
Total liabilities and fund balance	<u>\$ 21,000</u>	<u>\$ 18,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,250,213</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
June 30, 2018

	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	\$ 75,753	\$ -	\$ -	\$ -	\$ 40,223	\$ 5,800	\$ 59,871	\$ 6,166	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-
Hotel tax	-	-	-	91,878	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	1,000	-	-	-	-
Interest	-	-	924	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	7,393	-	-
Proceeds from debt issuance	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 75,753</u>	<u>\$ -</u>	<u>\$ 924</u>	<u>\$ 91,878</u>	<u>\$ 41,223</u>	<u>\$ 5,800</u>	<u>\$ 67,264</u>	<u>\$ 6,166</u>	<u>\$ -</u>
Expenditures									
Public safety	-	-	-	-	38	2,986	77,312	-	-
Public works	-	-	-	14,417	-	-	-	-	-
Culture and recreation	-	6,006	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>6,006</u>	<u>-</u>	<u>14,417</u>	<u>38</u>	<u>2,986</u>	<u>77,312</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	75,753	(6,006)	924	77,461	41,185	2,814	(10,048)	6,166	-
Other financing sources (uses)									
Proceeds from debt issuance	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	(99,978)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99,978)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	75,753	(6,006)	924	77,461	(58,793)	2,814	(10,048)	6,166	-
Fund balances, beginning	176,184	11,438	85,268	169,026	98,746	14,285	14,511	32,717	4,000
Fund balances, ending	<u>\$ 251,937</u>	<u>\$ 5,432</u>	<u>\$ 86,192</u>	<u>\$ 246,487</u>	<u>\$ 39,953</u>	<u>\$ 17,099</u>	<u>\$ 4,463</u>	<u>\$ 38,883</u>	<u>\$ 4,000</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
June 30, 2018

	Department of Justice Grants	Sallisaw NOW DFC Grant	Capital Improvements Fund	Cemetery Fund	Infrastructure Improvements Fund	FAA Grant	CDBG Fund
Revenues							
Intergovernmental	\$ -	\$ 114,826	\$ -	\$ -	\$ -	\$ 245,776	\$ 21,000
Sales Tax	-	-	682,174	-	-	-	-
Hotel tax	-	-	-	-	-	-	-
Charges for services	-	-	-	20,900	-	-	-
Rental income	-	-	-	13,100	-	-	-
Donations	-	-	-	50	-	-	-
Interest	-	-	967	2,316	983	-	-
Miscellaneous income	-	121	-	350	-	-	-
Proceeds from debt issuance	-	-	416,700	-	-	-	-
Total Revenues	\$ -	\$ 114,947	\$ 1,099,841	\$ 36,716	\$ 983	\$ 245,776	\$ 21,000
Expenditures							
Public safety	1,730	112,171	144,110	-	-	-	-
Public works	-	-	-	2,306	31,852	-	21,000
Culture and recreation	-	-	-	-	-	3,300	-
Debt service:							
Principal	-	-	215,344	-	-	-	-
Interest	-	-	8,375	-	-	-	-
Capital outlay	-	-	271,709	-	-	-	-
Total expenditures	1,730	112,171	639,538	2,306	31,852	3,300	21,000
Excess of revenues over (under) expenditures	(1,730)	2,776	460,303	34,410	(30,869)	242,476	-
Other financing sources (uses)							
Proceeds from debt issuance	-	-	-	-	-	-	-
Transfers in	-	-	500,000	-	635,000	-	-
Transfers (out)	(9,280)	-	(542,784)	(11,516)	(224,463)	(229,676)	-
Total other financing sources (uses)	(9,280)	-	(42,784)	(11,516)	410,537	(229,676)	-
Net change in fund balances	(11,010)	2,776	417,519	22,894	379,668	12,800	-
Fund balances, beginning	4,389	-	673,432	296,065	459,858	10,145	21,000
Fund balances, ending	\$ (6,621)	\$ 2,776	\$ 1,090,951	\$ 318,959	\$ 839,526	\$ 22,945	\$ 21,000

See accompanying notes to the financial statements.

City of Sallisaw, Oklahoma
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2018

	Police Technology Fund	USDA Grant Fund	COPS Grant	Total Governmental Funds
Revenues				
Intergovernmental	\$ -	\$ -	\$ 42,341	\$ 611,756
Sales Tax	-	-	-	682,174
Hotel tax	-	-	-	91,878
Charges for services	23,731	-	-	44,631
Rental income	-	-	-	13,100
Donations	-	-	-	1,050
Interest	-	-	-	5,190
Miscellaneous income	-	-	-	7,864
Proceeds from debt issuance	-	-	-	416,700
Total Revenues	<u>\$ 23,731</u>	<u>\$ -</u>	<u>\$ 42,341</u>	<u>\$ 1,874,343</u>
Expenditures				
Public safety	34,674	-	42,341	415,362
Public works	-	-	-	69,575
Culture and recreation	-	-	-	9,306
Debt service:				
Principal	-	-	-	215,344
Interest	-	-	-	8,375
Capital outlay	-	-	-	271,709
Total expenditures	<u>34,674</u>	<u>-</u>	<u>42,341</u>	<u>989,671</u>
Excess of revenues over (under) expenditures	(10,943)	-	-	884,672
Other financing sources (uses)				
Proceeds from debt issuance	-	-	-	-
Transfers in	-	-	-	1,135,000
Transfers (out)	-	-	-	(1,117,697)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,303</u>
Net change in fund balances	(10,943)	-	-	901,975
Fund balances, beginning	29,649	-	-	2,100,713
Fund balances, ending	<u>\$ 18,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,002,688</u>