

**CITY OF
SHAWNEE
OKLAHOMA**

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

**FOR THE
FISCAL
YEAR
ENDED
JUNE 30,
1997**



City of Shawnee, Oklahoma

Comprehensive Annual Financial Report

For the Fiscal Year ended June 30, 1997

Prepared by:

Office of the City Treasurer

City of Shawnee, Oklahoma
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 1997

TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents	1 - 4
Letter of Transmittal	5 - 13
City Organizational Chart	15
Municipal Officials	16

FINANCIAL SECTION

Independent Auditors Report	19 - 20
Combined Balance Sheet - All Fund Types and Account Groups	22 - 25
Combined Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non - GAAP Budgetary Basis) - General, Debt Service, Special Revenue and Capital Projects Funds	26 - 27
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types and Expendable Trust Funds	28
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	29
Combined Statement of Cash Flows - All Proprietary Fund Types	30 - 31
Notes to Financial Statements	32 - 62
Combining and Comparative Financial Statements - General Fund:	
Schedule of Departmental Revenue, Expenditures and Changes in Fund Balance - Budget to Actual (Non-GAAP Budgetary Basis)	66 - 72
Special Revenue Funds:	
Combining Balance Sheet	74 - 75
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	76 - 77
Schedule of Departmental Revenue, Expenditures and Changes in Fund Balance - Budget to Actual (Non-GAAP Budgetary Basis)	78 - 92

City of Shawnee, Oklahoma
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 1997

TABLE OF CONTENTS (Continued)

FINANCIAL SECTION (Continued)

Debt Service Fund:

Schedule of Departmental Revenue, Expenditures and Changes in Fund Balance - Budget to Actual (Non-GAAP Budgetary Basis)	94
--	----

Capital Projects Funds:

Combining Balance Sheet	96
Combining Statements Of Revenues, Expenditures and Changes in Fund Balance	97
Schedule of Departmental Revenue, Expenditures and Changes in Fund Balance - Budget to Actual (Non-GAAP Budgetary Basis)	98 - 100

Enterprise Funds:

Combining Balance Sheet	102 - 103
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	104
Combining Statement of Cash Flows	105 - 106

Internal Service Funds:

Combining Balance Sheet	108
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	109
Combining Statement of Cash Flows	110 - 111

Trust and Agency Funds:

Combining Balance Sheet	114 - 115
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	116
Statement of Changes in Assets & Liabilities - Agency Funds	117 - 119

STATISTICAL SECTION

General Government Revenues by Source - Last Ten Fiscal Years	122
General Government Expenditures by Function - Last Ten Fiscal Years	123
Property Tax Levies and Collections Last Ten Fiscal Years	124

City of Shawnee, Oklahoma
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 1997

TABLE OF CONTENTS (Continued)

STATISTICAL SECTION (Continued)

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures - Last Ten Fiscal Years	125
Assessed Value of Taxable Property - Last Ten Fiscal Years	126
Property Tax Rates - All Direct and Overlapping Governments - Last Ten Fiscal Years	127
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Fiscal Years	128
Computation of Legal Debt Margin - June 30, 1997	129
Shawnee Municipal Authority - Revenue Bond Coverage - Last Ten Fiscal Years	130
Computation of Direct and Overlapping Bonded Debt - Last Ten Fiscal Years	131
Construction and Bank Deposits - Last 10 Years	132
Miscellaneous Information	133 - 134

SINGLE AUDIT SECTION

Report on compliance and on internal control over financial reporting based on an audit of financial statements - performed in accordance with <i>Governmental Auditing Standards</i>	137 - 138
Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with <i>OMB Circular A-133</i>	139 - 140
Schedule of Audit Results, Findings and Questioned Costs	141 - 142
Schedule of Expenditures of Federal Awards - GAAP Basis For the Fiscal Year Ending June 30, 1997	143

MAYOR
CHRIS HARDEN

THE CITY OF SHAWNEE

P. O. BOX 1448
SHAWNEE, OKLAHOMA 74802-1448
(405) 273-1250
FAX (405) 878-1581

COMMISSIONERS
GEORGE D. SNIDER
RONALD A. GILLHAM SR.
CARL E. YOUNG
ARNOLD DAVIS
R. J. "BOB" DOWNING

December 30, 1997

Honorable Mayor and City Commission
City of Shawnee
Shawnee, Oklahoma

The comprehensive annual financial report of the City of Shawnee, Oklahoma, for the fiscal year ended June 30, 1997, is hereby submitted in accordance with the requirements of the City Charter and Oklahoma State Statutes. City management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. We believe the information, as presented, is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds, accounts groups, and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

The comprehensive annual financial report is composed of the following four sections:

The Introductory Section, which is unaudited, includes this transmittal letter, the City's organizational chart, and a list of the City's elected and appointed officials.

The Financial Section, which includes the general purpose financial statements, the combining financial statements, and the independent auditor's report on these financial statements.

The Statistical Section, which is unaudited, includes selected financial and demographic information about the City for the last ten years.

The Single Audit Section, which includes the schedule of federal financial assistance, and the independent auditor's reports on the internal control structure and compliance with applicable laws and regulations; all issued in conformity with the provisions of the Single Audit Act of 1996, "Government Auditing Standards" issued by the Comptroller General of the United States and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and non-profit organizations*.

Honorable Mayor and City Commission
December 30, 1997

The City's financial reporting entity includes all the funds and account groups of the primary government (i.e., the City of Shawnee as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Shawnee Municipal Authority (SMA), the Shawnee Airport Authority (SAA), and the Shawnee Civic and Cultural Development Authority (SCCDA) are included as enterprise funds in the financial section of this report.

The City provides a full range of municipal services which include police and fire protection; water, sewer, and sanitation services; construction and maintenance of streets and airport facilities; recreational and cultural activities; and general government functions.

GOVERNMENTAL STRUCTURE

The City has adopted a charter and operates under a Commission-Manager form of government. The City Commission is the governing body of the City. The Commission is comprised of the Mayor and six Commissioners. The City is divided into six wards with one commissioner from each ward. The members of the City Commission are also the trustees of the Shawnee Municipal Authority and Shawnee Airport Authority. The City Commission appoints the City Manager who is the chief executive officer of the City and is responsible to the City Commission for the administration of all City services.

ECONOMIC CONDITION AND OUTLOOK

The City is located in central Oklahoma approximately 30 miles east of Oklahoma City. The City was incorporated in 1894 and covers an area of 44 square miles. The population of the City is 26,017 based on the 1990 U. S. Census.

Fiscal Year 1996 - 1997 was an excellent year for economic growth in Shawnee. Retail sales increased approximately 7% during the year to \$333.4 million, and are expected to grow at a steady rate in the future.

During the past three years, a total of 787 new jobs have been created in the Shawnee area, and along with these jobs has come \$19.7 million of new payroll. The City is investing heavily to bring new businesses to the area, and expects a steady growth in new manufacturing and retail jobs in the future.

Honorable Mayor and City Commission
December 30, 1997

The economy in the City of Shawnee has grown at an average rate of approximately 5.4% per year for the last five years. The inflation rate for this same period has averaged approximately 2.5% per year.

MAJOR INITIATIVES

The City has a number of major initiatives in process or planned in the near future. The City is participating with a neighboring City and a public trust of the County in the construction of a new reservoir. The reservoir is owned by the County Trust, but the City (through the Shawnee Municipal Authority) has rights to 85% of the water produced from the reservoir. This lake will meet anticipated water demands for many years. The impoundment of water is now complete, and facilities are being constructed to make the lake ready for public use.

The Shawnee Municipal Authority is in the final stages of an expansion of one of its two wastewater treatment plants. The expansion will double the capacity of the plant. This project is expected to have a very positive impact on the long-term economic development of the City by enhancing the City's ability to attract industries.

The City's airport improvement project is near completion. This four year project includes the replacement of underground fuel storage tanks with new above ground tanks, enlarging and resurfacing parking aprons, extensions to the runways, and the installation of an instrument landing system. This project is being funded primarily from grant money received from the Federal Aviation Administration (90%) and the Oklahoma Aeronautics Commission (5%), with the remainder funded by the Shawnee Airport Authority.

The City is pursuing an aggressive street improvement program. This program is funded through the commitment of 50% of a dedicated one cent sales tax and the issuance of general obligation bonds. The program has been in place for ten years and many major streets have been replaced or improved.

FINANCIAL INFORMATION

The City's accounting records for general governmental operations (General, Special Revenue, Debt Service, and Capital Projects Funds) are reported on a modified accrual basis, with the revenues being recorded when measurable and available, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary funds (Enterprise and Internal Service Funds) are reported on the accrual basis.

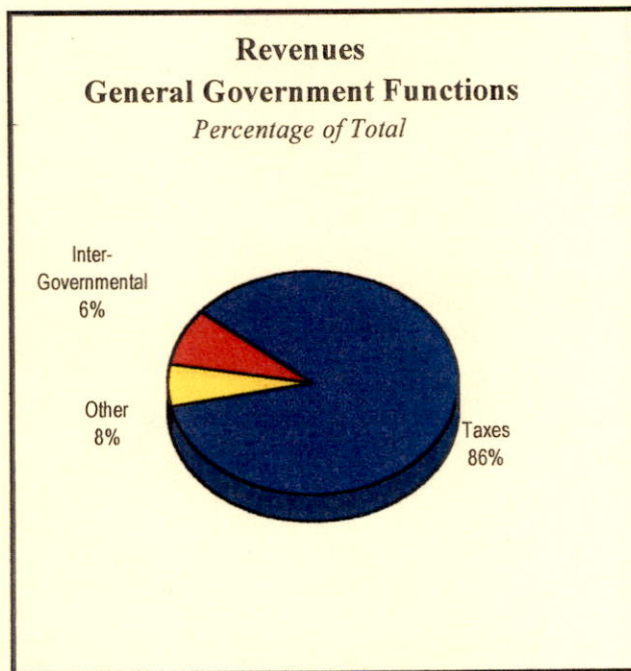
Honorable Mayor and City Commission
December 30, 1997

Internal Control System. Management is responsible for establishing and maintaining an internal control system. The internal control system is the policies and procedures developed by management, and the overall environment in which the City operates. An internal control system is designed to provide reasonable, but not absolute, assurance that the assets of the City are safeguarded against loss from unauthorized use or disposition, and to insure the integrity of the data collected by the accounting system. The concept of reasonable assurance recognizes that the cost of any element of the internal control structure should not exceed the benefit that is expected to be derived. Management believes that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgeting Controls. The administrative level of budgetary control is maintained at the character classification level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Open encumbrances are reported as a restrictions of fund balance at June 30, 1997.

General Government Functions. The following schedule presents a summary of general fund, special revenue funds, debt service fund, and capital projects funds revenues and expenditures for the fiscal year ended June 30, 1997 and the amount and percentage of increases and decreases in relation to prior year figures.

	Fiscal Year Ending June 30, 1997	Percent of Total	Increase (Decrease) from Prior Fiscal Year	Percent Increase (Decrease) from Prior Fiscal Year
Revenues:				
Taxes	\$ 12,319,454	85.63%	\$ 658,082	5.64%
Intergovernmental	867,301	6.03%	(305,303)	(26.04%)
Licenses & Permits	186,848	1.30%	70,938	61.20%
Fines & Forfeitures	261,097	1.81%	(20,592)	(7.31%)
Interest	308,025	2.14%	9,528	3.19%
Other	443,476	3.08%	21,419	5.07%
Total Revenues	<u>14,386,201</u>	<u>100.00%</u>	<u>434,072</u>	<u>3.11%</u>
Expenditures:				
General Government	1,672,375	12.36%	(66,980)	(3.85%)
Public Safety	5,333,152	39.43%	171,602	3.32%
Public Works	1,604,431	11.86%	492	0.03%
Cultural & Recreational	395,654	2.92%	13,854	3.63%
Urban Renewal & Housing	495,292	3.66%	(262,885)	(34.67%)
Economic Development	106,250	0.79%	(6,250)	(5.56%)
Capital Outlay	3,413,492	25.24%	1,277,339	59.80%
Debt Service	506,137	3.74%	(158,514)	(23.85%)
Total Expenditures	<u>\$ 13,526,783</u>	<u>100.00%</u>	<u>\$ 968,658</u>	<u>7.71%</u>

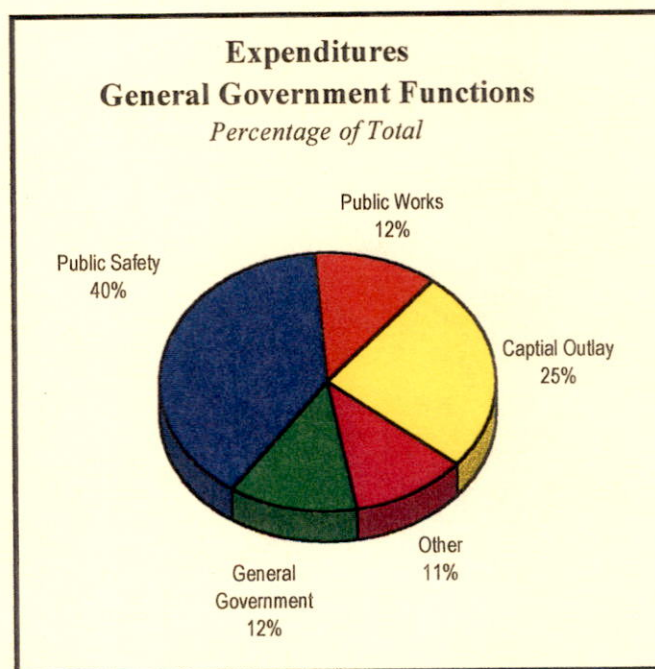


The city continues to enjoy a strong growth in sales tax. Sales tax revenues have increased by more than 5% each year for the past several years. As a result of the general improvement in the area economy, this trend is expected to

Intergovernmental revenues decreased during the due to a slowing of spending on infrastructure construction funded through federal grant programs

Expenditures for capital outlay increased sharply over the previous year due to a deferral of major street construction projects to the 1996-1997 fiscal year

Expenditures for housing and urban development decreased during the year due to a slowing of spending on infrastructure construction programs funded through federal grant programs. This decrease corresponds to the decrease in intergovernmental revenue.



Honorable Mayor and City Commission
December 30, 1997

General Fund Balance. The fund balance of the general fund increased by \$250,165 or 34% in the fiscal year ending June 30, 1997.

Enterprise Operations. The Shawnee Municipal Authority (SMA), Shawnee Airport Authority (SAA), and Shawnee Civic and Cultural Development Authority (SCCDA) are classified as Enterprise Funds for reporting purposes. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise where the purpose is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following table reflects revenues, expenses and results of operations for the Enterprise Funds for the year ended June 30, 1997.

Fund	Operating Revenue	Operating Expenses	Operating Income (Loss)	Net Non - Operating Revenues & Expenses	Net Operating Transfers In (Out)	Net Income (Loss)
SMA	\$6,200,760	\$ 4,790,576	\$ 1,410,184	\$ (1,099,282)	\$ 223,814	\$ 534,716
SAA	46,704	345,284	(298,580)	47,640	58,702	(192,238)
SCCDA	722,317	1,198,080	(475,763)	3,503	412,141	(60,119)
Total	<u>\$6,969,781</u>	<u>\$ 6,333,940</u>	<u>\$ 635,841</u>	<u>\$ (1,048,139)</u>	<u>\$ 694,657</u>	<u>\$ 282,359</u>

Debt Administration. The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens and investors. This data for the City at the end of the 1996 fiscal year was as follows:

	Amount	Ratio of debt to net assessed value	Debt per capita
Net Bonded Debt	\$ 1,605,181	2.08%	\$ 61.02

Honorable Mayor and City Commission
December 30, 1997

At June 30, 1997, the outstanding long-term debt (including current portion) to be funded by the City and its authorities was composed of:

	Type of Obligation	Amount Outstanding at June 30, 1997
City of Shawnee:	General Obligation Bonds	\$ 1,800,000
	Capital leases	674,279
	Compensated Absences	395,987
SMA:	Revenue Bonds & Notes	21,866,263
	Capital Loans	2,269,839
SAA:	Capital leases	13,369
SCCDA:	Capital leases	53,703
Total		<u>\$ 27,073,440</u>

General obligation bonds are serviced from property tax revenues. Revenue bonds and junior lien revenue notes are serviced by utility system revenues and from a one percent (1%) sales tax.

The City and SMA bonds and notes have the following ratings:

	Moody's	Standard & Poors
Limited Access Facilities Serial Bonds, Series 1994	A -	---
Limited Access Facilities Refunding Serial Bonds, Series 1994	A -	---
Utility Revenue Notes, Series 1993A	AAA	Aaa
Sales Tax & Utility Revenue Refunding Bonds, Series 1995	AAA	Aaa

The ratings listed for the Sales Tax and Utility Revenue Refunding Bonds, Series 1995 and the Utility Revenue Notes, Series 1993A are with AMBAC insurance.

The following table details accrual basis debt service requirements of the City and its authorities for the year ended June 30, 1997:

	Principal	Interest
General Obligation Bonds	\$ 245,000	\$ 109,610
Revenue Bonds & Notes	1,015,000	1,340,943
Capital Leases	159,010	38,141
Total	<u>\$ 1,419,010</u>	<u>\$ 1,488,694</u>

Honorable Mayor and City Commission
December 30, 1997

Cash Management. The City generally combines unrestricted cash for investment purposes. Cash temporarily idle during the year was invested in time deposits and U.S. Treasury securities. The City uses interest bearing NOW checking accounts and higher yielding money market accounts.

The total restricted, unrestricted and pooled cash and investment balances for the City including component units at June 30, 1997 were as follows:

City of Shawnee	\$ 7,226,290
SMA	4,135,619
SAA	145,916
SCCDA	<u>549,754</u>
Total	<u>\$ 12,057,579</u>

The City Treasurer/Finance Director is responsible for City investment activity.

Risk Management. The City is self-insured for workers compensation, unemployment compensation, and general liability coverage.

The municipal building and the public library are structures which if destroyed or heavily damaged, could not be replaced by the self-insurance fund without jeopardizing the integrity of the fund. In recognition of this risk exposure, the Shawnee City Commission authorized building and contents coverage for these facilities. Coverage is also maintained on the water utility facilities as required by the bond indenture.

The City has several policies and procedures regarding safety training of employees, hazardous material communications, accident reporting and investigation, and medical assistance. The City intends to limit their risk exposure through stringent enforcement of these policies.

Honorable Mayor and City Commission
December 30, 1997

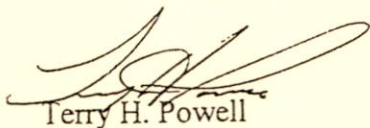
OTHER INFORMATION

Independent Audit. The Oklahoma State Statutes and City Charter require an annual audit by a certified public accountant or qualified independent public accountant. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB circular A-133 and "Government Auditing Standards" issued by the Comptroller General of the United States. The independent certified public accountants who performed the audit were selected by the City Commission.

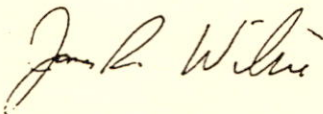
The independent auditor's report on the general purpose financial statements and combining financial statements is included in the financial section of this report. The independent auditor's reports related specifically to the Single Audit are included in the Single Audit Section.

Acknowledgments. The preparation of this report could not be accomplished without the dedicated services of the entire accounting department staff. In addition, thanks are extended to the members of the City Commission for their interest and support in strengthening and improving the fiscal policies of the City of Shawnee.

Respectfully submitted,



Terry H. Powell
City Manager



James R. Wilsie
Director of Budget and Financial Services



Bertha Ann Young
City Treasurer / Finance Director

Citizens of Shawnee

Mayor and Commissioners

**City
Attorney**

**Municipal
Judge**

**City
Manager**

**City
Treasurer**

**Advisory
Boards**

**Director of
Administration
and Public
Safety**

**Director of
Operations**

**Personnel
Director**

**Director of
Budget and
Financial
Services**

**Exposition
Center**

**Police
Department**

**Community
Development**

Engineering

Public Works

**Finance
Director**

**Municipal
Court**

**Fire
Department**

Patrol

**Code
Enforcement**

Streets

Airport

Prevention

CID

Planning

**Traffic
Control**

Parks

Suppression

Humane

CDBG

**Lake
Operations**

Cemetery

Training

Auxiliary

Action Center

**Water
Production**

**Wastewater
Treatment**

**Emergency
Management**

City Clerk

**Records and
Licenses**

Utility Billing

**Water
Distribution**

**Wastewater
Collection**

City of Shawnee, Oklahoma

Municipal Officials

June 30, 1997

City Commission

Chris Harden	Mayor
Robert J. Downing	Vice Mayor - Ward VI
George D. Snider	Ward I
Ronald A. Gillham, Sr.	Ward II
Carl E. Young	Ward III
Vacant	Ward IV
Arnold Davis	Ward V

Administration

Terry H. Powell	City Manager
Dallas Graham	Director of Operations
Hank Land	Director of Administration & Public Safety
James R. Wilsie	Director of Budget & Financial Services
Bertha Ann Young	City Treasurer / Finance Director
Robert Jones	Municipal Judge
Bill Tackett	Personnel Director
Diana Hallock	City Clerk
James Roberts	Fire Chief
Ken Etchieson	Exposition Center Manager
Bill Colclasure	Community Development Director
James Cole	Public Works Director
John Krywicki	City Engineer

Financial Section



MEMBER
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
OKLAHOMA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Commission
City of Shawnee
Shawnee, Oklahoma 74801

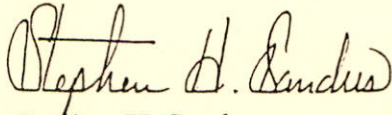
I have audited the accompanying general purpose financial statements of the City of Shawnee, Oklahoma, as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Shawnee, Oklahoma's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Shawnee, Oklahoma, as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 29, 1997, on my consideration of City of Shawnee, Oklahoma's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of City of Shawnee, Oklahoma, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

A handwritten signature in dark ink, reading "Stephen H. Sanders". The signature is written in a cursive style with a large, stylized 'S' at the beginning.

Stephen H. Sanders
Certified Public Accountant, Inc

December 29, 1997

General Purpose Financial Statements

City of Shawnee, Oklahoma
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1997

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
ASSETS AND OTHER DEBITS				
Investment in treasury fund	\$ 988,091	\$ 339,021	\$ 194,654	\$ 4,437,051
Cash on hand	12,670	—	—	—
Cash held in treasury	—	—	—	—
Investments held in treasury	—	—	—	—
Receivables:				
Accounts receivable (net of allowance for uncollectable accounts of \$78,584)	—	—	—	—
Accrued interest & other receivables	4,097	288	165	2,664
Notes receivable - current	—	—	—	—
Due from other governments	—	74,980	—	—
Due from other funds	73,769	—	—	—
Sales tax receivable	600,488	14,327	—	272,222
Other receivable	—	—	—	—
Restricted assets:				
Cash and investments	—	—	—	—
Accrued interest receivable	—	—	—	—
Property, plant and equipment (net)	—	—	—	—
Bond issuance costs	—	—	—	—
Water rights contract	—	—	—	—
OTHER DEBITS:				
Amount available in debt service fund	—	—	—	—
Amount to be provided for retirement of general long-term debt	—	—	—	—
 TOTAL ASSETS AND OTHER DEBITS	 <u>\$ 1,679,115</u>	 <u>\$ 428,616</u>	 <u>\$ 194,819</u>	 <u>\$ 4,711,937</u>

See accompanying notes to financial statements

City of Shawnee, Oklahoma
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1997
(Continued)

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Long-Term Debt	General Fixed Assets	
\$ 2,274,060	\$ 533,644	\$ 721,159	\$ —	\$ —	\$ 9,487,680
150	—	—	—	—	12,820
—	—	3,392,188	—	—	3,392,188
—	—	6,095,492	—	—	6,095,492
948,896	—	—	—	—	948,896
1,354	485	260	—	—	9,313
—	—	96,021	—	—	96,021
—	—	—	—	—	74,980
1,468	241,000	—	—	—	316,237
—	—	—	—	—	887,037
16,285	—	—	—	—	16,285
2,557,079	—	—	—	—	2,557,079
93,936	—	—	—	—	93,936
33,994,677	—	—	—	14,059,736	48,054,413
10,015	—	—	—	—	10,015
16,916,119	—	—	—	—	16,916,119
—	—	—	194,819	—	194,819
—	—	—	2,675,447	—	2,675,447
<u>\$ 56,814,039</u>	<u>\$ 775,129</u>	<u>\$ 10,305,120</u>	<u>\$ 2,870,266</u>	<u>\$ 14,059,736</u>	<u>\$ 91,838,777</u>

See accompanying notes to financial statements

City of Shawnee, Oklahoma
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1997
(Continued)

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
LIABILITIES				
Accounts payable	\$ 81,354	\$ 11,111	\$ —	\$ 357,007
Accrued liabilities	159,169	—	—	—
Other liabilities	7,990	—	—	—
Accrual for compensated absences	202,059	—	—	—
Deposits	—	—	—	—
Deferred revenue - current	—	—	—	—
Obligation under capital lease - current	—	18,770	—	—
Payable from restricted assets:				
Accrued interest payable	—	—	—	—
Revenue bonds payable - current	—	—	—	—
Due to other funds	242,223	73,769	—	—
Obligation under capital lease - long-term	—	—	—	—
Revenue bonds payable - long-term	—	—	—	—
Amounts held in treasury	—	—	—	—
Amounts held in escrow	—	—	—	—
Due to utility customers	—	—	—	—
General obligation bonds payable	—	—	—	—
Claims and judgments payable	—	—	—	—
Total Liabilities	<u>692,795</u>	<u>103,650</u>	<u>—</u>	<u>357,007</u>
EQUITY AND OTHER CREDITS				
Contributed capital	—	—	—	—
Retained Earnings:				
Unreserved	—	—	—	—
Reserved	—	—	—	—
Investment in general fixed assets	—	—	—	—
Fund balance:				
Reserved	46,775	72,379	194,819	1,662,524
Unreserved	<u>939,545</u>	<u>252,587</u>	<u>—</u>	<u>2,692,406</u>
TOTAL EQUITY AND OTHER CREDITS	<u>986,320</u>	<u>324,966</u>	<u>194,819</u>	<u>4,354,930</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 1,679,115</u>	<u>\$ 428,616</u>	<u>\$ 194,819</u>	<u>\$ 4,711,937</u>

See accompanying notes to financial statements

City of Shawnee, Oklahoma
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1997
(Continued)

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Long-Term Debt	General Fixed Assets	
\$ 281,539	\$ 50,688	\$ 2,977	\$ —	\$ —	\$ 784,676
46,801	—	96,021	—	—	301,991
139,142	—	—	—	—	147,132
93,774	—	—	395,987	—	691,820
10,650	—	—	—	—	10,650
75,578	—	—	—	—	75,578
22,659	—	—	—	—	41,429
—	—	—	—	—	—
596,183	—	—	—	—	596,183
990,000	—	—	—	—	990,000
—	—	245	—	—	316,237
44,413	—	—	674,279	—	718,692
23,156,117	—	—	—	—	23,156,117
—	—	9,487,680	—	—	9,487,680
—	—	672	—	—	672
—	—	433,686	—	—	433,686
—	—	—	1,800,000	—	1,800,000
—	241,564	—	—	—	241,564
<u>25,456,856</u>	<u>292,252</u>	<u>10,021,281</u>	<u>2,870,266</u>	<u>—</u>	<u>39,794,107</u>
19,705,506	16,862	—	—	—	19,722,368
9,648,175	466,015	—	—	—	10,114,190
2,003,502	—	—	—	—	2,003,502
—	—	—	—	14,059,736	14,059,736
—	—	155,771	—	—	2,132,268
—	—	128,068	—	—	4,012,606
<u>31,357,183</u>	<u>482,877</u>	<u>283,839</u>	<u>—</u>	<u>14,059,736</u>	<u>52,044,670</u>
<u>\$ 56,814,039</u>	<u>\$ 775,129</u>	<u>\$ 10,305,120</u>	<u>\$ 2,870,266</u>	<u>\$ 14,059,736</u>	<u>\$ 91,838,777</u>

See accompanying notes to financial statements

City of Shawnee, Oklahoma
Combined Statement of Revenues,
Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Budgetary Basis)
General, Debt Service, Special Revenue and Capital Projects Funds
For the Fiscal Year Ended June 30, 1997

	General Fund			Debt Service Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 8,113,580	\$ 8,301,060	\$ 187,480	\$ 310,100	\$ 375,889	\$ 65,789
Intergovernmental revenues	244,680	180,081	(64,599)	—	—	—
Licenses and permits	155,530	170,127	14,597	—	—	—
Fines and forfeitures	303,280	261,098	(42,182)	—	—	—
Interest	141,070	124,685	(16,385)	1,800	1,662	(138)
Other revenues	166,880	241,458	74,578	15,000	15,739	739
Total Revenues	9,125,020	9,278,509	153,489	326,900	393,290	66,390
Expenditures:						
Administration	1,121,872	1,064,176	57,696	—	—	—
Internal services	561,595	540,695	20,900	—	—	—
Community services	432,023	353,365	78,658	—	—	—
Community development	245,905	218,616	27,289	—	—	—
Police	2,536,657	2,524,289	12,368	—	—	—
Fire	2,083,871	2,075,133	8,738	—	—	—
Engineering	271,586	224,164	47,422	—	—	—
Public works	1,715,245	1,571,875	143,370	—	—	—
Centralized costs	1,014,344	985,782	28,562	—	—	—
Contingencies	53,899	39,625	14,274	—	—	—
Debt Service	—	—	—	355,386	354,610	776
Capital outlay	—	—	—	—	—	—
Total Expenditures	10,036,997	9,597,720	439,277	355,386	354,610	776
Excess of Revenues						
Over (Under) Expenditures	(911,977)	(319,211)	592,766	(28,486)	38,680	67,166
Other Financing Sources (Uses):						
Operating transfers in	1,264,750	1,264,750	—	—	—	—
Operating transfers out	(735,000)	(735,000)	—	—	—	—
Total Other Financing Sources (Uses)	529,750	529,750	—	—	—	—
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(382,227)	210,539	592,766	(28,486)	38,680	67,166
Fund Balances - Beginning	382,227	738,748	356,521	28,486	155,974	127,488
Fund Balances - Ending	\$ —	\$ 949,287	\$ 949,287	\$ —	\$ 194,654	\$ 194,654

See accompanying notes to financial statements

City of Shawnee, Oklahoma
Combined Statement of Revenues,
Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Budgetary Basis)
General, Debt Service, Special Revenue and Capital Projects Funds
For the Fiscal Year Ended June 30, 1997
(Continued)

Special Revenue Funds			Capital Projects Funds		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 470,760	\$ 480,768	\$ 10,008	\$ 3,067,620	\$ 3,158,191	\$ 90,571
1,513,133	718,626	(794,507)	219,733	95,197	(124,536)
12,300	8,827	(3,473)	—	—	—
—	—	—	—	—	—
12,750	9,787	(2,963)	100,620	173,017	72,397
104,000	109,331	5,331	128,133	—	(128,133)
<u>2,112,943</u>	<u>1,327,339</u>	<u>(785,604)</u>	<u>3,516,106</u>	<u>3,426,405</u>	<u>(89,701)</u>
127,250	106,250	21,000	95,132	74,440	20,692
—	—	—	—	—	—
56,122	24,844	31,278	—	—	—
1,195,200	581,143	614,057	—	—	—
35,924	8,526	27,398	—	—	—
16,600	3,025	13,575	—	—	—
—	—	—	—	—	—
252,146	238,768	13,378	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
70,120	66,965	3,155	—	—	—
517,053	312,757	204,296	6,317,196	4,576,313	1,740,883
<u>2,270,415</u>	<u>1,342,278</u>	<u>928,137</u>	<u>6,412,328</u>	<u>4,650,753</u>	<u>1,761,575</u>
<u>(157,472)</u>	<u>(14,939)</u>	<u>142,533</u>	<u>(2,896,222)</u>	<u>(1,224,348)</u>	<u>1,671,874</u>
—	—	—	—	—	—
<u>(29,750)</u>	<u>(29,750)</u>	<u>—</u>	<u>(710,565)</u>	<u>(710,565)</u>	<u>—</u>
<u>(29,750)</u>	<u>(29,750)</u>	<u>—</u>	<u>(710,565)</u>	<u>(710,565)</u>	<u>—</u>
(187,222)	(44,689)	142,533	(3,606,787)	(1,934,913)	1,671,874
<u>187,222</u>	<u>282,660</u>	<u>95,438</u>	<u>3,606,787</u>	<u>4,352,346</u>	<u>745,559</u>
<u>\$ —</u>	<u>\$ 237,971</u>	<u>\$ 237,971</u>	<u>\$ —</u>	<u>\$ 2,417,433</u>	<u>\$ 2,417,433</u>

See accompanying notes to financial statements

City of Shawnee, Oklahoma
Combined Statement of Revenues,
Expenditures and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds
For the Fiscal Year Ended June 30, 1997

	Governmental Fund Types				Fiduciary Fund Types	Total (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Expendable Trust Funds	
Revenues:						
Taxes	\$ 8,299,213	\$ 481,037	\$ 375,889	\$ 3,163,315	\$ —	\$ 12,319,454
Intergovernmental revenues	132,319	639,785	—	95,197	—	867,301
Licenses and permits	178,021	8,827	—	—	—	186,848
Fines and forfeitures	261,097	—	—	—	—	261,097
Interest	124,802	9,370	1,770	172,083	7,520	315,545
Gifts and donations	668	—	—	—	57,682	58,350
Other revenues	238,896	188,173	15,739	—	14,266	457,074
Total Revenues	<u>9,235,016</u>	<u>1,327,192</u>	<u>393,398</u>	<u>3,430,595</u>	<u>79,468</u>	<u>14,465,669</u>
Expenditures:						
Current -						
General government	1,579,657	85,851	—	6,867	—	1,672,375
Public safety	5,296,757	36,395	—	—	—	5,333,152
Public works	1,342,368	262,063	—	—	6,632	1,611,063
Culture and recreation	395,654	—	—	—	88,461	484,115
Urban redevelopment and housing	—	495,292	—	—	—	495,292
Economic development	—	106,250	—	—	23,301	129,551
Capital outlay	—	217,084	—	3,196,408	13,144	3,426,636
Debt service -						
Principal retirement	13,349	49,741	245,000	56,505	—	364,595
Interest and fiscal charges	3,725	17,224	109,610	10,983	—	141,542
Total Expenditures	<u>8,631,510</u>	<u>1,269,900</u>	<u>354,610</u>	<u>3,270,763</u>	<u>131,538</u>	<u>13,658,321</u>
Excess of Revenues Over (Under) Expenditures	<u>603,507</u>	<u>57,292</u>	<u>38,788</u>	<u>159,832</u>	<u>(52,070)</u>	<u>807,349</u>
Other Financing Sources (Uses):						
Proceeds from capital lease	—	—	—	282,620	—	282,620
Operating transfers in	501,501	—	—	—	55,000	556,501
Operating transfers out	(854,843)	(29,750)	—	(710,565)	—	(1,595,158)
Total Other Financing Sources (Uses)	<u>(353,342)</u>	<u>(29,750)</u>	<u>—</u>	<u>(427,945)</u>	<u>55,000</u>	<u>(756,037)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	250,165	27,542	38,788	(268,113)	2,930	51,312
Fund Balances - Beginning	<u>736,155</u>	<u>297,424</u>	<u>156,031</u>	<u>4,623,043</u>	<u>280,909</u>	<u>6,093,562</u>
Fund Balances - Ending	<u>\$ 986,320</u>	<u>\$ 324,966</u>	<u>\$ 194,819</u>	<u>\$ 4,354,930</u>	<u>\$ 283,839</u>	<u>\$ 6,144,874</u>

See accompanying notes to financial statements

City of Shawnee, Oklahoma
 Combined Statement of Revenues,
 Expenses and Changes in Retained Earnings
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 1997

	Enterprise Funds	Internal Service Funds	Total (Memorandum Only)
Operating Revenues:			
Charge for services	\$ 6,044,566	\$ —	\$ 6,044,566
Rental revenue	342,654	—	342,654
Refunds and reimbursements	—	3,257	3,257
Other revenues	<u>582,561</u>	<u>—</u>	<u>582,561</u>
Total Operating Revenues	<u>6,969,781</u>	<u>3,257</u>	<u>6,973,038</u>
Operating Expenses:			
Personal services	2,337,687	—	2,337,687
Materials and supplies	352,785	—	352,785
Other services and charges	<u>2,490,635</u>	<u>460,834</u>	<u>2,951,469</u>
Total Operating Expenses	<u>5,181,107</u>	<u>460,834</u>	<u>5,641,941</u>
Net Operating Income (Loss) before Depreciation	1,788,674	(457,577)	1,331,097
Less: Depreciation	<u>(1,152,833)</u>	<u>—</u>	<u>(1,152,833)</u>
Net Operating Income (Loss)	<u>635,841</u>	<u>(457,577)</u>	<u>178,264</u>
Non-Operating Revenues (Expenses):			
Interest revenues	258,392	16,679	275,071
Oil and gas revenues	42,298	—	42,298
Interest expense and fiscal charges	<u>(1,348,829)</u>	<u>—</u>	<u>(1,348,829)</u>
Total Non-Operating Revenues (Expenses)	<u>(1,048,139)</u>	<u>16,679</u>	<u>(1,031,460)</u>
Operating Transfers:			
Operating transfers in	1,181,408	344,000	1,525,408
Operating transfers out	<u>(486,751)</u>	<u>—</u>	<u>(486,751)</u>
Net Operating Transfers	<u>694,657</u>	<u>344,000</u>	<u>1,038,657</u>
Net Income (Loss)	282,359	(96,898)	185,461
Retained Earnings - Beginning	<u>11,369,318</u>	<u>562,913</u>	<u>11,932,231</u>
Retained Earnings - Ending	<u>\$ 11,651,677</u>	<u>\$ 466,015</u>	<u>\$ 12,117,692</u>

See accompanying notes to financial statements

City of Shawnee, Oklahoma
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1997

	Enterprise Funds	Internal Service Funds	Total (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 6,523,821	\$ —	\$ 6,523,821
Cash received from rental activities	321,189	—	321,189
Cash received from refunds and reimbursements	—	3,257	3,257
Other operating revenue	161,111	—	161,111
Cash paid to employees	(2,323,430)	—	(2,323,430)
Cash paid to suppliers	(2,652,464)	(6,000)	(2,658,464)
Cash paid for claims settlement	—	(473,919)	(473,919)
Net cash provided (used) by operating activities	<u>2,030,227</u>	<u>(476,662)</u>	<u>1,553,565</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers in	470,844	410,000	880,844
Operating transfers out	<u>(486,742)</u>	<u>—</u>	<u>(486,742)</u>
Net cash provided (used) by noncapital financing activities	<u>(15,898)</u>	<u>410,000</u>	<u>394,102</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital grant proceeds	1,517,303	—	1,517,303
Capital loan proceeds	1,390,023	—	1,390,023
Acquisition and construction of capital assets	(3,329,941)	—	(3,329,941)
Principal paid on capital leases	(39,415)	—	(39,415)
Interest paid on capital leases	(7,886)	—	(7,886)
Transfers from other funds	710,565	—	710,565
Interest revenue on restricted cash	128,477	—	128,477
Principal paid on revenue bonds and notes	(1,015,000)	—	(1,015,000)
Interest paid on revenue bonds and notes	<u>(1,298,118)</u>	<u>—</u>	<u>(1,298,118)</u>
Net cash provided (used) by capital and related financing activities	<u>(1,943,992)</u>	<u>—</u>	<u>(1,943,992)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Oil and gas royalties	42,298	—	42,298
Interest	<u>87,143</u>	<u>16,620</u>	<u>103,763</u>
Net cash provided (used) by investing activities	<u>129,441</u>	<u>16,620</u>	<u>146,061</u>
Net increase (decrease) in cash and cash equivalents	199,778	(50,042)	149,736
CASH AND CASH EQUIVALENTS - beginning (including \$2,560,291 in restricted accounts)			
	<u>4,631,511</u>	<u>583,686</u>	<u>5,215,197</u>
CASH AND CASH EQUIVALENTS - ending (including \$2,557,079 in restricted accounts)			
	<u>\$ 4,831,289</u>	<u>\$ 533,644</u>	<u>\$ 5,364,933</u>

See accompanying notes to financial statements

Reconciliation of Operating Income to Net Income Provided by Operating Activities

	Enterprise Funds	Internal Service Funds	Total (Memorandum Only)
Operating income	\$ 635,841	\$ (457,577)	\$ 178,264
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation Expense	1,152,833	---	1,152,833
Decreases (increases) in assets:			
Accounts receivable	36,341	---	36,341
Accrued interest	(635)	---	(635)
Other receivables	(35)	---	(35)
Increase (decrease) in liabilities:			
Accounts payable	160,582	31,351	191,933
Accrued liabilities	7,433	---	7,433
Accrual for compensated absences	5,668	---	5,668
Deposits	(17,284)	---	(17,284)
Obligations under capital lease - current	(522)	---	(522)
Deferred revenue	13,323	---	13,323
Claims and judgements payable	---	(50,436)	(50,436)
Other liabilities	36,682	---	36,682
Total Adjustments	<u>1,394,386</u>	<u>(19,085)</u>	<u>1,375,301</u>
Net cash provided by operating activities	<u>\$ 2,030,227</u>	<u>\$ (476,662)</u>	<u>\$ 1,553,565</u>

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Shawnee (the City) conform to generally accepted accounting principles for state and local governmental units. The City maintains its accounting records on the basis of cash received and disbursed; consequently, certain revenues are recognized when received rather than when earned and certain expenditures and expenses are recognized when paid rather than when the liability is incurred. Adjustments and reclassifications have been applied to the City's financial records in order to report the financial statements on the modified accrual basis for its governmental funds (and expendable trust funds) and on the accrual basis for its proprietary funds.

The City has adopted Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. The City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principles Board (APB) Opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The accounts of the City are organized on the basis of funds, or account groups; each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are summarized by type in the combined financial statements and are classified as governmental, proprietary, and fiduciary fund types. The following fund types and account groups are used by the City:

Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general operating revenues not restricted as to use are recorded in the General Fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal, interest and related costs on general obligation bonds.

Capital Projects Funds - The Capital Projects Funds are used to account for financial resources segregated for the acquisition of capital assets or construction of major capital facilities.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund Types:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - 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 (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Fiduciary Fund Types:

Expendable Trust Funds - Expendable Trust Funds are used to account for assets collected by the City that are designated for a specific function or activity. An expendable trust fund is accounted for in essentially the same manner as the governmental fund types.

Agency Funds - Agency Funds are custodial in nature and are used to account for assets that the government holds for others in an agency capacity.

Account Groups:

General Long-Term Debt Account Group - This account group is established to account for all long-term obligations of the City, except for those obligations accounted for in the enterprise funds.

General Fixed Asset Account Group - This account group is established to account for all fixed assets of the City, except those assets accounted for in the enterprise funds.

Basis of Accounting and Measurement Focus

Governmental funds and expendable trust funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded as received or accrued if they are both measurable and available or are not received at the normal time of receipt. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on general obligation bond debt, are recorded when the liability is incurred.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting and Measurement Focus (Continued)

Certain intergovernmental revenues are accrued when reimbursable expenditures are incurred, because monies must be expended on the specific purpose or project before any amounts are due to the City. Licenses and permits, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Sales taxes are considered measurable when they are collected by the Oklahoma Tax Commission and are recognized as revenue at that time. Interest income is recorded as earned, since it is measurable and available.

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Encumbrance accounting (under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation) is employed in the governmental funds. Encumbrances are reported as reservations of fund balances, since they do not constitute expenditures or liabilities. Oklahoma Statutes do not specify whether encumbrances are to lapse at year end. It is the policy of the City that encumbrances outstanding at year end are considered expenditures for budgetary purposes, and are reported as a reservation of fund balance. Unencumbered appropriations lapse at year end.

Basis of Budgeting

All funds, except for special revenue funds established for federal or state grant programs, i.e. CDBG entitlements, home program grants, and emergency shelter grants, which use a project-length budget, have a legally adopted annual budget. Budgets, as approved by the City Commission, are prepared on the cash basis of accounting.

The legal level of budgetary control for all legally adopted budgets is the character classification level within a department. Character classifications include personal services, materials and supplies, other services and charges, capital outlay and debt service. Transfers of appropriations between classification categories within a department or between departments within a fund requires approval of the City Commission.

Ad Valorem Taxes

The City is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the city limits. The County Assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax rolls for submission to the county treasurer prior to October 1. The County Treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes are due prior to January 1, and the second half is due prior to April 1. If the first installment is not made by the due date, the entire tax becomes due and payable on January 2. The County Treasurer will attempt to collect all delinquent taxes. If the taxes are not collected by September 30, a lien is placed on the property.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory and Prepaids

The City has elected to use the purchase method of accounting for inventories of materials and supplies. Under the purchase method, purchases of materials and supplies are considered expenditures at time of purchase. No significant amounts of inventory are held by the City, and are considered immaterial to the overall financial statement presentation. Expenditures for insurance and other prepaid services which benefit more than one accounting period are considered expenditures in the period incurred, and are not allocated between the accounting periods to which they extend.

Investments

Title 62, Section 348.1 of the Oklahoma Statutes allows for the investment of public funds in the following types in instruments:

1. Direct obligations of the United States Government, its agencies or instrumentalities which are collateralized by the full faith and credit of the United States Government.
2. Time deposits (certificates of deposit and passbook savings accounts) with financial institutions, where deposits are fully insured by federal deposit insurance or pledged collateral.
3. Debt securities issued by the State of Oklahoma, any Oklahoma county, municipality, or school district.

Investments are stated at cost and consist of money market accounts and certificates of deposit with banks, which are secured by the Federal Deposit Insurance Corporation or pledged U. S. Government Securities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At June 30, 1997, all investments, including restricted investments, of the proprietary funds are considered cash equivalents.

General Fixed Assets

Acquisitions of general fixed assets are accounted for as capital outlay expenditures in the various funds of the City, and are capitalized (recorded and accounted for) in the General Fixed Asset Account Group. No depreciation is recorded on general fixed assets

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Infrastructure Fixed Assets

General infrastructure assets, such as streets, sidewalks, curbs, gutters, etc., are not capitalized.

Property, Plant and Equipment - Enterprise Funds

Property, plant and equipment owned by the enterprise funds is stated at cost or estimated cost (as further explained in Note 9). Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets.

Estimated useful lives are as follows:

	<u>Years</u>
Land	N/A
Buildings	40
Improvements other than building	20 - 50
Furniture and equipment	5 - 10

Risk management

Workers Compensation - The City is self-insured for workers compensation. A third party workers compensation administrator is used to evaluate claims and estimate the City's liability. Liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably determined.

General Liability - The City is exposed to various risks of loss related to torts, property damage, errors and omissions, and personal injury. Commercial insurance is carried to cover these general liability claims (as further explained in Note 24). The City has also established the general liability self insurance fund. The City retains the risk for all amounts not covered by commercial insurance.

Buildings and equipment - Commercial insurance is used to cover the risk of loss to City buildings and mobile equipment.

Inclusion of Associated Entities in Financial Statements

The financial statements of certain associated entities are included in these financial statements (as further explained in Note 2).

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Total (Memorandum Only) Columns

The total columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with generally accepted accounting principles; nor is such data comparable to a consolidation. Interfund eliminations have not been made. The totaling of the similar accounts does not indicate that the combined assets are available in any manner other than that provided for in the various funds.

NOTE 2 - ASSOCIATED ENTITIES

Financial Reporting Entity - The general purpose financial statements include all activities which should be included as determined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. In accordance with GASB Statement No. 14, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The primary government is financially accountable if it appoints a voting majority of the organization's governing body and, (a) it is able to impose its will on that organization, or (b) there is a potential for the organization to provide specific financial benefit to, or impose specific financial burden on, the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government, regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board.

The financial statements of the reporting entity should present the fund types and account groups of the primary government, including its blended component units which are, in substance, part of the primary government, and provide an overview of the discretely presented component units. A component unit should be included in the reporting entity financial statements using the blended method in either of these circumstances:

- a) The component unit's governing body is substantially the same as the governing body of the primary government.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 2 - ASSOCIATED ENTITIES (Continued)

Financial Reporting Entity (Continued) -

- b) The component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

Discrete presentation of component units entails reporting component unit financial data in a column separate from the financial data of the primary government.

Component units which have been included in the reporting entity using the blended method are the Shawnee Municipal Authority, Shawnee Airport Authority, and the Shawnee Civic and Cultural Development Authority. These component units were blended into the primary government since they met both of the criteria above to be included using the blended method.

The Shawnee Urban Renewal Authority is included as part of the reporting entity of the City of Shawnee. This authority has no assets or liabilities, and had no financial activity for the year. The board of the Shawnee Urban Renewal Authority serves in an advisory capacity.

The following entities are excluded from these financial statements: Shawnee Housing Authority, Shawnee Industrial Development Authority, Central Oklahoma Economic Development District, Sub-State Planning District #5, Shawnee Industrial Authority, Shawnee Economic Development Foundation, Shawnee Hospital Authority, and Pottawatomie County Development Authority.

The City has entered into agreements or made other types of commitments to some of these entities. The following is a description of some of the more significant of these agreements or commitments.

Lease of water and sanitary sewer systems to the Shawnee Municipal Authority

To secure the payment of revenue bonds, the City leased the water and sanitary sewer systems to the Shawnee Municipal Authority for a period of thirty years. The revenues of the water and sanitary sewer system are collected by the Utility Department of the City and are deposited with the Shawnee Municipal Authority. The Shawnee Municipal Authority pays the debt service requirements and direct operating expenses of the system. They reimburse the General Fund of the City for all indirect expenses.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 2 - ASSOCIATED ENTITIES (Continued)

Additional one percent sales tax and security agreement with the Shawnee Municipal Authority

On July 19, 1988, the voters of the City approved the extension of the termination date of the additional one percent sales tax and the expansion of the purposes for which this additional tax may be used. (The voters originally authorized the additional sales tax on May 25, 1982, and then approved the reassignment of this tax on April 22, 1986). The additional sales tax may be used by the City or transferred to any public trust of which the City is a beneficiary to be used for (i) capital improvements, (ii) economic development, or (iii) the payment of debt service and other requirements that may be required by any document securing the payment of bonds issued by the City or a public trust of which the City is the beneficiary.

In order to provide for the payment of the Shawnee Municipal Authority's Sales Tax and Utility Revenue Bonds, Series 1989, the City entered into a security agreement with the Shawnee Municipal Authority dated April 1, 1989. In this agreement, the City agreed to pay to the Shawnee Municipal Authority from the additional one percent sales tax an amount sufficient to make the debt service payments on the Series 1989 Bonds described above. The Sales Tax and Utility Revenue Bonds, Series 1989 have been refunded by the Sales Tax and Utility Revenue Refunding Bonds, Series 1995. The City will continue to pay for this bond issue from sales tax funds.

Assignment of Interest in the Airport Facilities to the Shawnee Airport Authority

The City's rights, title and interest in all leases and contracts pertaining to the airport facilities were assigned to the Shawnee Airport Authority to secure indebtedness of the Authority. An operation and maintenance contract was entered into by and between the City of Shawnee and the Trustees of the Shawnee Airport Authority on May 1, 1974. The City is required to maintain the facility, but all costs related thereto are paid by the Authority.

Contract for Economic Development with Shawnee Economic Development Foundation

The Shawnee Economic Development Foundation provides economic development services to the City. The City pays the Foundation annual fees totaling \$70,000 for these contractual services.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 3 - CASH AND INVESTMENTS

Cash and investments at June 30, 1997, for the City of Shawnee and its authorities were partially covered by federal depository insurance held by depository banks and the remainder is secured by pledged securities as follows:

	<u>American National Bank and Trust Co.</u>	<u>BancFirst</u>	<u>First State Bank</u>	<u>First National Bank</u>
<u>DEPOSITS</u>				
Demand deposits (bank balance)	\$ 1,119,268	\$ 2,255,247	\$ 301,885	\$ ---
Certificates of deposit	<u>1,378,000</u>	<u>---</u>	<u>2,077,639</u>	<u>465,000</u>
Total Deposits	2,497,268	2,255,247	2,379,524	465,000
<u>COLLATERAL</u>				
FDIC insurance	200,000	300,000	300,000	200,000
Pledged collateral	<u>4,491,240</u>	<u>4,753,137</u>	<u>2,175,762</u>	<u>504,182</u>
Total collateral	4,691,240	5,053,137	2,475,762	704,182
Collateral pledged in excess of deposits	<u>\$ 2,193,972</u>	<u>\$ 2,797,890</u>	<u>\$ 96,238</u>	<u>\$ 239,182</u>

At June 30, 1997, investments included \$2,174,853 in money market funds which are not included in the analysis above. The market value of all investments was equal to their cost. Cash included \$12,820 which consists of operational cash used in the utility collections department and the municipal court, petty cash fund, and a travel imprest fund.

The collateral of the City's deposits is categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes deposits that are insured or registered, or for which securities are held by the City or its agent in the City's name. Category 2 includes uninsured or unregistered deposits for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agency, but not in the City's name.

All collateral pledged and securing the deposits of the City is category 1 collateral.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 4 - TREASURY FUND

The treasury fund acts as a pooling agent for cash and investments. All demand deposit accounts and investments, except restricted funds, are held by the treasury fund. Imprest cash is held as cash on hand in the individual fund.

Individual funds have an ownership interest in the treasury fund. For these pooled investments, earnings are allocated to the various funds based upon their proportionate share of the total invested principal.

Investments of the treasury fund, and ownership interests at June 30, 1997, are as follows:

	<u>Amount</u>
Investments:	
Demand deposits	\$ 3,392,188
Certificates of deposit	3,920,639
Money market accounts	2,174,853
	<u>9,487,680</u>
Total	<u><u>9,487,680</u></u>
Ownership Interests:	
General fund	988,091
Special revenue funds	339,021
Debt service fund	194,654
Capital project funds	4,437,051
Enterprise funds	2,274,060
Internal service funds	533,644
Trust and agency funds	721,159
	<u>9,487,680</u>
Total	<u><u>\$ 9,487,680</u></u>

NOTE 5 - RESTRICTED ASSETS

Under the terms of the bond or note indentures, the Shawnee Municipal Authority, must maintain certain "funds" with the Trustee Bank. These are not funds in the sense of fiscal and accounting entities with self-balancing sets of accounts; they are merely mandatory asset segregation used to pay principal and interest on revenue bonds and notes as they become due.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 6 - WATER RIGHTS CONTRACT

The Shawnee Municipal Authority (SMA) entered into an agreement with the Pottawatomie County Development Authority (PCDA) for the development of the North Deer Creek Reservoir Project (Reservoir) in which the PCDA issued bonds totaling \$18,180,000 for the construction of the Reservoir. SMA issued its Utility Revenue Note, Series 1990B in the amount of \$18,180,000 to the PCDA. (These notes were defeased during the 1993 fiscal year with the issuance of the SMA Utility Revenue Note, Series 1993A in the amount of \$21,165,000.) The debt service payments made by SMA on their Series 1993A Note will be used by the PCDA to make their debt service payments on their Series 1993 Bonds. (As disclosed in Note 2, SMA is included as part of the reporting entity of the City, however, PCDA is not).

SMA acquired an interest in the water rights contract of the reservoir by issuing their Series 1990B Note. They issued the note totaling \$18,180,000 and received restricted funds back from PCDA to establish a reserve fund totaling \$1,263,881. The net amount of the note face value less the reserve fund represents SMA's investment in the water rights contract with PCDA, which totals \$16,916,119.

NOTE 7 - SOLID WASTE COLLECTION CONTRACT

The City has a contract with Browning Ferris, Inc. (BFI), wherein BFI provides solid waste collection and landfill operation services to the City. In accordance with the contract, the residential sanitation revenues are billed and collected by the City; the City then pays BFI based on the number of residences serviced. The City is not involved in any manner in commercial sanitation services.

NOTE 8 - CONTRIBUTED CAPITAL

Contributed capital of the City was increased during the current fiscal year as described below:

	Enterprise Funds	Internal Service Funds
Contributed capital at June 30, 1996	\$ 17,987,025	\$ 16,862
Shawnee Municipal Authority:		
Federal grant proceeds - Northside Wastewater Treatment Plant Project	1,017,578	---
Purchases of property, plant & equipment through governmental funds	73,000	---
Shawnee Airport Authority:		
Federal grant proceeds - Airport Improvement Project	627,903	---
Contributed capital at June 30, 1997	<u>\$ 19,705,506</u>	<u>\$ 16,862</u>

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 9 - FIXED ASSETS

All property, plant, and equipment of the Enterprise Funds, and all general fixed assets of the City were independently inventoried and capitalized during the fiscal year ending June 30, 1994. Where possible, the original cost of assets were determined by reference to vendor invoices or contracts. If these documents were not available, the original cost was either estimated or determined using a reverse trending technique whereby the current replacement cost of an item is deflated back to the acquisition date. Detail of general fixed assets at June 30, 1997, is as follows:

	Balance June 30, 1996	Additions	Dispositions	Balance June 30, 1997
Land	\$ 1,942,657	\$ 30,000	\$ ---	\$ 1,972,657
Buildings	5,047,291	---	---	5,047,291
Improvements other than building	795,928	277,449	---	1,073,377
Furniture and equipment:				
Communication	907,750	42,249	12,158	937,841
Audiovisual	39,581	4,828	8,101	36,308
Business machines	552,638	45,370	25,777	572,231
Machinery and tools	163,490	40,780	1,934	202,336
Appliances	24,305	600	7,832	17,073
Law enforcement	83,373	19,590	---	102,963
Lab and engineering	20,784	---	1,839	18,945
Fire	90,668	12,466	449	102,685
Furniture	192,399	4,905	21,585	175,719
Mobile	3,163,554	464,549	79,156	3,548,947
Parks and recreation	91,256	160,857	750	251,363
Total General Fixed Assets	<u>\$ 13,115,674</u>	<u>\$ 1,103,643</u>	<u>\$ 159,581</u>	<u>\$ 14,059,736</u>

Investment in General Fixed Assets:

Prior to June 30, 1994	\$ 11,863,297
General Fund	2,000
Capital Projects Funds	2,129,687
Special Revenue Funds	51,608
Expendable Trust Funds	13,144
Total Investment in General Fixed Assets	<u>\$ 14,059,736</u>

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 9 - FIXED ASSETS (Continued)

A summary of Enterprise Fund property, plant and equipment at June 30, 1997, is as follows:

	Balance June 30, 1996	Additions	Retirements	Balance June 30, 1997
Land	\$ 1,546,844	\$ 151,000	\$ ---	\$ 1,697,844
Buildings	4,964,412	---	---	4,964,412
Improvements other than Buildings	34,084,450	338,769	16,489	34,406,730
Furniture & Equipment:				
Communication	85,733	3,594	2,847	86,480
Audiovisual	5,284	---	3,824	1,460
Business Machines	146,924	9,498	36,494	119,928
Machinery & Tools	114,253	44,398	2,860	155,791
Appliances	15,099	---	2,888	12,211
Furniture	54,136	---	8,130	46,006
Mobile	1,282,702	---	25,178	1,257,524
Lab & Engineering	46,014	---	2,109	43,905
Parks & Recreation	5,512	---	---	5,512
Construction in Progress	2,744,652	2,870,540	---	5,615,192
Total	<u>\$ 45,096,015</u>	<u>\$ 3,417,799</u>	<u>\$ 100,819</u>	<u>\$ 48,412,995</u>
Accumulated Depreciation	<u>\$ 13,355,409</u>	<u>\$ 1,152,833</u>	<u>\$ 89,924</u>	<u>\$ 14,418,318</u>

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 10 - LONG-TERM DEBT

Long-term debt of the City is comprised of the following individual issues and liabilities:

General Long-Term Debt Account Group

General obligation bonds:

\$1,400,000 1994 Limited Access Facilities bonds due in annual installments of \$100,000 beginning February 1, 1996; interest at 3.5% to 6.5%	\$ 1,200,000
\$1,020,000 1994 Limited Access Facilities Refunding bonds due in varying installments beginning July 1, 1995 with an initial payment of \$130,000, and ending July 1, 2002 with a final payment of \$80,000; interest at 4.75% to 10%	600,000

Other General Long-Term Debt:

Capital lease agreement dated December 1, 1992 relating to the lease purchase of radio equipment in the amount of \$488,173 with 96 monthly payments of \$6,705 (including interest) beginning December 15, 1992; interest at 7.4%	242,343
Capital lease agreement dated May 31, 1994 relating to the lease purchase of a fire truck at a purchase price of \$245,000 with a \$50,000 down payment and 60 monthly payments of \$3,686 (including interest) beginning July 24, 1994; interest at 4.85%	84,141
Capital lease agreement dated February 5, 1995 relating to the lease purchase of radio equipment at a purchase price of \$44,206 with 69 monthly payments of \$814.05 (including interest) beginning March 25, 1995; interest at 8.57%	28,840
Capital lease agreement dated November 25, 1995 relating to the lease purchase of financial accounting software at a purchase price of \$50,500 with 60 monthly payments of \$987.25 (including interest) beginning December 25, 1995; interest at 6.29%	36,335
Capital lease agreement dated June 10, 1997 relating to the lease purchase of a fire truck at a purchase price of \$ 227,861 with a \$71,000 down payment and 24 monthly payments of \$ 6925.41 (including interest) beginning July 25, 1997; interest at 5.4%	156,861
Capital lease agreement dated June 10, 1997 relating to the lease purchase of a asphalt paver at a purchase price of \$ 219,759 with a \$94,000 down payment and 24 monthly payments of \$ 6925.41 (including interest) beginning July 25, 1997; interest at 5.4%	125,759
	<u>395,987</u>
Accrual for compensated absences	

Total General Long-Term Debt Account Group

\$ 2,870,266

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 10 - LONG-TERM DEBT (Continued)

Enterprise Funds

Revenue bonds and notes:

Shawnee Municipal Authority

\$21,165,000 Utility Revenue Note, Series 1993A due in annual installments of \$165,000 to \$1,375,000 beginning July 1, 1995 through July 1, 2026; interest at 3.5% to 5.9% \$ 20,600,000

\$2,520,000 Sales Tax and Utility Revenue Refunding Bonds, Series 1995 due in annual installments of \$585,000 to \$680,000 beginning June 1, 1996 through June 1, 1999; interest at 4.65% to 5.00% 1,320,000

\$3,048,000 Line of Credit from the Oklahoma Water Resources Board Revolving Loan Fund. Payments starting after completion of project. Dated December 6, 1995; Interest at 4.25%, final maturity March 1, 1999. 2,269,839

Less: unamortized bond issue costs (10,015)

Less: unamortized deferred loss on revenue bond refunding (43,722)

Obligations under capital lease:

Shawnee Civic & Cultural Development Authority

Capital lease agreement dated August 18, 1995 relating to the lease purchase of air conditioning equipment at a purchase price of \$85,291 with 5 annual payment of \$19,974 (including interest) beginning August 18, 1994; interest at 5.38% 53,703

Shawnee Airport Authority

Capital lease agreement dated September 1, 1989 relating to the lease purchase of an airplane hangar at a purchase price of \$42,000 with 120 monthly payments of \$555 (including interest) beginning October 15, 1989; interest at 10% 13,369

Total Enterprise Funds 24,203,174

Total Long-Term Debt \$ 27,073,440

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 10 - LONG-TERM DEBT (Continued)

The following schedule analyzes the changes in long-term debt of the City for the fiscal year ending June 30, 1997:

	Outstanding Balance June 30, 1996	Issues and Other Increases	Retirements and Other Decreases	Outstanding Balance June 30, 1997
<u>General Long-Term Debt Account Group</u>				
General obligation bonds:				
1994 Limited Access Facilities Bonds	\$ 1,300,000	\$ ---	\$ 100,000	\$ 1,200,000
1994 Limited Access Refunding Bonds	745,000	---	145,000	600,000
Total general obligation bonds	2,045,000	---	245,000	1,800,000
Obligations under capital leases	511,254	282,620	119,595	674,279
Accrual for compensated absences	577,061	---	181,074	395,987
Total General Long-Term Debt Account Group	3,133,315	282,620	545,669	2,870,266
<u>Enterprise Funds</u>				
Revenue bonds and notes:				
Shawnee Municipal Authority Utility Revenue Note, Series 1993A	21,000,000	---	400,000	20,600,000
Sales Tax and Utility Revenue Refunding Bonds, Series 1995	1,935,000	---	615,000	1,320,000
Line of Credit - Oklahoma Water Resources Board Revolving Fund	1,007,994	1,261,845	---	2,269,839
Less: unamortized Issue Costs	(19,704)	---	(9,689)	(10,015)
Less: Deferred Loss on Revenue Bond Refunding	(86,023)	---	(42,301)	(43,722)
Total revenue bonds	23,837,267	1,261,845	963,010	24,136,102
Obligations under capital leases	106,487	---	39,415	67,072
Total Enterprise Funds	23,943,754	1,261,845	1,002,425	24,203,174
Total Long-Term Debt	\$ 27,077,069	\$ 1,544,465	\$ 1,548,094	\$ 27,073,440

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 10 - LONG-TERM DEBT (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 1997, are as follows:

Fiscal Year Ending June 30.	General Long-Term Debt Account Group		Enterprise Funds		Total
	General Obligation Bonds	All Other Long-Term Debt	Revenue Bonds & Notes	All Other Long-Term Debt	
1998	\$ 338,986	\$ 296,032	\$ 2,229,663	\$ 26,634	\$ 2,891,315
1999	324,236	296,032	2,237,332	26,634	2,884,234
2000	308,410	102,072	1,521,285	21,640	1,953,407
2001	227,310	42,530	1,517,970	---	1,787,810
2002	221,560	---	1,445,075	---	1,666,635
2003 - 2007	618,450	---	7,218,188	---	7,836,638
2008 - 2012	214,900	---	7,197,135	---	7,412,035
2013 - 2017	---	---	7,174,642	---	7,174,642
2018 - 2022	---	---	7,140,938	---	7,140,938
2023 - 2027	---	---	7,098,720	---	7,098,720
Total Requirements	2,253,852	736,666	44,780,948	74,908	47,846,374
Less: amount representing interest	(453,852)	(62,387)	(22,860,948)	(7,836)	(23,385,023)
Less: unamortized bond issue costs			(10,015)		(10,015)
Less: unamortized deferred loss on revenue bond refunding	---	---	(43,722)	---	(43,722)
Add: liability with no determinable debt service requirements	---	395,987	2,269,839	---	2,665,826
Outstanding Debt, June 30, 1997	<u>\$ 1,800,000</u>	<u>\$ 1,070,266</u>	<u>\$ 24,136,102</u>	<u>\$ 67,072</u>	<u>\$ 27,073,440</u>

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 11 - OBLIGATIONS UNDER CAPITAL LEASES

Future minimum lease payments under capital leases consisted of the following at June 30, 1997:

Fiscal Year Ending June 30,	General Long-Term Debt Account Group	Enterprise Funds	Total
1998	\$ 296,032	\$ 26,634	\$ 322,666
1999	296,032	26,634	322,666
2000	102,072	21,640	123,712
2001	42,530	---	42,530
Total Requirements	736,666	74,908	811,574
Less: amount representing interest	(62,387)	(7,836)	(70,223)
Outstanding Capital Leases, June 30, 1997	<u>\$ 674,279</u>	<u>\$ 67,072</u>	<u>\$ 741,351</u>

The terms of the obligations under capital leases are described in Note 10. The minimum lease payments shown above are also included in the annual debt service requirements outlined in Note 10.

NOTE 12 - BOND ISSUANCE COSTS

The costs incurred in issuing all revenue bond issues are recorded as deferred charges in these financial statements. These costs include attorney fees, trustee fees, financial consultant fees, printing costs and other miscellaneous costs. These costs are amortized over the term of the bond issue on a straight-line basis.

NOTE 13 - DEFEASANCE OF BONDS AND NOTES

The Shawnee Municipal Authority (SMA) has defeased its Utility Revenue Notes, Series 1990B, by placing the proceeds of new bonds, together with funds of the SMA, in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in these financial statements.

The face amount of the bonds still outstanding at June 30, 1997, were as follows:

Utility Revenue Note, Series 1990B	<u>\$ 17,725,000</u>
------------------------------------	----------------------

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 14 - ACCRUAL FOR COMPENSATED ABSENCES

Governmental accounting standards require that cities recognize in the financial statements a liability for compensated absences (such as vacation and holiday pay). Accordingly, the City's liability for compensated absences is recognized in these financial statements. The total liability for compensated absences at June 30, 1997, was \$691,820. The portion of this liability relating to employees of the enterprise funds is recorded entirely in the enterprise funds. The portion of the liability which relates to employees of the governmental funds is recorded in the governmental funds to the extent that the liability would normally be liquidated with unrestricted and available financial resources. The remainder of the liability relating to employees of the governmental funds is recorded in the General Long-Term Debt Account Group.

The accrual for compensated absences was recorded in these financial statements as follows:

General Fund	\$ 202,059
Enterprise Funds:	
Shawnee Municipal Authority	75,572
Shawnee Airport Authority	3,071
Shawnee Civic & Cultural Development Authority	15,131
General Long-Term Debt Account Group	395,987
	<u>\$ 691,820</u>

NOTE 15 - NORTH DEER CREEK RESERVIOR PROJECT RESERVE

The trustees of the Shawnee Municipal Authority created a reserve for additional capital improvements relating to the North Deer Creek Reservoir project. At June 30, 1997, this reserve totaled \$776,063, and is presented in the financial statements as a reservation of retained earnings.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 16 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 1997, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund:		
Due from FY 92 CDBG Entitlement Fund	\$ 16	\$ ---
Due from FY 94 CDBG Entitlement Fund	16,910	---
Due from FY 95 HOME Grant Fund	1,657	
Due from FY 95 Emergency Shelter Grant Fund	10,979	
Due from FY 96 CDBG Entitlement Fund	35,920	
Due from FY 96 Emergency Shelter Grant Fund	2,742	
Due from FY 96 HOME Grant Fund	5,545	
Due to Shawnee Municipal Authority	---	1,223
Due to Workers Compensation Self-Insurance Fund	---	241,000
Special Revenue Funds:		
FY 92 CDBG Entitlement Fund -		
Due to General Fund	---	16
FY 94 CDBG Entitlement Fund -		
Due to General Fund	---	16,910
FY 95 HOME Grant Fund-		
Due to General Fund	---	1,657
FY 95 Emergency Shelter Grant Fund -		
Due to General Fund	---	10,979
FY 96 CDBG Entitlement Fund -		
Due to General Fund		35,920
FY 96 Emergency Shelter Grant Fund -		
Due to General Fund		2,742
FY 96 HOME Grant Fund-		
Due to General Fund		5,545
Enterprise Funds:		
Shawnee Municipal Authority -		
Due from General Fund	1,223	---
Due from Meter Deposit Fund	245	---
Internal Service Funds:		
Workers Compensation Self-Insurance Fund -		
Due from General Fund	241,000	---
Trust and Agency Funds:		
Meter Deposit Fund -		
Due to Shawnee Municipal Authority	---	245
	<u>\$ 316,237</u>	<u>\$ 316,237</u>

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 17 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 1997, consisted of the following:

	Transfers In (From)	Transfers Out (To)
General Fund:		
Transfer from Shawnee Municipal Authority	\$ 486,751	\$ ---
Transfer from Revolving Oil & Gas Fund	14,750	---
Transfer to Shawnee Airport Authority	---	58,702
Transfer to Shawnee Civic & Cultural Development Authority	---	412,141
Transfer to Workers Compensation Self-Insurance Fund	---	344,000
Transfer to Library Fund	---	40,000
Special Revenue Funds:		
Revolving Oil & Gas Fund -		
Transfer to General Fund	---	14,750
Economic Development Fund -		
Transfer to Sister Cities Fund	---	15,000
Capital Projects Funds:		
Capital Improvement Fund -		
Transfer to Shawnee Municipal Authority	---	533,280
Street Improvement Fund -		
Transfer to Shawnee Municipal Authority	---	177,285
Enterprise Funds:		
Shawnee Municipal Authority -		
Transfer from Capital Improvement Fund	533,280	---
Transfer from Street Improvement Fund	177,285	---
Transfer to General Fund	---	486,751
Shawnee Airport Authority -		
Transfer from General Fund	58,702	---
Shawnee Civic & Cultural Development Authority		
Transfer from General Fund	412,141	---
Internal Service Funds:		
Workers Compensation Self-Insurance Fund -		
Transfer from General Fund	344,000	---
Trust and Agency Funds:		
Library Fund -		
Transfer from General Fund	40,000	---
Sister Cities Fund -		
Transfer from Economic Development Fund	15,000	---
	<u>\$ 2,081,909</u>	<u>\$ 2,081,909</u>

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 18 - NEW REPORTABLE FUNDS

These financial statements include several new funds as described below:

CDBG FY96 Entitlement Fund - The City created this special revenue fund to account for the current year entitlement of the Community Development Block Grant awarded by the U. S. Department of Housing and Urban Development.

FY 96 HOME Grant Fund - The City created this special revenue fund to account for grant funds received under the HOME program from the U.S. Department of Housing and Urban Development.

FY 96 Emergency Shelter Grant Fund - The City created this special revenue fund to account for grant funds received from the U.S. Department of Housing and Urban Development for the support of homeless programs.

Tresury Fund - This agency fund was created to act as a pooling agent for demand deposit account and investments. Individual funds have an ownership interest in the treasury fund equal to their cash balance.

NOTE 19 - BUDGET BASIS OF ACCOUNTING

The City prepared its budget on a basis other than generally accepted accounting principles (GAAP basis). The actual results of operations are presented in the combined statement of revenues, expenditures, and changes in fund balances - budget and actual (non-GAAP budgetary basis) - general, debt service, special revenue and capital projects funds in accordance with this budget basis to provide a meaningful comparison of actual results with the budget.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 19 - BUDGET BASIS OF ACCOUNTING (Continued)

The major differences between the budget and GAAP basis are:

- (1) Revenues and expenditures are recorded when received in cash or paid (budget) as opposed to when susceptible to accrual (GAAP).
- (2) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the GAAP basis to the budget basis are described below:

	Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses			
	General Fund	Debt Service Fund	Special Revenue Funds	Capital Projects Funds
GAAP Basis	\$ 250,165	38,788	\$ 27,542	\$ (268,113)
Increase (decrease) due to revenues:				
Received in cash during the year but accrued as revenue in prior year	648,075	57	14,764	270,697
Revenues recognized at June 30, 1997 for GAAP reporting but not recognized for budget purposes	(604,582)	(165)	(14,616)	(274,887)
Increase (decrease) due to expenditures:				
Encumbrances reserved at June 30, 1997 but recognized as expenditures for budget purposes	(46,775)	---	(72,379)	(1,662,525)
Expenditures accrued at June 30, 1997 for GAAP reporting but not recognized for budget purposes	602,228	---	---	---
Paid in cash during the current year but accrued as expenditures in the prior year	(638,572)	---	---	---
Budget Basis	<u>\$ 210,539</u>	<u>\$ 38,680</u>	<u>\$ (44,689)</u>	<u>\$ (1,934,828)</u>

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 20 - BUSINESS SEGMENT INFORMATION

Business segment information for the Enterprise Funds, as of June 30, 1997, and for the year then ended is as follows:

	Shawnee Municipal Authority	Shawnee Airport Authority	Shawnee Civic and Cultural Development Authority	Total
Operating information:				
Operating revenues	\$ 6,200,760	\$ 46,704	\$ 722,317	\$ 6,969,781
Operating expenses	<u>4,098,880</u>	<u>112,366</u>	<u>969,861</u>	<u>5,181,107</u>
Net operating income (loss)	2,101,880	(65,662)	(247,544)	1,788,674
Depreciation Expense	(691,696)	(232,918)	(228,219)	(1,152,833)
Non-operating revenues (expenses)	(1,099,282)	47,640	3,503	(1,048,139)
Net operating transfers	<u>223,814</u>	<u>58,702</u>	<u>412,141</u>	<u>694,657</u>
Net income (loss)	<u>\$ 534,716</u>	<u>\$ (192,238)</u>	<u>\$ (60,119)</u>	<u>\$ 282,359</u>
Other information:				
Total Assets	<u>\$ 47,351,674</u>	<u>\$ 4,686,828</u>	<u>\$ 4,775,537</u>	<u>\$ 56,814,039</u>
Net working capital	<u>\$ 2,116,588</u>	<u>\$ 126,140</u>	<u>\$ 329,342</u>	<u>\$ 2,572,070</u>
Total equity	<u>\$ 22,195,837</u>	<u>\$ 4,646,124</u>	<u>\$ 4,515,222</u>	<u>\$ 31,357,183</u>
Property, plant and equipment (net)	<u>\$ 25,244,400</u>	<u>\$ 4,527,779</u>	<u>\$ 4,222,498</u>	<u>\$ 33,994,677</u>

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 21 - DEFINED BENEFIT PENSION PLANS

The City of Shawnee participates in three separate pension plans for the benefit of its employees. The Oklahoma Municipal Retirement Fund (OMRF) is available to all regular, full-time employees other than uniformed police officers and firefighters. The police officers are covered under the Oklahoma Police Pension and Retirement System (OPPRS), and the firefighters under the Oklahoma Firefighters Pension and Retirement System (OFPRS). For purposes of disclosing information regarding these pension funds, they are divided into two separate types of pension funds as required by Governmental Accounting Standards Board (GASB) Statement No. 5, *Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers*. The OMRF system is an agent multiple-employer system, and the OPPRS and the OFPRS systems are cost-sharing multiple-employer systems.

Agent Multiple-Employer System (OMRF)

Plan Description

The City contributes to the OMRF (the System), which acts as a common investment and administrative agent for cities and towns in the State of Oklahoma. The City's payroll for employees covered by the System for the years ended June 30, 1997, was \$3,919,038 and the City's total payroll for all employees was \$6,938,077.

All regular full-time employees, except police officers and firefighters, who were less than 60 years of age at the time of hiring are eligible to participate in the System. Benefits vest after 10 years of service. City employees who retire at or after age 65 with 10 years of service, are entitled to a lump sum distribution or an annual retirement benefit, using a percentage of final average compensation, (which is the highest annual average of total considered compensation for five consecutive years of the last ten completed years of service), multiplied by the number of years of credited service. Any employee may at their option, choose early retirement at the age of 55 with 10 years of service and receive benefits as described above with a 5% reduction of benefits for each year of their age below age 65. The System also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute and City ordinance.

Funding Status and Progress

GASB Statement No. 5 requires a standardized disclosure method of the "pension benefit obligation" which is the present value of pension benefits adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure required by GASB Statement No. 5 is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The required measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 21 - DEFINED BENEFIT PENSION PLANS (Continued)

The pension benefit obligation shown below is an actuarially determined amount using the aggregate entry age normal cost method, which, although generally accepted, differs from the required standardized method described in the preceding paragraph, in that the present value of pension benefits has not been adjusted for projected salary increases. The amount of the difference between the two methods has not been determined. The pension benefit obligation (as computed using the aggregate entry age normal funding method) was computed as part of an actuarial valuation performed as of July 1, 1996. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.5 % per year compounded annually, (b) graduated rates for earnings progression, and (c) a 3% inflation factor.

Total overfunded pension benefit obligation applicable to the City's employees was \$5,689,211 at June 30, 1997, as follows:

Pension Benefit Obligation:

Retirees & beneficiaries currently receiving benefits	\$ 3,107,013
Terminated vested employees with deferred benefits	16,813
Current employees	
Accumulated employee contributions	1,934,777
Employer financed vested	4,055,490
Employer financed non-vested	494,870
Total pension benefit obligation	9,608,963
Net assets available for benefits, at market value	15,298,174
Overfunded pension benefit obligation	<u>\$ 5,689,211</u>

Actuarially Determined Contribution Requirements and Contributions Made

The System's funding policy provides for actuarially determined periodic contributions for employees at rates which correspond to the benefit level of the program adopted by the City (there are six different plans available). Employees of the City of Shawnee contributed 4.25% of annual considered compensation. Contributions required of the City are equal to the difference between the actuarially computed funding requirement and contributions from employees. The city and employees contributed \$446,231 and \$171,783, respectively, for the year ended June 30, 1997. The actuarially determined contribution requirements compared to the actual contributions is as follows:

Actuarially Determined Contribution	Employer Contribution	Employer Contribution Percentage	Employee Contributions	Total Contribution Percentage
\$ 395,020	\$ 446,231	113%	\$ 171,783	156%

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 21 - DEFINED BENEFIT PENSION PLANS (Continued)

Trend Information

GASB Statement No. 5 requires reference to ten-year historical information. This information may be obtained directly from the pension plan at the following address:

Oklahoma Municipal Retirement Fund
P.O. Box 25848
Oklahoma City, OK 73125

GASB Statement No. 5 requires the disclosure of three-year historical trend information which is as follows:

	Fiscal Year Ending June 30,		
	1997	1996	1995
Net assets available for benefits as a % of pension benefit obligation	159.2%	150.7%	131.9%
Assets in excess of pension benefit obligation as a % of covered payroll	145.1%	117.5%	67.1%
Employer contributions as a % of covered payroll	11.38%	11.04%	11.04%
Employee contributions as a % of covered payroll	4.38%	4.37%	4.71%

Cost-Sharing Multiple-Employer Systems (OPPRS, OFPRS)

Plan Descriptions

All of the City's uniformed police officers and firefighters are covered under their respective Systems. These Systems are state-wide pension systems, and cover police officers or firefighters from all participating cities and towns. The covered payroll for employees covered under the Oklahoma Police Pension and Retirement System (OPPRS) for the year ended June 30, 1997, was \$1,467,770, and the covered payroll for employees covered under the Oklahoma Firefighters Pension and Retirement System (OFPRS) for the year ended June 30, 1997, was \$1,533,730; the City's total payroll was \$6,938,077. Significant eligibility and benefits provisions of the two Systems are as follows:

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 21 - DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

	OPPRS (Police Officers)	OFPRS (Firefighters)
Employee Eligibility	All full-time police officers not less than 21 years old and less than 45 when accepted for membership	All full-time firefighters hired before the age of 45
Vesting of Benefits	10 years of service	10 years of service
Normal Retirement	20 years of service, regardless of age	20 years of service and attained age 50
Employee Contribution	8% of total base pay	8% of total base pay
City Contributions	13% of total base pay	13% of total base pay
State Contributions	Remainder of actuarially determined amount	Remainder of actuarially determined amount
Normal Retirement Benefit	2.5% of final average salary (average salary for last 30 months) multiplied by years of creditable service	2.5% of final average salary (average salary for last 30 months) multiplied by years of creditable service

Both systems also provide death and disability benefits. These benefit requirements are established by State statutes. After 20 years of service, employees no longer contribute to the plan, but the City will continue to contribute at the normal established rate. The City contributed \$190,810 to the OPPRS System and \$199,385 to the OFPRS system for the year ended June 30, 1997. These contributions represented 13% of covered payroll, respectively.

GASB Statement No. 5 requires a standardized disclosure method of the "pension benefit obligation" which is the present value of pension benefits adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure required by GASB Statement No. 5 is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 21 - DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

The Systems do not make separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation at June 30, 1996 (latest information available) for each System as a whole, determined through actuarial valuations was \$808,500,000 for the OPPRS and \$1,172,600,000 for the OFPRS. The Systems' net assets available for benefits on that date (valued at market) were \$805,200,000 and \$817,600,000, respectively, leaving unfunded pension benefit obligations of \$3,300,000 and \$355,000,000, respectively.

GASB Statement No. 5 requires reference to the separately issued Systems' annual financial statements which should disclose 10 year historical trend information showing the Systems' progress in accumulating sufficient assets to pay benefits when due. This historical information has not been presented herein, but may be obtained directly from the from the pension plan at the following address:

Oklahoma Police Pension
and Retirement System
1001 N.W. 63rd Street, Suite 305
Oklahoma City, OK 73116-7339

Oklahoma Firefighters Pension
and Retirement System
4545 N. Lincoln Blvd., Suite 265
Oklahoma City, OK 73105-3414

NOTE 22 - CONTINGENT LIABILITIES

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, would be immaterial to the accompanying general purpose financial statements.

NOTE 23 - DEFICIT RETAINED EARNINGS

The Shawnee Airport Authority and the Shawnee Civic and Cultural Development Authority have a deficit fund balance of \$1,223,705 and \$1,459,642, respectively, at June 30, 1997.

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 24 – SELF INSURANCE

Workers Compensation – The city is self insured for workers compensation claims. Liabilities are reported when it is probable that loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). A third party administrator is used to evaluate claims and estimate the city's liability.

General Liability – The City is exposed to a various risks of loss related to torts, property damage, errors and omissions, and personal injury. Commercial insurance is carried to cover these general liability claims. The city has also established the general liability self insurance fund. The City retains the risk for all amounts not covered by commercial insurance. A summary of insurance coverages for general liability claims is as follows:

Catagories	Deductible	Coverage Limit
Bodily injury	\$ ---	\$ 100,000
Property damage	---	25,000
Personal Injury	1,000	100,000
Errors and Ommissions	1,000	100,000
Polution Damage	1,000	25,000

Changes in the balance of claims liabilities during the past year are as follows:

	Workers Compensation Self-Insurance Fund	General Liability Self-Insurance Fund
Unpaid claims, beginning of year	\$ 292,000	\$ ---
Incurred claims (including IBNR)	335,426	64,989
Claims payments	385,862	64,989
Unpaid claims, end of year	<u>\$ 241,564</u>	<u>\$ ---</u>

City of Shawnee, Oklahoma
Notes to Financial Statements
June 30, 1997
(Continued)

NOTE 25 - SUBSEQUENT EVENTS

On September 9, 1997, the Shawnee Municipal Authority issued the following promissory notes to secure the repayment of a revolving line of credit provided by the Oklahoma Water Resources Board for improvements to a wastewater treatment plant:

Series 1997A Promissory Note in the amount of \$1,073,278.84; with a maturity of August 15, 2016. Payments are February and August 15. No interest is charged on this note, but a 0.5% administrative fee is due with each semi-annual installment.

Series 1997B Promissory Note in the amount of \$1,900,000; with a maturity of August 15, 2016. Payments are February and August 15. Interest rate is variable between 3.895% and 5.245%, with an average interest rate of 5.089%.

Combining Financial Statements

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general operating revenues not restricted as to use are recorded in the General Fund.

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 1997

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	8,113,580	8,301,060	\$ 187,480
Intergovernmental revenue	244,680	180,081	(64,599)
Licenses and Permits	155,530	170,127	14,597
Fines and Forefeitures	303,280	261,098	(42,182)
Interest	141,070	124,685	(16,385)
Other Revenue	166,880	241,458	74,578
Total Revenues	<u>9,125,020</u>	<u>9,278,509</u>	<u>153,489</u>
EXPENDITURES			
ADMINISTRATION			
City Manager's Office -			
Personal services	\$ 183,480	\$ 182,583	\$ 897
Materials and supplies	2,890	2,269	621
Other services and charges	186,434	163,466	22,968
Total City Manager's Office	<u>372,804</u>	<u>348,318</u>	<u>24,486</u>
Action Center -			
Personal services	37,138	36,735	403
Materials and supplies	1,500	1,474	26
Other services and charges	34,330	20,681	13,649
Total Action Center	<u>72,968</u>	<u>58,890</u>	<u>14,078</u>
City Attorney -			
Other services and charges	104,200	99,989	4,211
Total City Attorney	<u>104,200</u>	<u>99,989</u>	<u>4,211</u>
Personnel -			
Personal services	67,279	62,882	4,397
Materials and supplies	1,000	707	293
Other services and charges	57,779	56,217	1,562
Total Personnel	<u>126,058</u>	<u>119,806</u>	<u>6,252</u>

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 1997

	Final Budget	Actual	Variance Favorable (Unfavorable)
Emergency Management -			
Personal services	426,467	418,926	7,541
Materials and supplies	3,724	3,660	64
Other services and charges	15,651	14,587	1,064
Total Emergency Management	445,842	437,173	8,669
INTERNAL SERVICES			
Accounting -			
Personal services	\$ 202,104	\$ 198,455	\$ 3,649
Materials and supplies	3,250	3,195	55
Other services and charges	86,439	81,323	5,116
Total Accounting	291,793	282,973	8,820
Purchasing -			
Materials and supplies	960	546	414
Other services and charges	300	---	300
Total Purchasing	1,260	546	714
Data Processing -			
Materials and supplies	1,200	925	275
Other services and charges	25,605	19,111	6,494
Debt Service	17,075	17,075	---
Total Data Processing	43,880	37,111	6,769
Building Maintenance -			
Materials and supplies	622	608	14
Other services and charges	47,680	47,544	136
Total Building Maintenance	48,302	48,152	150
Equipment Services -			
Personal services	155,587	151,675	3,912
Materials and supplies	6,569	6,555	14
Other services and charges	14,204	13,683	521
Total Equipment Services	176,360	171,913	4,447

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 1997

	Final Budget	Actual	Variance Favorable (Unfavorable)
COMMUNITY SERVICES			
Municipal Court -			
Personal services	\$ 171,590	\$ 169,818	\$ 1,772
Materials and supplies	1,650	1,134	516
Other services and charges	78,776	23,918	54,858
Total Municipal Court	252,016	194,870	57,146
Records and Licenses -			
Personal services	131,601	130,374	1,227
Materials and supplies	7,125	6,932	193
Other services and charges	41,281	21,189	20,092
Total Records and Licenses	180,007	158,495	21,512
COMMUNITY DEVELOPMENT			
Code Enforcement -			
Personal services	104,595	99,598	4,997
Materials and supplies	750	516	234
Other services and charges	6,483	5,660	823
Total Code Enforcement	111,828	105,774	6,054
Planning -			
Personal services	121,727	104,412	17,315
Materials and supplies	550	511	39
Other services and charges	11,800	7,919	3,881
Total Planning	134,077	112,842	21,235
POLICE			
Police - Auxiliary -			
Personal services	\$ 195,697	\$ 194,480	\$ 1,217
Materials and supplies	30,026	29,861	165
Other services and charges	19,088	17,737	1,351
Total Police Auxiliary	244,811	242,078	2,733

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 1997

	Final Budget	Actual	Variance Favorable (Unfavorable)
Police - Patrol -			
Personal services	1,671,354	1,666,920	4,434
Materials and supplies	12,352	11,741	611
Other services and charges	78,897	77,373	1,524
Total Police Patrol	<u>1,762,603</u>	<u>1,756,034</u>	<u>6,569</u>
Police - CID -			
Personal services	365,204	364,265	939
Materials and supplies	10,682	10,092	590
Other services and charges	19,563	19,473	90
Total Police CID	<u>395,449</u>	<u>393,830</u>	<u>1,619</u>
Police - Humane -			
Personal services	121,901	120,885	1,016
Materials and supplies	6,143	6,142	1
Other services and charges	5,750	5,320	430
Total Police Humane	<u>133,794</u>	<u>132,347</u>	<u>1,447</u>
 FIRE			
Fire Prevention -			
Personal services	\$ 209,152	\$ 208,342	\$ 810
Materials and supplies	1,417	1,373	44
Other services and charges	9,260	8,127	1,133
Total Fire Prevention	<u>219,829</u>	<u>217,842</u>	<u>1,987</u>
Fire Suppression -			
Personal services	1,727,147	1,723,698	3,449
Materials and supplies	54,813	53,486	1,327
Other services and charges	56,679	56,612	67
Total Fire Suppression	<u>1,838,639</u>	<u>1,833,796</u>	<u>4,843</u>

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 1997

	Final Budget	Actual	Variance Favorable (Unfavorable)
Fire Training -			
Personal services	100	50	50
Materials and supplies	400	344	56
Other services and charges	24,903	23,101	1,802
Total Fire Training	25,403	23,495	1,908
ENGINEERING			
Engineering-			
Personal services	226,594	202,164	24,430
Materials and supplies	3,529	2,770	759
Other services and charges	41,463	19,230	22,233
Total Engineering	271,586	224,164	47,422
PUBLIC WORKS			
Public Works - Administration -			
Personal services	133,522	133,219	303
Materials and supplies	780	751	29
Other services and charges	13,809	13,602	207
Total Public Works Administration	148,111	147,572	539
Street Maintenance -			
Personal services	437,857	410,181	27,676
Materials and supplies	38,767	35,194	3,573
Other services and charges	345,827	304,104	41,723
Total Street Maintenance	822,451	749,479	72,972
Traffic Control -			
Personal services	100,686	78,739	21,947
Materials and supplies	24,125	24,120	5
Other services and charges	16,955	11,517	5,438
Total Traffic Control	141,766	114,376	27,390

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 1997

	Final Budget	Actual	Variance Favorable (Unfavorable)
Parks Maintenance -			
Personal services	319,052	289,953	29,099
Materials and supplies	32,394	32,007	387
Other services and charges	66,476	63,796	2,680
Total Parks Maintenance	<u>417,922</u>	<u>385,756</u>	<u>32,166</u>
Cemetery -			
Personal services	\$ 106,893	\$ 99,734	\$ 7,159
Materials and supplies	6,789	6,612	177
Other services and charges	10,930	10,542	388
Total Cemetery	<u>124,612</u>	<u>116,888</u>	<u>7,724</u>
Municipal Auditorium -			
Materials and supplies	750	377	373
Other services and charges	6,150	5,438	712
Total Municipal Auditorium	<u>6,900</u>	<u>5,815</u>	<u>1,085</u>
Community Center -			
Materials and supplies	1,855	1,735	120
Other services and charges	3,110	2,511	599
Total Community Center	<u>4,965</u>	<u>4,246</u>	<u>719</u>
Senior Citizens Center -			
Materials and supplies	200	98	102
Other services and charges	48,318	47,645	673
Total Senior Citizens Center	<u>48,518</u>	<u>47,743</u>	<u>775</u>
CENTRALIZED COSTS			
Materials and supplies	147,651	147,648	3
Other services and charges	866,693	838,134	28,559
Total Centralized Costs	<u>1,014,344</u>	<u>985,782</u>	<u>28,562</u>

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 1997

	Final Budget	Actual	Variance Favorable (Unfavorable)
CONTINGENCIES			
Other services and charges	53,899	39,625	14,274
Total Contingencies	53,899	39,625	14,274
 Total Expenditures	10,036,997	9,597,720	439,277
Excess of Revenues Over (Under) Expenditures	(911,977)	(319,211)	592,766
 Other Financing Sources (Uses)			
Transfers from Other Funds	1,264,750	1,264,750	---
Transfers to Other Funds	(735,000)	(735,000)	---
Total	529,750	529,750	---
 Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(382,227)	210,539	592,766
 Fund Balance - Beginning	382,227	725,794	343,567
 Fund Balance - Ending	\$ ---	\$ 936,333	\$ 936,333

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes.

Street and Alley Fund - Established to account for the operation and maintenance of local streets and thoroughfares. Financing is provided primarily through motor vehicle and excise taxes collected by the County.

E - 911 Fund - Established to account for the operations and maintenance of the City's 911 emergency services. Financing is provided primarily through telephone service fees.

Revolving Oil and Gas Fund - Established to account for the inspection and monitoring of oil and gas wells. Financing is provided primarily through user licenses and fees.

Economic Development Fund - Established to account for the promotion of economic development. Financing is provided primarily through sales tax revenues.

Spay Neuter Fund - Established to account for the City's animal adoption program. Financing is provided primarily through participant fees.

Hotel/Motel Surcharge Fund - Established to account for the collection of the City's hotel/motel surcharge. Funds received from this surcharge are used for the promotion of tourism.

Community Development Block Grant and Home Grant Funds - Established to account for federal grant funds received by the City, and expenditures related to the operation of these grants.

Emergency Shelter Grant Fund - Established to account for federal grant funds received by the City, and expenditures related to the operation of these grants.

City of Shawnee, Oklahoma
Combining Balance Sheet
All Special Revenue Funds
June 30, 1997

	Street and Alley Fund	E-911 Fund	Revolving Oil and Gas Fund	Economic Development Fund	Spay Neuter Fund	Hotel/Motel Surcharge Fund	CDBG FY 92 Entitlement Fund
ASSETS							
Investment in treasury fund	\$ 124,418	\$ 49,962	\$ 20,009	\$ 86,444	\$ 27,316	\$ 11,287	\$ --
Receivables:							
Accrued interest	113	45	18	77	25	10	--
Due from other governments	--	--	--	--	--	--	16
Sales tax receivable	--	--	--	14,327	--	--	--
TOTAL ASSETS	<u>\$ 124,531</u>	<u>\$ 50,007</u>	<u>\$ 20,027</u>	<u>\$ 100,848</u>	<u>\$ 27,341</u>	<u>\$ 11,297</u>	<u>\$ 16</u>
LIABILITIES							
Accounts payable	--	--	--	--	150	8,935	--
Deferred Revenue	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--	16
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>150</u>	<u>8,935</u>	<u>16</u>
FUND EQUITY							
Fund balance:							
Reserved	72,379	--	--	--	--	--	--
Unreserved	52,152	50,007	20,027	100,848	27,191	2,362	--
Total Fund Equity	<u>124,531</u>	<u>50,007</u>	<u>20,027</u>	<u>100,848</u>	<u>27,191</u>	<u>2,362</u>	<u>--</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 124,531</u>	<u>\$ 50,007</u>	<u>\$ 20,027</u>	<u>\$ 100,848</u>	<u>\$ 27,341</u>	<u>\$ 11,297</u>	<u>\$ 16</u>

City of Shawnee, Oklahoma
Combining Balance Sheet
All Special Revenue Funds
June 30, 1997
(Continued)

CDBG FY 93 Entitlement Fund	CDBG FY 94 Entitlement Fund	CDBG FY 95 Entitlement Fund	CDBG FY 96 Entitlement Fund	FY 95 Home Grant Fund	FY 96 Home Grant Fund	FY 95 Emergency Shelter Grant Fund	FY 96 Emergency Shelter Grant Fund	Total
\$ 506	\$ --	\$ 19,079	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 339,021
--	--	--	--	--	--	--	--	288
--	16,960	--	37,081	1,657	5,545	10,979	2,742	74,980
--	--	--	--	--	--	--	--	14,327
<u>\$ 506</u>	<u>\$ 16,960</u>	<u>\$ 19,079</u>	<u>\$ 37,081</u>	<u>\$ 1,657</u>	<u>\$ 5,545</u>	<u>\$ 10,979</u>	<u>\$ 2,742</u>	<u>\$ 428,616</u>
--	50	815	1,161	--	--	--	--	11,111
506	--	18,264	--	--	--	--	--	18,770
--	16,910	--	35,920	1,657	5,545	10,979	2,742	73,769
<u>506</u>	<u>16,960</u>	<u>19,079</u>	<u>37,081</u>	<u>1,657</u>	<u>5,545</u>	<u>10,979</u>	<u>2,742</u>	<u>103,650</u>
--	--	--	--	--	--	--	--	72,379
--	--	--	--	--	--	--	--	252,587
--	--	--	--	--	--	--	--	324,966
<u>\$ 506</u>	<u>\$ 16,960</u>	<u>\$ 19,079</u>	<u>\$ 37,081</u>	<u>\$ 1,657</u>	<u>\$ 5,545</u>	<u>\$ 10,979</u>	<u>\$ 2,742</u>	<u>\$ 428,616</u>

City of Shawnee, Oklahoma
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - All Special Revenue Funds
For the Fiscal Year Ended June 30, 1997

	Street and Alley Fund	E-911 Fund	Revolving Oil and Gas Fund	Economic Development Fund	Spay Neuter Fund	Hotel/Motel Surcharge Fund	CDBG FY 92 Entitlement Fund
Revenues:							
Taxes	\$ 227,829	\$ ---	\$ ---	\$ 166,490	\$ ---	\$ 86,718	\$ ---
Intergovernmental revenues	---	---	---	6,250	---	---	32,800
Licenses and permits	3,427	---	5,400	---	---	---	---
Interest	6,327	45	931	2,032	25	10	---
Other revenues	---	103,377	---	---	5,955	---	---
Total Revenues	<u>237,583</u>	<u>103,422</u>	<u>6,331</u>	<u>174,772</u>	<u>5,980</u>	<u>86,728</u>	<u>32,800</u>
Expenditures:							
Current -							
General Government	---	---	---	---	---	85,851	---
Public safety	---	24,844	3,025	---	8,526	---	---
Public works	262,063	---	---	---	---	---	---
Urban redevelopment and housing	---	---	---	---	---	---	---
Economic development	---	---	---	106,250	---	---	---
Capital outlay	---	---	---	---	---	---	32,800
Debt service -							
Principal retirement	---	49,741	---	---	---	---	---
Interest and fiscal charges	---	17,224	---	---	---	---	---
Total Expenditures	<u>262,063</u>	<u>91,809</u>	<u>3,025</u>	<u>106,250</u>	<u>8,526</u>	<u>85,851</u>	<u>32,800</u>
Excess of Revenues Over (Under) Expenditures	<u>(24,480)</u>	<u>11,613</u>	<u>3,306</u>	<u>68,522</u>	<u>(2,546)</u>	<u>877</u>	<u>---</u>
Other Financing Sources (Uses):							
Operating transfers out	---	---	(14,750)	(15,000)	---	---	---
Total Other Financing Sources (Uses)	<u>---</u>	<u>---</u>	<u>(14,750)</u>	<u>(15,000)</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess of Revenues and Other Sources Over (Under)							
Expenditures and Other Uses	(24,480)	11,613	(11,444)	53,522	(2,546)	877	---
Fund Balances - Beginning	<u>149,011</u>	<u>38,394</u>	<u>31,471</u>	<u>47,326</u>	<u>29,737</u>	<u>1,485</u>	<u>---</u>
Fund Balances - Ending	<u>\$ 124,531</u>	<u>\$ 50,007</u>	<u>\$ 20,027</u>	<u>\$ 100,848</u>	<u>\$ 27,191</u>	<u>\$ 2,362</u>	<u>\$ ---</u>

City of Shawnee, Oklahoma
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - All Special Revenue Funds
For the Fiscal Year Ended June 30, 1997
(Continued)

CDBG FY 93 Entitlement Fund	CDBG FY 94 Entitlement Fund	CDBG FY 95 Entitlement Fund	CDBG FY 96 Entitlement Fund	FY 95 Home Grant Fund	FY 96 Home Grant Fund	FY 95 Emergency Shelter Grant Fund	FY 96 Emergency Shelter Grant Fund	Total
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 481,037
52,018	31,133	276,699	74,687	127,267	8,265	10,502	20,164	639,785
—	—	—	—	—	—	—	—	8,827
—	—	—	—	—	—	—	—	9,370
—	—	37,538	26,128	11,774	3,401	—	—	188,173
<u>52,018</u>	<u>31,133</u>	<u>314,237</u>	<u>100,815</u>	<u>139,041</u>	<u>11,666</u>	<u>10,502</u>	<u>20,164</u>	<u>1,327,192</u>
—	—	—	—	—	—	—	—	85,851
—	—	—	—	—	—	—	—	36,395
—	—	—	—	—	—	—	—	262,063
13,145	31,133	172,493	100,815	139,041	11,666	6,835	20,164	495,292
—	—	—	—	—	—	—	—	106,250
38,873	—	141,744	—	—	—	3,667	—	217,084
—	—	—	—	—	—	—	—	49,741
—	—	—	—	—	—	—	—	17,224
<u>52,018</u>	<u>31,133</u>	<u>314,237</u>	<u>100,815</u>	<u>139,041</u>	<u>11,666</u>	<u>10,502</u>	<u>20,164</u>	<u>1,269,900</u>
—	—	—	—	—	—	—	—	57,292
—	—	—	—	—	—	—	—	(29,750)
—	—	—	—	—	—	—	—	(29,750)
—	—	—	—	—	—	—	—	27,542
—	—	—	—	—	—	—	—	297,424
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 324,966</u>

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
Street and Alley Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 216,300	\$ 227,829	\$ 11,529
Licenses and permits	2,300	3,427	1,127
Interest	9,500	6,813	(2,687)
Total Revenues	228,100	238,069	9,969
EXPENDITURES			
PUBLIC WORKS			
Street and Alley-			
Materials and Supplies	146	146	---
Other Services and Charges	252,000	238,622	13,378
Total Street and Alley	252,146	238,768	13,378
CAPTIAL OUTLAY			
Street and Alley	98,300	95,673	2,627
Total Capital Outlay	98,300	95,673	2,627
Total Expenditures	350,446	334,441	16,005
Excess of Revenues Over (Under) Expenditures	(122,346)	(96,372)	25,974
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Total Other Financing Sources (Uses)	---	---	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(122,346)	(96,372)	25,974
Fund Balances - Beginning	122,346	148,411	26,065
Fund Balances - Ending	\$ ---	\$ 52,039	\$ 52,039

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
E - 911 Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Other Revenue	\$ 98,000	\$ 103,376	\$ 5,376
Total Revenues	98,000	103,376	5,376
EXPENDITURES			
COMMUNITY SERVICES			
E-911 -			
Other Services and Charges	56,122	24,844	31,278
Total E-911	56,122	24,844	31,278
DEBT SERVICE			
Debt Service	70,120	66,965	3,155
Total Debt Service	70,120	66,965	3,155
Total Expenditures	126,242	91,809	34,433
Excess of Revenues Over (Under) Expenditures	(28,242)	11,567	39,809
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Total Other Financing Sources (Uses)	---	---	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(28,242)	11,567	39,809
Fund Balances - Beginning	28,242	38,394	10,152
Fund Balances - Ending	\$ ---	\$ 49,961	\$ 49,961

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
Revolving Oil and Gas Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Licenses and permits	\$ 10,000	\$ 5,400	\$ (4,600)
Interest	1,050	950	(100)
Total Revenues	11,050	6,350	(4,700)
EXPENDITURES			
FIRE			
Revolving Oil and Gas-			
Materials and Supplies	5,000	3,025	1,975
Other Services and Charges	11,600	---	11,600
Total Revolving Oil and Gas	16,600	3,025	13,575
Total Expenditures	16,600	3,025	13,575
Excess of Revenues Over (Under) Expenditures	(5,550)	3,325	8,875
Other Financing Sources (Uses):			
Operating transfers out	(14,750)	(14,750)	---
Total Other Financing Sources (Uses)	(14,750)	(14,750)	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(20,300)	(11,425)	8,875
Fund Balances - Beginning	20,300	31,434	11,134
Fund Balances - Ending	\$ ---	\$ 20,009	\$ 20,009

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
Economic Development Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 161,460	\$ 166,221	\$ 4,761
Intergovernmental revenues	6,250	6,250	---
Interest	2,200	2,024	(176)
Total Revenues	169,910	174,495	4,585
EXPENDITURES			
ADMINISTRATION			
Economic Development-			
Other Services and Charges	127,250	106,250	21,000
Total Economic Development	127,250	106,250	21,000
CAPTIAL OUTLAY			
Capital Outlay	15,000	---	15,000
Total Capital Outlay	15,000	---	15,000
Total Expenditures	142,250	106,250	36,000
Excess of Revenues Over (Under) Expenditures	27,660	68,245	40,585
Other Financing Sources (Uses):			
Operating transfers out	(15,000)	(15,000)	---
Total Other Financing Sources (Uses)	(15,000)	(15,000)	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	12,660	53,245	40,585
Fund Balances - Beginning	(12,660)	33,199	45,859
Fund Balances - Ending	\$ ---	\$ 86,444	\$ 86,444

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
Spay Neuter Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Other revenues	\$ 6,000	\$ 5,955	\$ (45)
Total Revenues	<u>6,000</u>	<u>5,955</u>	<u>(45)</u>
EXPENDITURES			
POLICE			
Spay/Neuter-			
Other Services and Charges	35,924	8,526	27,398
Total Spay/Neuter	<u>35,924</u>	<u>8,526</u>	<u>27,398</u>
Total Expenditures	<u>35,924</u>	<u>8,526</u>	<u>27,398</u>
Excess of Revenues Over (Under) Expenditures	<u>(29,924)</u>	<u>(2,571)</u>	<u>27,353</u>
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	<u>---</u>	<u>---</u>	<u>---</u>
Total Other Financing Sources (Uses)	<u>---</u>	<u>---</u>	<u>---</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(29,924)	(2,571)	27,353
Fund Balances - Beginning	<u>29,924</u>	<u>29,737</u>	<u>(187)</u>
Fund Balances - Ending	<u>\$ ---</u>	<u>\$ 27,166</u>	<u>\$ 27,166</u>

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
Hotel/Motel Surcharge Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 93,000	\$ 86,718	\$ (6,282)
Total Revenues	93,000	86,718	(6,282)
EXPENDITURES			
COMMUNITY DEVELOPMENT			
Hotel/Motel Surcharge-			
Other Services and Charges	92,070	85,851	6,219
Total Hotel/Motel Surcharge	92,070	85,851	6,219
Total Expenditures	92,070	85,851	6,219
Excess of Revenues Over (Under) Expenditures	930	867	(63)
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Total Other Financing Sources (Uses)	---	---	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	930	867	(63)
Fund Balances - Beginning	(930)	1,485	2,415
Fund Balances - Ending	\$ ---	\$ 2,352	\$ 2,352

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
FY 92 CDBG Entitlement Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 32,800	\$ 32,800	\$ ---
Total Revenues	32,800	32,800	---
EXPENDITURES			
CAPITAL OUTLAY			
Capital Outlay	32,800	32,800	---
Total Capital Outlay	32,800	32,800	---
Total Expenditures	32,800	32,800	---
Excess of Revenues Over (Under) Expenditures	---	---	---
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Total Other Financing Sources (Uses)	---	---	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	---	---	---
Fund Balances - Beginning	---	---	---
Fund Balances - Ending	\$ ---	\$ ---	\$ ---

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
FY 93 CDBG Entitlement Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 115,886	\$ 52,018	\$ (63,868)
Total Revenues	115,886	52,018	(63,868)
EXPENDITURES			
COMMUNITY DEVELOPMENT			
Housing Rehabilitation-			
Other Services and Charges	138	40	98
Total Housing Rehabilitation	138	40	98
Community Development Corporation-			
Other Services and Charges	76,875	13,105	63,770
Total Community Development Corporation	76,875	13,105	63,770
CAPTIAL OUTLAY			
Capital Outlay	38,873	38,873	---
Total Capital Outlay	38,873	38,873	---
Total Expenditures	115,886	52,018	63,868
Excess of Revenues Over (Under) Expenditures	---	---	---
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Total Other Financing Sources (Uses)	---	---	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	---	---	---
Fund Balances - Beginning	---	---	---
Fund Balances - Ending	\$ ---	\$ ---	\$ ---

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
FY 94 CDBG Entitlement Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 46,052	\$ 31,133	\$ (14,919)
Total Revenues	46,052	31,133	(14,919)
EXPENDITURES			
COMMUNITY DEVELOPMENT			
CDBG Administration-			
Materials and Supplies	102	65	37
Other Services and Charges	20	20	---
Total CDBG Administration	122	85	37
Housing Rehabilitation-			
Personal Services	18,217	18,217	---
Other Services and Charges	22,402	12,831	9,571
Total Housing Rehabilitation	40,619	31,048	9,571
CAPTIAL OUTLAY			
Capital Outlay	5,311	---	5,311
Total Capital Outlay	5,311	---	5,311
Total Expenditures	46,052	31,133	14,919
Excess of Revenues Over (Under) Expenditures	---	---	---
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Total Other Financing Sources (Uses)	---	---	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	---	---	---
Fund Balances - Beginning	---	---	---
Fund Balances - Ending	\$ ---	\$ ---	\$ ---

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
FY 95 CDBG Entitlement Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 367,997	\$ 314,237	\$ (53,760)
Total Revenues	<u>367,997</u>	<u>314,237</u>	<u>(53,760)</u>
EXPENDITURES			
COMMUNITY DEVELOPMENT			
CDBG Administration-			
Personal Services	37,612	23,449	14,163
Materials and Supplies	1,314	1,280	34
Other Services and Charges	12,419	11,138	1,281
Total CDBG Administration	<u>51,345</u>	<u>35,867</u>	<u>15,478</u>
Housing Rehabilitation-			
Personal Services	43,410	43,411	(1)
Other Services and Charges	105,902	93,215	12,687
Total Housing Rehabilitation	<u>149,312</u>	<u>136,626</u>	<u>12,686</u>
CAPTIAL OUTLAY			
Capital Outlay	<u>167,340</u>	<u>141,744</u>	<u>25,596</u>
Total Capital Outlay	<u>167,340</u>	<u>141,744</u>	<u>25,596</u>
Total Expenditures	<u>367,997</u>	<u>314,237</u>	<u>53,760</u>
Excess of Revenues Over (Under) Expenditures	<u>---</u>	<u>---</u>	<u>---</u>
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	<u>---</u>	<u>---</u>	<u>---</u>
Total Other Financing Sources (Uses)	<u>---</u>	<u>---</u>	<u>---</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>---</u>	<u>---</u>	<u>---</u>
Fund Balances - Beginning	<u>---</u>	<u>---</u>	<u>---</u>
Fund Balances - Ending	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
FY 96 CDBG Entitlement Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 601,000	\$ 100,815	\$ (500,185)
Total Revenues	601,000	100,815	(500,185)
EXPENDITURES			
COMMUNITY DEVELOPMENT			
CDBG Administration-			
Personal Services	42,752	11,921	30,831
Materials and Supplies	1,800	1,059	741
Other Services and Charges	17,456	7,124	10,332
Total CDBG Administration	62,008	20,104	41,904
Housing Rehabilitation-			
Personal Services	107,095	57,192	49,903
Other Services and Charges	276,149	23,519	252,630
Total Housing Rehabilitation	383,244	80,711	302,533
CAPTIAL OUTLAY			
Capital Outlay	155,748	---	155,748
Total Capital Outlay	155,748	---	155,748
Total Expenditures	601,000	100,815	500,185
Excess of Revenues Over (Under) Expenditures	---	---	---
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Total Other Financing Sources (Uses)	---	---	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	---	---	---
Fund Balances - Beginning	---	---	---
Fund Balances - Ending	\$ ---	\$ ---	\$ ---

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
FY 95 Home Grant Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 141,960	\$ 139,041	\$ (2,919)
Total Revenues	<u>141,960</u>	<u>139,041</u>	<u>(2,919)</u>
EXPENDITURES			
COMMUNITY DEVELOPMENT			
Home Administration-			
Personal Services	<u>7,381</u>	<u>7,381</u>	<u>---</u>
Total Home Administration	<u>7,381</u>	<u>7,381</u>	<u>---</u>
Development Hard Costs-			
Other Services and Charges	<u>134,579</u>	<u>131,660</u>	<u>2,919</u>
Total Development Hard Costs	<u>134,579</u>	<u>131,660</u>	<u>2,919</u>
Total Expenditures	<u>141,960</u>	<u>139,041</u>	<u>2,919</u>
Excess of Revenues Over (Under) Expenditures	<u>---</u>	<u>---</u>	<u>---</u>
Other Financing Sources (Uses):			
Operating transfers in	<u>---</u>	<u>---</u>	<u>---</u>
Operating transfers out	<u>---</u>	<u>---</u>	<u>---</u>
Total Other Financing Sources (Uses)	<u>---</u>	<u>---</u>	<u>---</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>---</u>	<u>---</u>	<u>---</u>
Fund Balances - Beginning	<u>---</u>	<u>---</u>	<u>---</u>
Fund Balances - Ending	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
FY 96 Home Grant Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 155,000	\$ 11,666	\$ (143,334)
Total Revenues	155,000	11,666	(143,334)
EXPENDITURES			
COMMUNITY DEVELOPMENT			
Home Administration-			
Personal Services	7,381	---	7,381
Total Home Administration	7,381	---	7,381
Development Hard Costs-			
Other Services and Charges	147,619	11,666	135,953
Total Development Hard Costs	147,619	11,666	135,953
Total Expenditures	155,000	11,666	143,334
Excess of Revenues Over (Under) Expenditures	---	---	---
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Total Other Financing Sources (Uses)	---	---	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	---	---	---
Fund Balances - Beginning	---	---	---
Fund Balances - Ending	\$ ---	\$ ---	\$ ---

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
FY 95 Emergency Shelter Grant
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 11,188	\$ 10,502	\$ (686)
Total Revenues	11,188	10,502	(686)
EXPENDITURES			
COMMUNITY DEVELOPMENT			
Emergency Shelter-			
Other Services and Charges	7,507	6,835	672
Total Emergency Shelter	7,507	6,835	672
CAPTIAL OUTLAY			
Infrastructure	3,681	3,667	14
Total Capital Outlay	3,681	3,667	14
Total Expenditures	11,188	10,502	686
Excess of Revenues Over (Under) Expenditures	---	---	---
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Total Other Financing Sources (Uses)	---	---	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	---	---	---
Fund Balances - Beginning	---	---	---
Fund Balances - Ending	\$ ---	\$ ---	\$ ---

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
FY 96 Emergency Shelter Grant
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 35,000	\$ 20,164	\$ (14,836)
Total Revenues	35,000	20,164	(14,836)
EXPENDITURES			
COMMUNITY DEVELOPMENT			
Emergency Shelter-			
Other Services and Charges	35,000	20,164	14,836
Total Emergency Shelter	35,000	20,164	14,836
Total Expenditures	35,000	20,164	14,836
Excess of Revenues Over (Under) Expenditures	---	---	---
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Total Other Financing Sources (Uses)	---	---	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	---	---	---
Fund Balances - Beginning	---	---	---
Fund Balances - Ending	\$ ---	\$ ---	\$ ---

Debt Service Fund

The Debt Service fund is used to account for the accumulation of resources for, and the payment of, principal, interest and related costs on general obligation bonds.

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
Debt Service Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 310,100	\$ 375,889	\$ 65,789
Interest	1,800	1,662	(138)
Other revenues	15,000	15,739	739
Total Revenues	326,900	393,290	66,390
EXPENDITURES			
DEBT SERVICE			
Debt Service	355,386	354,610	776
Total Debt Service	355,386	354,610	776
Total Expenditures	355,386	354,610	776
Excess of Revenues Over (Under) Expenditures	(28,486)	38,680	67,166
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Total Other Financing Sources (Uses)	---	---	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(28,486)	38,680	67,166
Fund Balances - Beginning	28,486	155,974	127,488
Fund Balances - Ending	\$ ---	\$ 194,654	\$ 194,654

Capital Projects Funds

The Capital Projects funds are used to account for financial resources segregated for the acquisition of capital assets or construction of major capital facilities.

Capital Improvement Fund - Established to account for the purchase of capital equipment and construction of facilities. Financing is provided primarily through sales tax.

Street Improvement Fund - Established to account for the construction or major reconstruction of street projects. Financing is provided primarily through sales tax.

1994 Street Improvement Projects Fund - Established to account for general obligation bond proceeds designated for the construction of specific street projects.

City of Shawnee, Oklahoma
Combining Balance Sheet
All Capital Projects Funds
June 30, 1997

	Capital Improvement Fund	Street Improvement Fund	1994 Street Improvement Project Fund	Total
ASSETS				
Investment in treasury fund	\$ 1,409,226	\$ 2,385,145	\$ 642,680	\$ 4,437,051
Receivables:				
Accrued interest	798	1,691	175	2,664
Sales tax receivable	<u>128,947</u>	<u>143,275</u>	<u>—</u>	<u>272,222</u>
TOTAL ASSETS	<u>\$ 1,538,971</u>	<u>\$ 2,530,111</u>	<u>\$ 642,855</u>	<u>\$ 4,711,937</u>
LIABILITIES				
Accounts payable	<u>246,771</u>	<u>110,236</u>	<u>—</u>	<u>357,007</u>
Total Liabilities	<u>246,771</u>	<u>110,236</u>	<u>—</u>	<u>357,007</u>
FUND EQUITY				
Fund balance:				
Reserved	142,192	1,520,332	—	1,662,524
Unreserved	<u>1,150,008</u>	<u>899,543</u>	<u>642,855</u>	<u>2,692,406</u>
Total Fund Equity	<u>1,292,200</u>	<u>2,419,875</u>	<u>642,855</u>	<u>4,354,930</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,538,971</u>	<u>\$ 2,530,111</u>	<u>\$ 642,855</u>	<u>\$ 4,711,937</u>

City of Shawnee, Oklahoma
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - All Capital Projects Funds
For the Fiscal Year Ended June 30, 1997

	Capital Improvement Fund	Street Improvement Fund	1994 Street Improvement Project Fund	Total
Revenues:				
Taxes	\$ 1,516,233	\$ 1,647,082	\$ —	\$ 3,163,315
Intergovernmental revenues	3,600	40,000	51,597	95,197
Interest	<u>67,458</u>	<u>53,457</u>	<u>51,168</u>	<u>172,083</u>
Total Revenues	<u>1,587,291</u>	<u>1,740,539</u>	<u>102,765</u>	<u>3,430,595</u>
Expenditures:				
General Government	6,867	—	—	6,867
Capital outlay	1,296,589	1,223,752	676,067	3,196,408
Debt Service -				
Principal retirement	56,505	—	—	56,505
Interest and fiscal charges	<u>10,983</u>	<u>—</u>	<u>—</u>	<u>10,983</u>
Total Expenditures	<u>1,370,944</u>	<u>1,223,752</u>	<u>676,067</u>	<u>3,270,763</u>
Excess of Revenues Over (Under) Expenditures	<u>216,347</u>	<u>516,787</u>	<u>(573,302)</u>	<u>159,832</u>
Other Financing Sources (Uses):				
Proceeds from capital lease	282,620	—	—	282,620
Operating transfers out	<u>(533,280)</u>	<u>(177,285)</u>	<u>—</u>	<u>(710,565)</u>
Total Other Financing Sources (Uses)	<u>(250,660)</u>	<u>(177,285)</u>	<u>—</u>	<u>(427,945)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(34,313)	339,502	(573,302)	(268,113)
Fund Balances - Beginning	<u>1,326,513</u>	<u>2,080,373</u>	<u>1,216,157</u>	<u>4,623,043</u>
Fund Balances - Ending	<u>\$ 1,292,200</u>	<u>\$ 2,419,875</u>	<u>\$ 642,855</u>	<u>\$ 4,354,930</u>

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
Capital Improvement Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,453,080	\$ 1,513,806	\$ 60,726
Intergovernmental revenues	51,600	3,600	(48,000)
Interest	41,600	69,025	27,425
Total Revenues	1,546,280	1,586,431	40,151
EXPENDITURES			
ADMINISTRATION			
General Administration-			
Other Services and Charges	25,751	7,047	18,704
Debt Service	67,320	67,308	12
Total General Administration	93,071	74,355	18,716
CAPTIAL OUTLAY			
General Adminstration	47,808	46,268	1,540
Internal Services	89,171	82,774	6,397
Community Services	30,725	12,808	17,917
Exposition Center	144,000	—	144,000
Community Development	2,000	—	2,000
Engineering	223,000	136,446	86,554
Police	214,396	50,303	164,093
Fire	492,594	153,050	339,544
Public Works	517,585	494,396	23,189
Public Works - SMA	140,000	107,596	32,404
Other Expenditures	158,422	72,520	85,902
Total Capital Outlay	2,059,701	1,156,161	903,540
Total Expenditures	2,152,772	1,230,516	922,256
Excess of Revenues Over (Under) Expenditures	(606,492)	355,915	962,407
Other Financing Sources (Uses):			
Operating transfers in	—	—	—
Operating transfers out	(533,280)	(533,280)	—
Total Other Financing Sources (Uses)	(533,280)	(533,280)	—
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,139,772)	(177,365)	962,407
Fund Balances - Beginning	1,139,772	1,197,628	57,856
Fund Balances - Ending	\$ —	\$ 1,020,263	\$ 1,020,263

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
Street Improvements Fund
For the Fiscal Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,614,540	\$ 1,644,385	\$ 29,845
Intergovernmental revenues	168,133	40,000	(128,133)
Interest	39,020	52,999	13,979
Other revenues	128,133	---	(128,133)
Total Revenues	1,949,826	1,737,384	(212,442)
EXPENDITURES			
ADMINISTRATION			
General Administration-			
Other Services and Charges	2,061	85	1,976
Total General Administration	2,061	85	1,976
CAPITAL OUTLAY			
New Streets	1,936,638	1,387,575	549,063
Open Sections	233,031	233,031	---
Overlays	111,455	82,955	28,500
Rehabs and Restorations	1,245,860	1,040,524	205,336
Total Capital Outlay	3,526,984	2,744,085	782,899
Total Expenditures	3,529,045	2,744,170	784,875
Excess of Revenues Over (Under) Expenditures	(1,579,219)	(1,006,786)	572,433
Other Financing Sources (Uses):			
Operating transfers out	(177,285)	(177,285)	---
Total Other Financing Sources (Uses)	(177,285)	(177,285)	---
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,756,504)	(1,184,071)	572,433
Fund Balances - Beginning	1,756,504	1,938,561	182,057
Fund Balances - Ending	\$ ---	\$ 754,490	\$ 754,490

City of Shawnee, Oklahoma
Schedule of Departmental Revenues,
Expenditures and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
1994 Street Improvement Project Fund
For the Fiscal Year Ended June 30, 1997

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	---	51,597	51,597
Interest	\$ 20,000	\$ 50,993	\$ 30,993
Total Revenues	<u>20,000</u>	<u>102,590</u>	<u>82,590</u>
EXPENDITURES			
CAPITAL OUTLAY			
1994 Street Improvements	730,511	676,067	54,444
Total Capital Outlay	<u>730,511</u>	<u>676,067</u>	<u>54,444</u>
Total Expenditures	<u>730,511</u>	<u>676,067</u>	<u>54,444</u>
Excess of Revenues Over (Under) Expenditures	<u>(710,511)</u>	<u>(573,477)</u>	<u>137,034</u>
Other Financing Sources (Uses):			
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Total Other Financing Sources (Uses)	<u>---</u>	<u>---</u>	<u>---</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(710,511)	(573,477)	137,034
Fund Balances - Beginning	710,511	1,216,157	505,646
Fund Balances - Ending	<u>\$ ---</u>	<u>\$ 642,680</u>	<u>\$ 642,680</u>

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Shawnee Municipal Authority - Established to account for operation, maintenance, and capital facility construction relating to water, sewer, and sanitary services. Financing is provided primarily through user charges.

Shawnee Airport Authority - Established to account for operation, maintenance, and capital facility construction relating to the Shawnee Municipal Airport.

Shawnee Civic and Cultural Development Authority - Established to account for operation, maintenance, and capital facility construction relating to the Heart of Oklahoma Exposition Center.

City of Shawnee, Oklahoma
Combining Balance Sheet
All Enterprise Funds
June 30, 1997

	Shawnee Municipal Authority	Shawnee Airport Authority	Shawnee Civic & Cultural Development Authority	Total
ASSETS				
Current Assets:				
Investment in treasury fund	\$ 1,578,390	\$ 145,916	\$ 549,754	\$ 2,274,060
Cash	150	—	—	150
Accrued interest receivable	1,221	133	—	1,354
Accounts receivable (net of allowance for uncollectible accounts of \$78,584)	948,896	—	—	948,896
Other Receivables	—	13,000	3,285	16,285
Due from other funds	1,468	—	—	1,468
Total Current Assets	<u>2,530,125</u>	<u>159,049</u>	<u>553,039</u>	<u>3,242,213</u>
Restricted Assets:				
Cash and investments	2,557,079	—	—	2,557,079
Accrued interest receivable	93,936	—	—	93,936
Total Restricted Assets	<u>2,651,015</u>	<u>—</u>	<u>—</u>	<u>2,651,015</u>
Property, Plant and Equipment:				
Land	1,066,733	536,618	94,493	1,697,844
Buildings	333,531	370,711	4,260,170	4,964,412
Improvements other than building	27,996,381	4,343,863	2,066,486	34,406,730
Machinery and equipment	151,431	3,110	1,250	155,791
Mobile equipment	918,956	60,626	277,942	1,257,524
Office furniture and equipment	4,465	4,226	37,315	46,006
Communication equipment	62,616	2,731	21,133	86,480
Audiovisual equipment	—	—	1,460	1,460
Business machines	94,239	5,839	19,850	119,928
Appliances	8,033	676	3,502	12,211
Lab & engineering equipment	43,905	—	—	43,905
Parks & recreation equipment	—	—	5,512	5,512
Construction in process	4,173,319	1,441,873	—	5,615,192
	<u>34,853,609</u>	<u>6,770,273</u>	<u>6,789,113</u>	<u>48,412,995</u>
Less: accumulated depreciation	<u>(9,609,209)</u>	<u>(2,242,494)</u>	<u>(2,566,615)</u>	<u>(14,418,318)</u>
Net Property, Plant and Equipment	<u>25,244,400</u>	<u>4,527,779</u>	<u>4,222,498</u>	<u>33,994,677</u>
Other Assets:				
Bond issuance costs	10,015	—	—	10,015
Water rights contract	16,916,119	—	—	16,916,119
Total Other Assets	<u>16,926,134</u>	<u>—</u>	<u>—</u>	<u>16,926,134</u>
TOTAL ASSETS	<u>\$ 47,351,674</u>	<u>\$ 4,686,828</u>	<u>\$ 4,775,537</u>	<u>\$ 56,814,039</u>

City of Shawnee, Oklahoma
Combining Balance Sheet
All Enterprise Funds
June 30, 1997
(Continued)

	Shawnee Municipal Authority	Shawnee Airport Authority	Shawnee Civic & Cultural Development Authority	Total
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accounts payable	\$ 280,999	\$ 540	\$ —	\$ 281,539
Accrued liabilities	37,649	720	8,432	46,801
Accrual for compensated absences	75,572	3,071	15,131	93,774
Other liabilities	19,317	—	119,825	139,142
Deposits	—	—	10,650	10,650
Obligations under capital lease - current	—	5,574	17,085	22,659
Deferred revenue - current	—	23,004	52,574	75,578
Total Current Liabilities	<u>413,537</u>	<u>32,909</u>	<u>223,697</u>	<u>670,143</u>
Current Liabilities Payable from Restricted Assets:				
Accrued interest payable	596,183	—	—	596,183
Revenue bonds and notes payable - current	<u>990,000</u>	<u>—</u>	<u>—</u>	<u>990,000</u>
Total Current Liabilities Payable from Restricted Assets	<u>1,586,183</u>	<u>—</u>	<u>—</u>	<u>1,586,183</u>
Long-Term Liabilities:				
Revenue bonds and notes payable (net of unamortized discounts) - long-term	23,156,117	—	—	23,156,117
Obligations under capital lease - long-term	<u>—</u>	<u>7,795</u>	<u>36,618</u>	<u>44,413</u>
Total Long-Term Liabilities	<u>23,156,117</u>	<u>7,795</u>	<u>36,618</u>	<u>23,200,530</u>
Fund Equity:				
Contributed capital	7,860,813	5,869,829	5,974,864	19,705,506
Retained earnings (deficit) - unreserved	12,969,706	(1,861,889)	(1,459,642)	9,648,175
Retained earnings (deficit) - reserved	<u>1,365,318</u>	<u>638,184</u>	<u>—</u>	<u>2,003,502</u>
Total Fund Equity	<u>22,195,837</u>	<u>4,646,124</u>	<u>4,515,222</u>	<u>31,357,183</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 47,351,674</u>	<u>\$ 4,686,828</u>	<u>\$ 4,775,537</u>	<u>\$ 56,814,039</u>

City of Shawnee, Oklahoma
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Enterprise Funds
For the Fiscal Year Ended June 30, 1997

	Shawnee Municipal Authority	Shawnee Airport Authority	Shawnee Civic & Cultural Development Authority	Total
Operating Revenues:				
Charge for services	\$ 5,986,609	\$ —	\$ 433,983	\$ 6,420,592
Rental revenue	—	46,704	274,485	321,189
Other revenues	214,151	—	13,849	228,000
Total Operating Revenues	6,200,760	46,704	722,317	6,969,781
Operating Expenses:				
Personal services	1,950,631	63,053	324,003	2,337,687
Materials and supplies	260,274	2,552	89,959	352,785
Other services and charges	1,887,975	46,761	555,899	2,490,635
Total Operating Expenses	4,098,880	112,366	969,861	5,181,107
Net Operating Income (Loss) before Depreciation	2,101,880	(65,662)	(247,544)	1,788,674
Less: Depreciation	(691,696)	(232,918)	(228,219)	(1,152,833)
Net Operating Income (Loss)	1,410,184	(298,580)	(475,763)	635,841
Non-operating Revenues (Expenses):				
Interest revenues	241,661	6,956	9,775	258,392
Oil and gas revenues	—	42,298	—	42,298
Interest expense and fiscal charges	(1,340,943)	(1,614)	(6,272)	(1,348,829)
Total Non-operating Revenues (Expenses)	(1,099,282)	47,640	3,503	(1,048,139)
Operating Transfers:				
Operating transfers in	710,565	58,702	412,141	1,181,408
Operating transfers out	(486,751)	—	—	(486,751)
Net Operating Transfers	223,814	58,702	412,141	694,657
Net Income (Loss)	534,716	(192,238)	(60,119)	282,359
Retained Earnings (Deficit) - Beginning	13,800,308	(1,031,467)	(1,399,523)	11,369,318
Retained Earnings (Deficit) - Ending	\$ 14,335,024	\$ (1,223,705)	\$ (1,459,642)	\$ 11,651,677

City of Shawnee, Oklahoma
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 1997

	Shawnee Municipal Authority	Shawnee Airport Authority	Shawnee Civic & Cultural Development Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 6,089,838	\$ —	\$ 433,983	\$ 6,523,821
Cash received from rental activities	—	46,704	274,485	321,189
Other operating revenue	147,262	—	13,849	161,111
Cash paid to employees	(1,940,628)	(62,409)	(320,393)	(2,323,430)
Cash paid to suppliers	(1,927,999)	(90,257)	(634,208)	(2,652,464)
Net cash provided (used) by operating activities	<u>2,368,473</u>	<u>(105,962)</u>	<u>(232,284)</u>	<u>2,030,227</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	—	58,703	412,141	470,844
Operating transfers out	(486,742)	—	—	(486,742)
Net cash provided (used) by noncapital financing activities	<u>(486,742)</u>	<u>58,703</u>	<u>412,141</u>	<u>(15,898)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grant proceeds	889,400	627,903	—	1,517,303
Capital loan proceeds	1,390,023	—	—	1,390,023
Acquisition and construction of capital assets	(2,703,879)	(583,527)	(42,535)	(3,329,941)
Principal paid on capital leases	—	(5,046)	(34,369)	(39,415)
Interest paid on capital leases	—	(1,614)	(6,272)	(7,886)
Transfer from other fund	710,565	—	—	710,565
Interest revenue on restricted cash	128,477	—	—	128,477
Principal paid on revenue bonds and notes	(1,015,000)	—	—	(1,015,000)
Interest paid on revenue bonds and notes	(1,298,118)	—	—	(1,298,118)
Net cash provided (used) by capital and related financing activities	<u>(1,898,532)</u>	<u>37,716</u>	<u>(83,176)</u>	<u>(1,943,992)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Oil and gas royalties	—	42,298	—	42,298
Interest	70,545	6,823	9,775	87,143
Net cash provided (used) by investing activities	<u>70,545</u>	<u>49,121</u>	<u>9,775</u>	<u>129,441</u>
Net increase (decrease) in cash and cash equivalents	53,744	39,578	106,456	199,778
CASH AND CASH EQUIVALENTS - beginning (Including \$2,560,291 in restricted accounts)				
	<u>4,081,875</u>	<u>106,338</u>	<u>443,298</u>	<u>4,631,511</u>
CASH AND CASH EQUIVALENTS - ending (Including \$2,557,079 in restricted accounts)				
	<u>\$ 4,135,619</u>	<u>\$ 145,916</u>	<u>\$ 549,754</u>	<u>\$ 4,831,289</u>

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

	Shawnee Municipal Authority	Shawnee Airport Authority	Shawnee Civic & Cultural Development Authority	Total
Operating income	\$ 1,410,184	\$ (298,580)	\$ (475,763)	\$ 635,841
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation Expense	691,696	232,918	228,219	1,152,833
Decrease (increase) in assets:				
Accounts receivable	36,341	—	—	36,341
Accrued interest	(537)	(133)	35	(635)
Other receivables	—	—	(35)	(35)
Increase (decrease) in liabilities:				
Accounts payable	201,922	(41,340)	—	160,582
Accrued liabilities	5,828	—	1,605	7,433
Accrual for compensated absences	3,722	165	1,781	5,668
Deposits	—	—	(17,284)	(17,284)
Obligation under capital lease - current	—	528	(1,050)	(522)
Deferred revenue	—	—	13,323	13,323
Other liabilities	19,317	480	16,885	36,682
Total adjustments	<u>958,289</u>	<u>192,618</u>	<u>243,479</u>	<u>1,394,386</u>
Net cash provided by operating activities	<u>\$ 2,368,473</u>	<u>\$ (105,962)</u>	<u>\$ (232,284)</u>	<u>\$ 2,030,227</u>

Internal Service Funds

Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Workers Compensation Self-Insurance Fund - Established to account for activities related to the City's self-insurance for workers compensation. Financing is provided through General Fund transfers.

General Liability Self-Insurance Fund - Established to account for activities related to the City's self-insurance for general liability tort claims. Financing is provided through General Fund transfers.

Uninsured Loss Fund - Established as a contingency for losses or damages which are not covered by insurance.

City of Shawnee, Oklahoma
Combining Balance Sheet
All Internal Service Funds
June 30, 1997

	Workers Compensation Self-Insurance Fund	General Liability Self-Insurance Fund	Uninsured Loss Fund	Total
ASSETS				
Current Assets:				
Investment in treasury fund	\$ 58,714	\$ 467,345	\$ 7,585	\$ 533,644
Accrued interest receivable	53	425	7	485
Due from other funds	241,000	—	—	241,000
TOTAL ASSETS	299,767	467,770	7,592	775,129
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accounts payable	20,004	30,684	—	50,688
Claims and judgments payable	241,564	—	—	241,564
Total Liabilities	261,568	30,684	—	292,252
Fund Equity:				
Contributed capital	16,862	—	—	16,862
Retained earnings	21,337	437,086	7,592	466,015
Total Fund Equity	38,199	437,086	7,592	482,877
TOTAL LIABILITIES AND FUND EQUITY	\$ 299,767	\$ 467,770	\$ 7,592	\$ 775,129

City of Shawnee, Oklahoma
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Internal Service Funds
For the Fiscal Year Ended June 30, 1997

	Workers Compensation Self-Insurance Fund	General Liability Self-Insurance Fund	Uninsured Loss Fund	Total
Operating Revenues:				
Refunds and reimbursements	\$ 3,000	\$ 257	\$ —	\$ 3,257
Total Operating Revenues	<u>3,000</u>	<u>257</u>	<u>—</u>	<u>3,257</u>
Operating Expenses:				
Claims Settlement	<u>385,862</u>	<u>64,989</u>	<u>9,983</u>	<u>460,834</u>
Total Operating Expenses	<u>385,862</u>	<u>64,989</u>	<u>9,983</u>	<u>460,834</u>
Net Operating Income (Loss)	<u>(382,862)</u>	<u>(64,732)</u>	<u>(9,983)</u>	<u>(457,577)</u>
Non-operating Revenues:				
Interest revenues	<u>53</u>	<u>16,619</u>	<u>7</u>	<u>16,679</u>
Total Non-operating Revenues	<u>53</u>	<u>16,619</u>	<u>7</u>	<u>16,679</u>
Operating Transfers:				
Operating transfers in	<u>344,000</u>	<u>—</u>	<u>—</u>	<u>344,000</u>
Net Operating Transfers	<u>344,000</u>	<u>—</u>	<u>—</u>	<u>344,000</u>
Net Income	(38,809)	(48,113)	(9,976)	(96,898)
Retained Earnings - Beginning	<u>60,146</u>	<u>485,199</u>	<u>17,568</u>	<u>562,913</u>
Retained Earnings - Ending	<u>\$ 21,337</u>	<u>\$ 437,086</u>	<u>\$ 7,592</u>	<u>\$ 466,015</u>

City of Shawnee, Oklahoma
Combining Statement of Cash Flows
All Internal Service Funds
For the Fiscal Year Ended June 30, 1997

	Workers Compensation Self-Insurance Fund	General Liability Self-Insurance Fund	Uninsured Loss Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from refunds and reimbursements	\$ 3,000	\$ 257	\$ ---	\$ 3,257
Cash paid to suppliers	---	(6,000)	---	(6,000)
Cash paid for claims settlement	(434,195)	(29,158)	(10,566)	(473,919)
Net cash provided (used) by operating activities	(431,195)	(34,901)	(10,566)	(476,662)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	410,000	---	---	410,000
Net cash provided (used) by noncapital financing activities	410,000	---	---	410,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Net cash provided (used) by capital and related financing activities	---	---	---	---
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest	---	16,620	---	16,620
Net cash provided (used) by investing activities	---	16,620	---	16,620
Net increase (decrease) in cash and cash equivalents	(21,195)	(18,281)	(10,566)	(50,042)
CASH AND CASH EQUIVALENTS - beginning	79,909	485,626	18,151	583,686
CASH AND CASH EQUIVALENTS - ending	\$ 58,714	\$ 467,345	\$ 7,585	\$ 533,644

Reconciliation of Operating Income to Net Income Provided by Operating Activities

	Workers Compensation Self-Insurance Fund	General Liability Self-Insurance Fund	Uninsured Loss Fund	Total
Operating Income	\$ (382,862)	\$ (64,732)	\$ (9,983)	\$ (457,577)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Increase (decrease) in liabilities:				
accounts payable	2,103	29,831	(583)	31,351
Claims and judgements payable	(50,436)	---	---	(50,436)
Total Adjustments	(48,333)	29,831	(583)	(19,085)
Net cash provided by operating activities	\$ (431,195)	\$ (34,901)	\$ (10,566)	\$ (476,662)

Trust and Agency Funds

Trust and Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Library Fund - An expendable trust fund established to account for maintenance of the Municipal Library. The Shawnee municipal library is part of the Pioneer Library System, a multi-county system.

Cemetery Care Fund - An expendable trust fund established for the continuing care and maintenance of the City owned cemetery, which is funded by a portion of the proceeds of every cemetery lot sale in accordance with state statutes.

Meter Deposit Fund - An agency fund established to account for deposits made by utility customers.

Senior Citizens Fund - An expendable trust established to account for the maintenance of the senior citizens center.

CDBG Loan Escrow Fund - An agency fund established to account for low income housing loans relating to the Community Development Block Grant program.

Gifts and Contributions Fund - An expendable trust fund established to account for monies donated for park projects and economic development.

Sister Cities Fund - An expendable trust fund established to account for the financial activity of our sister cities program.

Treasury Fund - The treasury fund acts as a pooling agent for cash and investments. All demand deposit accounts and investments, except restricted funds, are held by the treasury fund. Individual funds have an ownership interest in the treasury fund.

City of Shawnee, Oklahoma
Combining Balance Sheet
All Trust and Agency Funds
June 30, 1997

	Library Fund	Cemetery Care Fund	Meter Deposit Fund	Senior Citizens Fund	CDBG Loan Escrow Fund	Gifts and Contributions Fund
ASSETS						
Investment in treasury fund	\$ 33,345	\$ 169,970	\$ 433,931	\$ 22,998	\$ 672	\$ 22,481
Cash held in treasury	---	---	---	---	---	---
Investments held in treasury	---	---	---	---	---	---
Receivables:						
Accrued interest	30	155	---	21	---	20
Notes receivable	---	---	---	---	96,021	---
TOTAL ASSETS	<u>33,375</u>	<u>170,125</u>	<u>433,931</u>	<u>23,019</u>	<u>96,693</u>	<u>22,501</u>
LIABILITIES						
Accounts payable	2,336	500	---	---	---	135
Accrued Liabilities	---	---	---	---	96,021	---
Due to other funds	---	---	245	---	---	---
Amounts held in treasury	---	---	---	---	---	---
Amounts held in escrow	---	---	---	---	672	---
Due to utility customers	---	---	433,686	---	---	---
Total Liabilities	<u>2,336</u>	<u>500</u>	<u>433,931</u>	<u>---</u>	<u>96,693</u>	<u>135</u>
FUND EQUITY						
Fund balance:						
Reserved	991	150,267	---	---	---	3,310
Unreserved	<u>30,048</u>	<u>19,358</u>	<u>---</u>	<u>23,019</u>	<u>---</u>	<u>19,056</u>
Total Fund Equity	<u>31,039</u>	<u>169,625</u>	<u>---</u>	<u>23,019</u>	<u>---</u>	<u>22,366</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 33,375</u>	<u>\$ 170,125</u>	<u>\$ 433,931</u>	<u>\$ 23,019</u>	<u>\$ 96,693</u>	<u>\$ 22,501</u>

City of Shawnee, Oklahoma
Combining Balance Sheet
All Trust and Agency Funds
June 30, 1997
(Continued)

Sister Cities Fund	Treasury Fund	Total
\$ 37,762	\$ —	\$ 721,159
—	3,392,188	3,392,188
—	6,095,492	6,095,492
	—	
34	—	260
—	—	96,021
<u>37,796</u>	<u>9,487,680</u>	<u>10,305,120</u>
6	—	2,977
—	—	96,021
—	—	245
—	9,487,680	9,487,680
—	—	672
—	—	433,686
<u>6</u>	<u>9,487,680</u>	<u>10,021,281</u>
1,203	—	155,771
<u>36,587</u>	<u>—</u>	<u>128,068</u>
<u>37,790</u>	<u>—</u>	<u>283,839</u>
<u>\$ 37,796</u>	<u>\$ 9,487,680</u>	<u>\$ 10,305,120</u>

City of Shawnee, Oklahoma
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - All Expendable Trust Funds
For the Fiscal Year Ended June 30, 1997

	Library Fund	Cemetery Care Fund	Senior Citizens Fund	Gifts and Contributions Fund	Sister Cities Fund	Total
Revenues:						
Interest	\$ 30	\$ 6,436	\$ 916	\$ 21	\$ 117	\$ 7,520
Gifts and donations	---	---	---	43,950	13,732	57,682
Other revenues	---	4,586	---	2,234	7,446	14,266
Total Revenues	30	11,022	916	46,205	21,295	79,468
Expenditures:						
Current -						
Culture and recreation	48,352	---	---	40,109	---	88,461
Public Works	---	6,632	---	---	---	6,632
Economic development	---	---	---	---	23,301	23,301
Capital Outlay	1,880	9,600	---	1,664	---	13,144
Total Expenditures	50,232	16,232	---	41,773	23,301	131,538
Excess of Revenues Over (Under) Expenditures	(50,202)	(5,210)	916	4,432	(2,006)	(52,070)
Other Financing Sources (Uses):						
Operating transfers in	40,000	---	---	---	15,000	55,000
Total Other Financing Sources (Uses)	40,000	---	---	---	15,000	55,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(10,202)	(5,210)	916	4,432	12,994	2,930
Fund Balances - Beginning	41,241	174,835	22,103	17,934	24,796	280,909
Fund Balances - Ending	\$ 31,039	\$ 169,625	\$ 23,019	\$ 22,366	\$ 37,790	\$ 283,839

City of Shawnee, Oklahoma
 Meter Deposit Fund
 Statement of Changes in Assets and Liabilities
 For the Fiscal Year Ended June 30, 1997

	<u>Balance June 30, 1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1997</u>
ASSETS				
Cash	\$ 383,389	\$ 187,433	\$ 136,891	\$ 433,931
Total Assets	<u>383,389</u>	<u>187,433</u>	<u>136,891</u>	<u>433,931</u>
LIABILITIES				
Due to Other Funds	245	---	---	245
Due to Utility Customers	<u>383,144</u>	<u>187,471</u>	<u>136,929</u>	<u>433,686</u>
Total Liabilities	<u>\$ 383,389</u>	<u>\$ 187,471</u>	<u>\$ 136,929</u>	<u>\$ 433,931</u>

City of Shawnee, Oklahoma
CDBG Loan Escrow Fund
Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 1997

	<u>Balance June 30, 1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1997</u>
ASSETS				
Cash	\$ 9,621	\$ 109,243	\$ 118,192	\$ 672
Due from Other Funds	314	---	314	---
Notes Receivable	<u>168,362</u>	<u>261</u>	<u>72,602</u>	<u>96,021</u>
Total Assets	<u>178,297</u>	<u>109,504</u>	<u>191,108</u>	<u>96,693</u>
LIABILITIES				
Accrued Liabilities	168,362	261	72,602	96,021
Due to Other Funds	7,040	99,352	106,392	---
Amounts Held in Escrow	<u>2,895</u>	<u>2,983</u>	<u>5,206</u>	<u>672</u>
Total Liabilities	<u>\$ 178,297</u>	<u>\$ 102,596</u>	<u>\$ 184,200</u>	<u>\$ 96,693</u>

City of Shawnee, Oklahoma
Treasury Fund
Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 1997

	<u>Balance June 30, 1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1997</u>
ASSETS				
Cash	\$ 3,128,110	\$ 77,033,208	\$ 76,769,130	\$ 3,392,188
Investments	<u>5,940,950</u>	<u>16,479,199</u>	<u>16,324,657</u>	<u>6,095,492</u>
Total Assets	<u>9,069,060</u>	<u>93,512,407</u>	<u>93,093,787</u>	<u>9,487,680</u>
LIABILITIES				
Due to Other Funds	<u>9,069,060</u>	<u>93,512,407</u>	<u>93,093,787</u>	<u>9,487,680</u>
Total Liabilities	<u>\$ 9,069,060</u>	<u>\$ 93,512,407</u>	<u>\$ 93,093,787</u>	<u>\$ 9,487,680</u>

Statistical Section

City of Shawnee, Oklahoma
General Government Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Taxes	Inter- Governmental	Licenses & Permits	Fines & Forfeitures	Interest	Charges for Services	Other Revenues	Total
1997	\$ 12,319,454	\$ 867,301	\$ 186,848	\$ 261,097	\$ 308,025	\$ ---	\$ 443,476	\$ 14,386,201
1996	11,661,372	1,172,604	115,910	281,689	298,497	---	422,057	13,952,129
1995	11,040,135	901,834	109,655	300,620	282,527	---	401,729	13,036,500
1994	10,270,469	854,060	100,726	332,142	163,129	---	645,433	12,365,959
1993	9,878,003	686,913	81,123	364,661	123,534	---	444,278	11,578,512
1992	9,428,178	596,479	77,213	285,730	206,986	---	395,032	10,989,618
1991	8,876,602	753,939	86,739	255,247	321,266	---	349,828	10,643,621
1990	8,428,280	717,724	113,833	367,693	303,938	---	347,029	10,278,497
1989	7,266,412	3,216,091	129,602	257,678	255,276	---	293,109	11,418,168
1988	5,175,926	1,471,995	155,448	226,000	171,296	8,165	379,384	7,588,214

Included are General, Special Revenue, Debt Service, and Capital Projects Funds

City of Shawnee, Oklahoma
General Government Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Cultural & Recreational	Urban Renewal & Housing	Economic Development	Capital Outlay	Debt Service	Total
1997	\$ 1,672,375	\$ 5,333,152	\$ 1,604,431	\$ 395,654	\$ 495,292	\$ 106,250	\$ 3,413,492	\$ 506,137	\$ 13,526,783
1996	1,739,355	5,161,550	1,603,939	381,800	758,177	112,500	2,136,153	664,651	12,558,125
1995	1,521,320	4,980,624	1,565,404	391,448	551,722	121,768	2,645,539	601,918	12,379,743
1994	1,401,849	4,641,006	1,541,314	354,999	605,428	121,852	1,864,110	656,040	11,186,598
1993	1,385,742	4,449,772	1,523,201	353,378	411,324	108,284	2,511,016	723,056	11,465,773
1992	1,344,334	4,236,252	1,609,637	393,135	479,486	105,003	2,722,278	458,677	11,348,802
1991	1,291,999	3,718,385	1,625,399	326,771	486,307	132,472	1,810,310	383,684	9,775,327
1990	1,126,203	3,786,542	1,174,177	441,007	390,214	49,159	1,649,772	285,638	8,902,712
1989	1,221,593	2,982,680	1,122,613	291,372	461,614	-	3,710,983	393,628	10,184,483
1988	1,047,282	2,612,066	962,898	288,004	606,445	-	1,116,196	252,306	6,885,197

Included are General, Special Revenue, Debt Service, and Capital Projects Funds

City of Shawnee, Oklahoma
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Collections to Total Levy	Net Assessed Value	Mill Levy
1997	\$ 352,660	\$ 375,570	106%	\$ 319	\$ 375,889	107%	\$ 77,198,334	4.57
1996	312,036	312,014	100%	1,942	313,956	101%	74,878,480	4.17
1995	401,648	392,797	98%	4,681	397,478	99%	73,827,882	5.44
1994	230,090	223,458	97%	6,409	229,867	100%	69,935,783	3.29
1993	190,038	184,323	97%	5,356	189,679	100%	68,113,242	2.79
1992	237,514	228,138	96%	6,501	234,639	99%	69,856,845	3.40
1991	261,574	252,769	97%	6,113	258,882	99%	70,504,161	3.71
1990	283,976	281,984	99%	9,694	291,678	103%	68,925,526	4.12
1989	353,595	337,698	96%	3,566	341,264	97%	68,129,616	5.19
1988	146,192	141,101	97%	6,279	147,380	101%	66,149,579	2.21
1987	156,675	150,653	96%	3,584	154,237	98%	63,948,476	2.45

City of Shawnee, Oklahoma
Ratio of Annual Debt Service Expenditures for General
Obligation Bonded Debt to Total General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to Total General Fund Expenditure
1997	\$ 245,000	\$ 109,610	\$ 354,610	\$ 8,631,510	4.1%
1996	245,000	128,935	373,935	8,508,846	4.4%
1995	130,000	154,847	284,847	8,145,140	3.5%
1994	279,501	22,879	302,380	7,673,754	3.9%
1993	140,000	105,288	245,288	7,497,315	3.3%
1992	140,000	119,283	259,283	7,860,335	3.3%
1991	140,000	133,303	273,303	7,540,569	3.6%
1990	140,000	145,638	285,638	6,666,359	4.3%
1989	172,734	220,894	393,628	5,838,349	6.7%
1988	110,013	82,562	192,575	5,675,877	3.4%

Total debt service represents debt service on general obligation debt only.

City of Shawnee, Oklahoma
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Assessed Value	Homestead Exemption	Net Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Actual Value
1997	\$ 57,975,185	\$ 16,187,021	\$ 9,032,222	\$ 83,194,428	\$ 5,996,094	\$ 77,198,334	\$ 728,286,170	10.6%
1996	56,760,452	15,976,866	8,262,660	80,999,978	6,121,498	74,878,480	706,992,222	10.6%
1995	55,757,010	15,639,160	8,576,818	79,972,988	6,145,106	73,827,882	699,032,736	10.6%
1994	54,978,525	13,055,610	8,105,934	76,140,069	6,204,286	69,935,783	670,660,567	10.4%
1993	54,393,613	11,739,670	8,250,515	74,383,798	6,270,556	68,113,242	658,143,820	10.3%
1992	55,084,691	12,154,908	8,795,523	76,035,122	6,178,277	69,856,845	670,641,522	10.4%
1991	55,661,251	12,340,506	8,637,336	76,639,093	6,134,932	70,504,161	675,092,464	10.4%
1990	55,519,410	11,399,090	8,126,322	75,044,822	6,119,296	68,925,526	662,797,306	10.4%
1989	53,885,269	12,745,196	7,875,512	74,505,977	6,376,361	68,129,616	658,846,632	10.3%
1988	53,475,977	11,240,542	7,988,886	72,705,405	6,555,826	66,149,579	647,129,018	10.2%

Note: The assessed value of taxable property as certified by the County Assessors Office to be used for the fiscal year ending June 30, 1998 is as follows:

65,277,184	25,020,362	9,408,440	99,705,986	6,303,848	93,402,138	881,152,246	10.6%
------------	------------	-----------	------------	-----------	------------	-------------	-------

City of Shawnee, Oklahoma
Property Tax Rates - All Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Shawnee Debt Service Fund	Shawnee Public School Districts	Gordon Cooper Vo-Tech	Pottawatomie County	Total Tax Levy
1997	4.57	54.69	12.00	16.50	87.76
1996	4.17	55.42	12.00	20.60	92.19
1995	5.44	55.53	9.00	21.19	91.16
1994	3.29	55.10	12.00	20.94	91.33
1993	2.79	55.98	12.00	18.51	89.28
1992	3.40	55.59	12.00	18.50	89.49
1991	3.71	56.21	9.00	18.63	87.55
1990	4.12	52.81	9.00	18.66	84.59
1989	5.19	40.00	9.00	18.70	72.89
1988	2.21	40.00	9.00	18.52	69.73

Per \$1,000 assessed value

City of Shawnee, Oklahoma
Ratio of Net General Bonded Debt to Assessed
Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Net Assessed Value	Gross Bonded Debt(2)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1997	27,517	\$ 77,198,334	\$ 1,800,000	\$ 194,819	\$ 1,605,181	2.08%	\$ 58.33
1996	26,304	74,878,480	2,045,000	156,031	1,888,969	2.52%	71.81
1995	26,304	73,827,882	2,290,000	213,643	2,076,357	2.81%	78.94
1994	26,250	69,935,783	2,420,000	47,343	2,372,657	3.39%	90.39
1993	26,190	68,113,242	1,230,000	145,661	1,084,339	1.59%	41.40
1992	26,135	69,856,845	1,370,000	146,740	1,223,260	1.75%	46.81
1991	26,075	70,504,161	1,510,000	155,662	1,354,338	1.92%	51.94
1990	26,017	68,925,526	1,650,000	134,679	1,515,321	2.20%	58.24
1989	25,750	68,129,616	1,790,000	123,861	1,666,139	2.45%	64.70
1988	25,950	66,149,579	1,860,000	123,823	1,736,177	2.62%	66.90

(1) Source: Oklahoma Department of Commerce, 1990 Census of Population & Housing; U.S. Bureau of Census

(2) Represents only general obligation bonds financed through ad valorem tax levies.

City of Shawnee, Oklahoma
Computation of Legal Debt Margin
June 30, 1997

Net Assessed Valuation	<u>\$ 93,402,138</u>
Allowable debt of non-utility bonds is limited by State Constitution Article 10, Section 26 to 10% of net Assessed Value	9,340,214
Less: general obligation debt outstanding	<u>1,800,000</u>
Legal Debt Margin	<u>\$ 7,540,214</u>

Note: The assessed value used in computing the above legal debt margin is the basis on which property taxes will be levied and billed in the City's fiscal year ending June 30, 1998

City of Shawnee, Oklahoma
Shawnee Municipal Authority
Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Operating Revenues (1)	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements	Revenue Bond Coverage
1997	\$ 6,911,325	\$ 4,098,880	\$ 2,812,445	\$ 2,289,160	1.23
1996	7,362,002	3,958,252	3,403,750	2,592,115	1.31
1995	7,051,328	3,749,545	3,301,783	1,233,240	2.68
1994	6,530,800	3,604,544	2,926,256	1,233,953	2.37
1993	5,906,302	3,393,518	2,512,784	1,230,063	2.04
1992	5,414,599	3,428,431	1,986,168	1,226,583	1.62
1991	5,202,554	3,279,467	1,923,087	1,161,269	1.66
1990	4,513,916	2,905,862	1,608,054	1,234,054	1.30
1989	4,729,587	2,515,132	2,214,455	1,878,360	1.18
1988	4,363,089	1,697,486	2,665,603	1,829,850	1.46

- (1) Gross operating revenues includes a portion of the dedicated one cent sales tax which is designated to pay debt service on the Sales Tax and Utility Revenue Bonds.

City of Shawnee, Oklahoma
 Computation of Direct and Overlapping Bonded Debt
 June 30, 1997

<u>Jurisdiction</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City of Shawnee</u>	<u>Amount Applicable to City of Shawnee</u>
Direct:			
City of Shawnee	\$ 1,800,000	100%	\$ 1,800,000
Overlapping:	---	---	---
Total	<u>\$ 1,800,000</u>		<u>\$ 1,800,000</u>

City of Shawnee Construction and Bank Deposits Last 10 Fiscal Years

Fiscal Year	Residential Construction (1)				Commercial Construction		Bank Deposits (2)
	Single Family Residence	Multi Family Residence	Apartment Units	Value	Number of Units	Value	
1997	85	2	244	\$ 13,111,374	23	\$ 3,587,823	N/A
1996	59	1	78	9,111,030	23	2,880,670	471,824,000
1995	51	---	---	3,492,072	29	13,963,559	459,909,000
1994	62	---	---	7,025,960	26	3,939,000	457,530,000
1993	65	1	---	4,661,800	17	7,682,100	462,101,000
1992	42	---	---	2,698,500	21	6,872,937	463,249,000
1991	32	---	---	2,057,850	31	5,051,720	465,911,000
1990	58	---	32	5,432,000	24	1,492,000	471,842,000
1989	47	---	32	3,516,600	50	7,716,450	479,652,000
1988	29	---	6	1,980,500	15	10,310,000	481,093,000

(1) Source: City of Shawnee Planning Department

(2) Source: Sheshunoff Information Services. 1996 information is the latest at time of publication

City of Shawnee, Oklahoma Miscellaneous Information

Major Employers

Company	Product	No. of Employees
TDK Ferrites Corp.	Ceramic magnets	960
Mobil Chemical Co.	Plastic film	460
Wolverine Tube	Copper tubing	450
Eaton Corp.	Hydraulic motors	425
Shawnee Regional Hospital	Health Care	425
Central Plastics Co.	Oil/gas field products	390
Oklahoma Baptist University	Education	300
City of Shawnee	Municipal Government	275
Shawnee Milling	Animal Feed, Flour	215
Barton-Wood Valve Corp.	Valves & well heads	125
Uponor Aldyl	Fittings & insulated unions	120

Note: Approximately 1500 people from the Shawnee area are employed at Tinker Air Force Base which is located 35 miles west of Shawnee in the Oklahoma City Metro Area.

Source: Shawnee Economic Development Foundation

Population Information

Year	Population	Demographic Breakdown	
1997	27,517	Caucasian	82.62%
1990	26,017	Black	3.41%
1980	26,506	Native American	12.46%
1970	25,075	Others	1.51%
1960	24,326		
1950	22,948		

Source: Department of Economic and Community Affairs, Oklahoma State Data Center; U.S. Bureau of Census; Oklahoma Department of Commerce

City of Shawnee, Oklahoma Miscellaneous Information

Education

Schools	8 Schools (K - 12)
Vo-tech Schools	Gordon Cooper AVTS
Universities	2 Private Schools (2800 Students)

Cultural & Recreation

Swimming Pool	1 Pool - City Operated
Golf Courses	3 Private Courses - 45 holes
Parks	21 City Operated
Lakes	Shawnee Twin Lakes
Tennis Courts	15 Courts - Public
Ball Diamonds	12 Fields - Public
Senior Citizens Center	City Operated
Auditorium	City Operated
Community Center	City Operated
Exposition Center	Rodeo Arena, RV Park, Show Buildings

Public Services & Other Utilities

Water & Sewer Services	City Operated
Garbage Services	Browning - Ferris (contracted by City)
Electric Service	Oklahoma Gas & Electric
Gas Service	Oklahoma Natural Gas
Fire Protection	3 Stations, 44 Firefighters
Police Protection	1 Station, 48 Officers

Other

Hospitals	2 - Private
Airports	1 - Municipal
Public Library	1 - Part of a Multi-County system

Single Audit Section



MEMBER
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
OKLAHOMA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS



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

The Honorable Mayor and Members
of the City Commission
City of Shawnee
Shawnee, Oklahoma 74801

I have audited the financial statements of City of Shawnee, Oklahoma, as of and for the year ended June 30, 1997, and have issued my report thereon dated December 29, 1997. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether City of Shawnee, Oklahoma's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

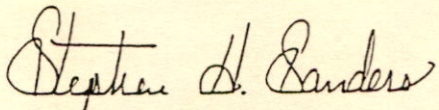
Internal Control Over Financial Reporting

In planning and performing my audit, I considered City of Shawnee, Oklahoma's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a certain matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect City of Shawnee, Oklahoma's, ability to record, process, summarize and report financial data

consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of audit results, findings and questioned costs as item 97-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe that the reportable condition described above is not a material weakness.

This report is intended for the information of the City Commission and management of the City of Shawnee, Oklahoma, and the federal and state grantor agencies. However, this report is a matter of public record and its distribution is not limited.



Stephen H. Sanders
Certified Public Accountant, Inc.

December 29, 1997



MEMBER
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
OKLAHOMA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor and Members
of the City Commission
City of Shawnee
Shawnee, Oklahoma 74801

Compliance

I have audited the compliance of City of Shawnee, Oklahoma with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1997. City of Shawnee, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of City of Shawnee, Oklahoma's management. My responsibility is to express an opinion on City of Shawnee, Oklahoma's compliance based on my audit.

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

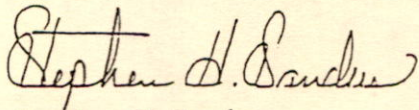
In my opinion, City of Shawnee, Oklahoma complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

Internal Control Over Compliance

The management of City of Shawnee, Oklahoma, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered City of Shawnee, Oklahoma's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the City Commission and management of the City of Shawnee, Oklahoma, and the federal and state grantor agencies. However, this report is a matter of public record and its distribution is not limited.



Stephen H. Sanders
Certified Public Accountant, Inc.

December 29, 1997

CITY OF SHAWNEE
SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
JUNE 30, 1997

Section 1 - Summary of Auditor's Results

1. An unqualified opinion report was issued on the financial statements.
2. The audit disclosed a reportable condition in the internal controls which was not considered a material weakness.
3. The audit disclosed no instances of noncompliance which are material to the financial statements.
4. The audit disclosed no reportable conditions in the internal controls over major programs.
5. An unqualified opinion report was issued on the compliance of major programs.
6. The audit disclosed no audit findings which are required to be reported under OMB Circular A-133 § 510(a).
7. Programs determined to be major were the CDBG Entitlement grants and the Airport Improvement grants, both of which were clustered in the determination. (see schedule of expenditures of federal awards)
8. The dollar threshold used to determine between Type A and Type B programs was \$300,000.
9. The auditee was determined to be a low-risk auditee.

Section 2 - Findings relating to the financial statements required to be reported in accordance with GAGAS

97-1- Lack of segregation of duties-Shawnee Civic and Cultural Development Authority
The inherent limitations resulting from a small number of employees performing functions that would normally be divided among employees were a larger number available prevent a proper segregation of accounting functions which is necessary in order to assure adequate internal accounting controls.

Section 3 - Findings and questioned costs for federal awards

None

CITY OF SHAWNEE
DISPOSITION OF PRIOR YEAR'S REPORTABLE CONDITIONS AND MATERIAL
INSTANCES OF NON-COMPLIANCE
JUNE 30, 1997

CDBG – Entitlement Grants

The exception that the grant performance report was not filed on a timely basis, and that the report did not properly reflect all of the transactions, was corrected in the current fiscal year.

City of Shawnee
Schedule of Expenditures of Federal Awards - GAAP Basis
For Fiscal Year Ended June 30, 1997

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Revenue at June 30, 1996	Current Period (7-1-96 to 6-30-97)		Accrued (Deferred) Revenue at June 30, 1997
				Revenue	Expenditures	
Direct Programs:						
U.S. Department of Housing and Urban Development						
*1992 CDBG Program, Entitlement Grant	14.218	B-92-MC-40-0007		32,800	32,800	(506)
*1993 CDBG Program, Entitlement Grant	14.218	B-93-MC-40-0007	238	52,018	52,018	16,960
*1994 CDBG Program, Entitlement Grant	14.218	B-94-MC-40-0007		31,133	31,133	(18,264)
*1995 CDBG Program, Entitlement Grant	14.218	B-95-MC-40-0007		276,699	276,699	37,081
*1996 CDBG Program, Entitlement Grant	14.218	B-96-MC-40-0007		74,687	74,687	35,271
sub-total			238	467,337	467,337	
U.S. Department of Transportation Federal						
Federal Aviation Administration:				96,504	96,504	
*Airport Improvement Program	20.106	3-40-0088-05		68,083	68,083	
*Airport Improvement Program	20.106	3-40-0088-06				
Oklahoma Aeronautics Commission:				140,182	140,182	154,447
*Airport Improvement Program	20.106	3-40-4000-01		467,211	467,211	154,447
*Airport Improvement Program	20.106	3-40-4000-02		771,980	771,980	
sub-total						
U.S. Department of Housing and Urban Development						
passed through the Oklahoma Department of						
Commerce:				127,267	127,267	1,657
HOME Investment Partnership Program	14.239	7200-HOME-95		8,265	8,265	5,545
HOME Investment Partnership Program	14.239	7803-HOME-96		10,502	10,502	10,979
Emergency Shelter Grant	14.231	7175-ESG-95	477	20,164	20,164	2,742
Emergency Shelter Grant	14.231	7631-ESG-96		166,198	166,198	20,923
sub-total			477			
U.S. Federal Emergency Management Agency						
passed through the Oklahoma Department of						
Commerce:				13,354	13,354	
Civil Defense - State and Local Emergency	83.534	EMT 96-K-0143	7,355			11,463
Management Assistance				34,390	34,390	
Civil Defense - State and Local Emergency	83.534	EMT 97-PA-0004				11,463
Management Assistance				47,744	47,744	
sub-total						
U.S. Department of Justice Bureau of Justice						
Assistance passed through the District Attorney						
Council, State of Oklahoma:				20,000	20,000	
DARE	16.579	D-96-657				
Grand Total				\$ 8,070	1,473,259	222,104

* = Major programs