

CITY OF SHAWNEE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
AND ACCOMPANYING
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2001

**CITY OF SHAWNEE, OKLAHOMA
ANNUAL FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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CITY OF SHAWNEE, OKLAHOMA

LIST OF PRINCIPAL OFFICIALS

City Commission

Chris Harden	Mayor
Robert J. Downing	Vice Mayor, Ward VI
Tom Claybrook	Ward I
Robert M. Pettyjohn	Ward II
James Harrod	Ward III
Bob Weaver	Ward IV
Brad W. Roach, DVM	Ward V

Administration

Terry Powell	City Manager
Hank Land	Director of Administration & Public Safety
James R. Wilsie	City Treasurer / Finance Director
Robert Jones	Municipal Judge
Diana Hallcock	City Clerk
James Roberts	Fire Chief
Ken Etchieson	Exposition Center Manager
Michael A. Southard	Community Development Director
James Cole	Public Works Director
John Krywicki	City Engineer

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Shawnee, Oklahoma

We have audited the accompanying general-purpose financial statements of the City of Shawnee, Oklahoma, as of and for the year ended June 30, 2001, as listed in the accompanying table of contents. These general-purpose financial statements are the responsibility of the City of Shawnee, Oklahoma's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our 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, 2001, and results of its operations and cash flows of its proprietary fund types and similar discretely presented component units for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3.G., the City has implemented Governmental Accounting Standards Board (GASB) Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which has changed the method of recognizing certain nonexchange revenues.

Also, as described in Note 1.B., for the year ended June 30, 2001, the City of Shawnee reclassified the reporting presentation of several funds and activities. In addition, the City reclassified the Shawnee Civic & Cultural Development Authority from a blended enterprise fund to a discretely presented component unit. Furthermore, the City included in the reporting entity as a discretely presented component unit, for fiscal year ended June 30, 2001, the Shawnee Industrial Development Authority which was excluded from the prior year report.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2002, on our consideration of the City of Shawnee's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The supplementary information concerning the pension plan schedule of funding progress on page 59 is not a required part of the general-purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

CRAWFORD & ASSOCIATES, P.C.

Honorable Mayor and City Commission
City of Shawnee, Oklahoma
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Our audit was made for the purpose of forming an opinion on the general-purpose financial statements of City of Shawnee, Oklahoma, taken as a whole. The combining and individual fund financial statements/schedules and other supplemental information as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Shawnee, Oklahoma. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Crawford & Associates, P.C.

February 1, 2002

GENERAL-PURPOSE FINANCIAL STATEMENTS

CITY OF SHAWNEE, OKLAHOMA
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
 JUNE 30, 2001

ASSETS AND OTHER DEBITS	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNITS		TOTALS (MEMORANDUM ONLY) REPORTING ENTITY
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	ENTERPRISE	INTERNAL SERVICE	GENERAL FIXED ASSET	GENERAL LONG-TERM DEBT		SHAWNEE CIVIC & CULTURAL DEVELOPMENT AUTHORITY	SHAWNEE INDUSTRIAL DEVELOPMENT AUTHORITY	
Cash and cash equivalents	\$1,998,987	\$932,252	\$149,442	\$4,792,138	\$3,002,884	\$64,884	-	-	\$10,838,387	\$819,548	\$8,499	\$11,566,432
Investments	-	44,272	-	-	-	-	-	-	44,272	-	-	44,272
Current Receivables:												
Accounts receivable, net of allowance of \$59,091	-	-	-	-	1,019,808	-	-	-	1,019,808	-	-	1,019,808
Due from other governments	1,475,045	191,719	5,368	573,732	-	-	-	-	2,245,864	-	-	2,245,864
Due from other funds	3,002	-	-	-	-	999,517	-	-	1,002,519	-	-	1,002,519
Accrued interest	8,373	3,423	479	16,449	11,315	217	-	-	40,258	-	-	40,258
Franchise tax receivable	115,770	-	-	-	-	-	-	-	115,770	-	-	115,770
Court fine receivable, net of allowance of \$340,097	113,366	-	-	-	-	-	-	-	113,366	-	-	113,366
Other	20,094	21,841	-	-	-	-	-	-	41,735	-	-	41,735
Restricted assets:												
Cash and cash equivalents	-	-	-	-	1,747,895	-	-	-	1,747,895	-	-	1,747,895
Investments	-	-	-	-	1,188,988	-	-	-	1,188,988	-	-	1,188,988
Accrued interest receivable	-	-	-	-	39,447	-	-	-	39,447	-	-	39,447
Long-Term Receivables:												
Notes receivable	-	159,710	-	-	-	-	-	-	159,710	-	-	159,710
Property, plant and equipment, net of accumulated depreciation where applicable	-	-	-	-	30,358,128	-	\$17,779,539	-	48,135,867	3,718,048	-	51,853,715
Water rights contract	-	-	-	-	18,916,119	-	-	-	18,916,119	-	-	18,916,119
Unamortized debt issuance costs	-	-	-	-	57,227	-	-	-	57,227	-	-	57,227
Other Debits:												
Amount available in debt service fund for retirement of general long-term debt	-	-	-	-	-	-	-	\$151,816	151,816	-	-	151,816
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	4,477,135	4,477,135	-	-	4,477,135
Total Assets and Other Debits	\$3,732,837	\$1,353,017	\$155,289	\$5,382,319	\$54,339,809	\$1,064,418	\$17,779,539	\$4,628,951	\$88,435,779	\$4,337,594	\$8,499	\$92,781,872

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CITY OF SHAWNEE, OKLAHOMA
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2001

LIABILITIES, EQUITY AND OTHER CREDITS	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNITS		TOTALS (MEMORANDUM ONLY) REPORTING ENTITY
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	ENTERPRISE	INTERNAL SERVICE	GENERAL FIXED ASSET	GENERAL LONG-TERM DEBT		SHAWNEE CIVIC & CULTURAL DEVELOPMENT AUTHORITY	SHAWNEE INDUSTRIAL DEVELOPMENT AUTHORITY	
Liabilities:												
Accounts payable and accrued liabilities	\$571,821	\$12,326	-	\$268,720	\$594,077	\$4,328	-	-	\$1,451,272	\$16,330	-	\$1,467,602
Due to other funds	923,488	3,002	-	-	76,049	-	-	-	1,002,519	-	-	1,002,519
Due to bondholders	7,573	-	-	-	-	-	-	-	7,573	-	-	7,573
Due to other governments	-	-	-	-	18,000	-	-	-	18,000	-	-	18,000
Deferred revenue	76,883	179,048	\$3,473	32,389	14,257	-	-	-	308,030	398,933	-	704,963
Current maturities of revenue and promissory notes payable	-	-	-	-	471,488	-	-	-	471,488	-	-	471,488
Current maturities of capital lease obligations payable	-	-	-	-	-	-	-	\$155,805	155,805	17,756	-	173,561
Current maturities of general obligation bonds payable	-	-	-	-	-	-	-	180,000	180,000	-	-	180,000
Accrued interest payable	-	-	-	-	589,887	-	-	-	589,887	994	-	590,881
Meter deposit liability	-	-	-	-	467,305	-	-	-	467,305	-	-	467,305
Due to other governments - long-term	-	-	-	-	72,130	999,517	-	-	1,071,647	-	-	1,071,647
Claims and judgments payable	-	-	-	-	-	-	-	1,813,464	1,813,464	-	-	1,813,464
Capital lease obligations - net of current maturities	-	-	-	-	-	-	-	457,284	457,284	13,374	-	470,658
General obligation bonds payable - net of current maturities	-	-	-	-	-	-	-	700,000	700,000	-	-	700,000
Accrued compensated absences	-	-	-	-	298,315	-	-	1,322,398	1,618,713	60,415	-	1,679,128
Revenue and promissory notes payable, net of current maturities	-	-	-	-	21,274,081	-	-	-	21,274,081	-	-	21,274,081
Total Liabilities	1,579,745	184,376	3,473	301,089	23,873,589	1,003,845	-	4,628,951	31,585,068	507,802	-	32,092,870
Equity and other credits:												
Investment in general fixed assets	-	-	-	-	-	-	\$17,779,539	-	17,779,539	-	-	17,779,539
Contributed capital	-	-	-	-	15,398,108	18,862	-	-	15,414,968	6,000,864	-	21,415,832
Retained earnings (deficit):												
Reserved for debt service	-	-	-	-	1,918,938	-	-	-	1,918,938	-	-	1,918,938
Unreserved	-	-	-	-	13,148,976	43,711	-	-	13,192,687	(2,171,072)	\$8,499	11,030,114
Fund balance:												
Reserved for encumbrances	103,034	22,358	-	1,760,496	-	-	-	-	1,885,888	-	-	1,885,888
Unreserved	2,049,858	1,136,283	151,816	3,320,734	-	-	-	-	6,658,691	-	-	6,658,691
Total Equity and Other Credits	2,152,892	1,158,641	151,816	5,081,230	30,468,020	60,573	17,779,539	-	56,850,711	3,829,792	8,499	60,689,002
Total Liabilities, Equity and Other Credits	\$3,732,637	\$1,353,017	\$155,289	\$5,382,319	\$54,339,609	\$1,064,418	\$17,779,539	\$4,628,951	\$86,435,779	\$4,337,594	\$8,499	\$92,781,872

See accompanying notes to the general-purpose financial statements.

CITY OF SHAWNEE, OKLAHOMA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ALL GOVERNMENTAL FUND TYPES

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTALS (MEMORANDUM ONLY)
Revenues:					
Taxes	\$10,122,003	\$708,528	\$269,408	\$3,339,930	\$14,439,869
Intergovernmental	349,409	963,640	-	81,254	1,394,303
Charges for services	92,168	244,396	-	-	336,564
Fines and forfeitures	357,399	-	-	-	357,399
Licenses and permits	166,466	19,240	-	-	185,706
Investment income	122,566	51,619	6,871	266,343	447,399
Miscellaneous	113,805	58,521	-	15,072	187,398
Total Revenues	11,323,816	2,045,944	276,279	3,702,599	17,348,638
Expenditures:					
Current:					
General government and administration	1,607,794	-	-	-	1,607,794
Community development	268,138	640,755	-	-	908,893
Economic development	-	320,899	-	-	320,899
Public safety	7,255,802	43,340	-	-	7,299,142
Public works	1,564,015	23,942	-	-	1,587,957
Culture and recreation	556,447	75,872	-	-	632,319
Capital outlay	10,617	298,237	-	3,886,787	4,195,641
Debt service:					
Principal retirements	2,136	67,963	175,000	80,589	325,688
Interest and fiscal charges	1	20,699	52,985	24,544	98,229
Total Expenditures	11,264,950	1,491,707	227,985	3,991,920	16,976,562
Revenues over (under) expenditures	58,866	554,237	48,294	(289,321)	372,076
Other Financing Sources (Uses):					
Capital lease proceeds	-	-	-	128,094	128,094
Transfers from other funds	1,500,000	93,712	-	125,000	1,718,712
Transfers to other funds	(1,009,184)	(640,000)	-	(36,203)	(1,685,387)
Transfer to component unit	(543,770)	-	-	-	(543,770)
Total Other Financing Sources (Uses)	(52,954)	(546,288)	-	216,891	(382,351)
Revenues and other sources over (under) expenditures and other uses	5,912	7,949	48,294	(72,430)	(10,275)
Fund Balance - beginning of year	1,386,112	1,088,783	103,522	4,876,825	7,455,242
Prior period adjustments (Note 3.G)	760,868	61,909	-	276,835	1,099,612
Fund Balance - end of year	\$2,152,892	\$1,158,641	\$151,816	\$5,081,230	\$8,544,579

See accompanying notes to the general-purpose financial statements.

CITY OF SHAWNEE, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$9,956,962	\$10,130,379	\$173,417	\$692,297	\$701,731	\$9,434
Intergovernmental	288,432	369,814	81,382	1,371,867	963,728	(408,139)
Charges for services	83,422	92,168	8,746	235,000	242,089	7,089
Fines and forfeitures	387,500	352,432	(35,068)	-	-	-
Licenses and permits	186,700	186,466	(20,234)	18,910	6,621	(12,289)
Investment income	93,332	126,304	32,972	30,441	64,081	33,640
Miscellaneous	133,050	110,446	(22,604)	26,922	58,521	31,599
Total Revenues	11,129,398	11,348,009	218,611	2,375,437	2,036,771	(338,666)
Expenditures:						
Current:						
General government & administration	3,045,262	2,947,285	97,977	-	-	-
Community development	246,340	234,876	11,464	1,061,310	736,858	324,452
Economic development	-	-	-	257,828	224,796	33,032
Public safety	6,510,811	6,428,093	82,718	166,878	43,340	123,538
Public works	1,622,733	1,517,904	104,829	284,636	224,430	60,206
Culture and recreation	504,789	486,839	17,950	128,784	70,027	58,757
Capital outlay	10,617	10,617	-	182,309	73,807	108,502
Debt service:						
Principal retirement	4,940	4,858	82	67,963	67,963	-
Interest	-	-	-	20,699	20,699	-
Total Expenditures	11,945,492	11,630,472	315,020	2,170,407	1,461,920	708,487
Revenues over (under) expenditures	(816,094)	(282,463)	533,631	205,030	574,851	369,821
Other Financing Sources (Uses):						
Transfers from other funds	1,500,000	1,500,000	-	91,203	91,203	-
Transfers to other funds	(623,336)	(623,336)	-	(640,000)	(640,000)	-
Transfers to component unit	(340,000)	(340,000)	-	-	-	-
Total Other Financing Sources (Uses)	536,664	536,664	-	(548,797)	(548,797)	-
Revenues and other sources over (under) expenditures and other uses	(279,430)	254,201	533,631	(343,767)	26,054	369,821
Fund Balance - beginning of year	1,386,112	1,386,112	-	1,088,783	1,088,783	-
Prior period adjustments (Note 3.C.)	-	760,868	760,868	-	61,909	61,909
Fund Balance - end of year	\$1,106,682	\$2,401,181	\$1,294,499	\$745,016	\$1,176,746	\$431,730

(Continued)

See accompanying notes to the general-purpose financial statements.

CITY OF SHAWNEE, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	DEBT SERVICE FUNDS			CAPITAL PROJECT FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$257,310	\$268,554	\$11,244	\$3,263,685	\$3,307,890	\$44,205
Intergovernmental	-	-	-	643,028	113,623	(529,405)
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investment income	10,500	7,346	(3,154)	214,134	272,035	57,901
Miscellaneous	-	-	-	14,112	15,072	960
Total Revenues	267,810	275,900	8,090	4,134,959	3,708,620	(426,339)
Expenditures:						
Current:						
General government & administration	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	7,868,714	3,215,265	4,653,449
Debt service:						
Principal retirement	175,000	175,000	-	81,746	80,589	1,157
Interest	53,310	52,985	325	24,896	24,544	352
Total Expenditures	228,310	227,985	325	7,975,356	3,320,398	4,654,958
Revenues over (under) expenditures	39,500	47,915	8,415	(3,840,397)	388,222	4,228,619
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	125,000	125,000	-
Transfers to other funds	-	-	-	(36,203)	(36,203)	-
Transfers to component unit	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	88,797	88,797	-
Revenues and other sources over (under) expenditures and other uses	39,500	47,915	8,415	(3,751,600)	477,019	4,228,619
Fund Balance - beginning of year	103,522	103,522	-	4,876,825	4,876,825	-
Prior period adjustments (Note 3.C.)	-	-	-	-	276,835	276,835
Fund Balance - end of year	\$143,022	\$151,437	\$8,415	\$1,125,225	\$5,630,679	\$4,505,454

See accompanying notes to the general-purpose financial statements.

CITY OF SHAWNEE, OKLAHOMA

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES AND SIMILAR DISCRETELY PRESENTED COMPONENT UNITS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	PROPRIETARY FUND TYPES		TOTALS (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNITS		TOTALS (MEMORANDUM ONLY) REPORTING ENTITY
	ENTERPRISE	INTERNAL SERVICE		SHAWNEE CIVIC & CULTURAL DEVELOPMENT AUTHORITY	SHAWNEE INDUSTRIAL DEVELOPMENT AUTHORITY	
Operating Revenues:						
Charges for services	\$6,882,863	\$1,277,708	\$8,160,571	\$746,474	-	\$8,907,045
Miscellaneous revenue	88,986	-	88,986	-	-	88,986
Total Operating Revenues	6,971,849	1,277,708	8,249,557	746,474	-	8,996,031
Operating Expenses:						
Utility billing	190,493	-	190,493	-	-	190,493
Utility administration	1,475,847	-	1,475,847	-	-	1,475,847
Lake operations	58,776	-	58,776	-	-	58,776
Water production	815,526	-	815,526	-	-	815,526
Water distribution	\$798,959	-	798,959	-	-	798,959
North sewer treatment plant	444,638	-	444,638	-	-	444,638
South sewer treatment plant	542,895	-	542,895	-	-	542,895
Sewer collection	325,487	-	325,487	-	-	325,487
Airport operations	124,434	-	124,434	-	-	124,434
Claims expense	-	1,292,894	1,292,894	-	-	1,292,894
Expo operations	-	-	-	1,272,120	-	1,272,120
Accounting and legal	-	-	-	-	\$3,625	3,625
Depreciation expense	1,220,995	-	1,220,995	217,880	-	1,438,875
Amortization expense	6,738	-	6,738	-	-	6,738
Total Operating Expenses	6,004,788	1,292,894	7,297,682	1,490,000	3,625	8,791,307
Operating Income (Loss)	967,061	(15,186)	951,875	(743,526)	(3,625)	204,724
Non-Operating Revenues (Expenses):						
Investment income	338,670	5,209	343,879	8,882	236	352,997
Interest and fiscal charges	(1,215,623)	-	(1,215,623)	(2,036)	-	(1,217,659)
Miscellaneous income	28,580	310	28,890	4,481	-	33,371
Net non-operating revenues (expenses)	(848,373)	5,519	(842,854)	11,327	236	(831,291)
Income (Loss) Before Contributions and Transfers	118,688	(9,667)	109,021	(732,199)	(3,389)	(626,567)
Capital contributions	505,962	-	505,962	76,254	-	582,216
Transfers:						
Transfers from other funds	966,675	-	966,675	-	-	966,675
Transfers to other funds	(1,000,000)	-	(1,000,000)	-	-	(1,000,000)
Transfers from primary government	-	-	-	543,770	-	543,770
Net Transfers	(33,325)	-	(33,325)	543,770	-	510,445
Net Income (Loss)	581,325	(9,667)	581,658	(112,175)	(3,389)	466,094
Retained earnings (deficit), beginning of year	14,476,589	52,894	14,529,483	(2,058,897)	11,888	12,482,474
Prior period adjustments (Note 3.G.)	-	484	484	-	-	484
Retained earnings (deficit), end of year	\$15,067,914	\$43,711	\$15,111,625	(\$2,171,072)	\$8,499	\$12,949,052

See accompanying notes to the general-purpose financial statements.

CITY OF SHAWNEE, OKLAHOMA

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR DISCRETELY PRESENTED COMPONENT UNITS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	PROPRIETARY FUND TYPES		TOTALS (MEMORANDUM ONLY)	COMPONENT UNITS		TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	PRIMARY GOVERNMENT	SHAWNEE CIVIC & CULTURAL DEVELOPMENT AUTHORITY	SHAWNEE INDUSTRIAL DEVELOPMENT AUTHORITY	REPORTING ENTITY
Cash flows from operating activities:						
Operating income (loss)	\$967,061	(\$15,186)	\$951,875	(\$743,526)	(\$3,625)	\$204,724
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation expense	1,220,995	-	1,220,995	217,880	-	1,438,875
Amortization expense	6,738	-	6,738	-	-	6,738
Other non-operating revenue	28,580	310	28,890	4,481	-	33,371
Decrease (increase) in accounts receivables	(120,265)	-	(120,265)	-	-	(120,265)
Decrease (increase) in prepaid items	2,931	-	2,931	-	-	2,931
Decrease (increase) in due from other funds	-	(551,081)	(551,081)	-	-	(551,081)
Increase (decrease) in accounts payable and accrued liabilities	376,147	4,328	380,475	(6,132)	-	374,343
Increase (decrease) in accrued compensated absences	7,486	-	7,486	2,257	-	9,743
Increase (decrease) in meter deposit liability	11,227	-	11,227	-	-	11,227
Increase (decrease) in due to other funds	76,049	-	76,049	-	-	76,049
Increase (decrease) in due to other governments	(18,000)	-	(18,000)	-	-	(18,000)
Increase (decrease) in deferred revenue	(1,195)	-	(1,195)	93,830	-	92,635
Increase in estimated liability for claims	-	551,081	551,081	-	-	551,081
Total adjustments	1,590,693	4,638	1,595,331	312,316	-	1,907,647
Net cash provided by (used in) operating activities	2,557,754	(10,548)	2,547,206	(431,210)	(3,625)	2,112,371
Cash flows from non-capital financing activities:						
Transfers from other funds	966,675	-	966,675	-	-	966,675
Transfers to other funds	(1,000,000)	-	(1,000,000)	-	-	(1,000,000)
Transfers from primary government	-	-	-	543,770	-	543,770
Net cash provided by (used in) non-capital financing activities	(33,325)	-	(33,325)	543,770	-	510,445
Cash flows from capital and related financing activities:						
Principal paid on revenue and promissory notes	(521,489)	-	(521,489)	-	-	(521,489)
Principal paid on capital lease obligation	-	-	-	(16,898)	-	(16,898)
Interest paid on long-term debt	(1,226,468)	-	(1,226,468)	(1,042)	-	(1,227,510)
Acquisition and construction of capital assets	(1,438,633)	-	(1,438,633)	(122,187)	-	(1,560,820)
Net cash provided by (used in) capital and related financing activities	(3,186,590)	-	(3,186,590)	(140,127)	-	(3,326,717)
Cash flows from investing activities:						
Interest received on investments	346,789	5,338	352,127	9,513	236	361,876
Sale or maturity of investments	-	-	-	25,000	-	25,000
Purchase of investments	(68,528)	-	(68,528)	-	-	(68,528)
Net cash provided by investing activities	278,261	5,338	283,599	34,513	236	318,348
Net increase (decrease) in cash and cash equivalents	(383,900)	(5,210)	(389,110)	6,946	(3,389)	(385,553)
Cash and cash equivalents - beginning of year (restated)	5,134,479	69,894	5,204,373	612,600	11,888	5,828,661
Cash and cash equivalents - end of year	\$4,750,579	\$64,684	\$4,815,263	\$619,546	\$8,499	\$5,443,308
Non-Cash Activities:						
Capital assets contributed by other funds and private sources	\$505,962	-	\$505,962	\$76,254	-	\$582,216
Change in fair value of investments	1,675	-	1,675	-	-	1,675
Total of non-cash activities	\$507,637	-	\$507,637	\$76,254	-	\$583,891

See accompanying notes to the general-purpose financial statements.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

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CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

In the preparation of this annual report, the City complies with accounting principles generally accepted in the United States of America (GAAP). These generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply 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, in which case GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. For the fiscal year ended June 30, 2001, the City implemented the new financial reporting requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

1.A. FINANCIAL REPORTING ENTITY

The City's financial reporting entity is comprised of the following:

Primary Government:	City of Shawnee
Blended Component Units:	Shawnee Municipal Authority Shawnee Airport Authority
Discretely Presented Component Units:	Shawnee Civic & Cultural Development Authority Shawnee Industrial Development Authority

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" and includes all component units of which the City appointed a voting majority of the units' board and the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Each of these component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, in most cases, the City has leased certain existing assets at the creation of the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds blended into those of the City's by appropriate fund type to comprise the primary government.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:, (Continued)

1.A. FINANCIAL REPORTING ENTITY, (Continued)

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

BLENDED COMPONENT UNITS

Component units that are blended into the reporting fund types of the City's report are presented below:

<u>Component Unit</u>	<u>Brief Description/Inclusion Criteria</u>	<u>Reporting Fund Type</u>
Shawnee Municipal Authority (SMA)	Created November 11, 1968, to finance, develop and operate the water, sewer and solid waste activities. The current City Council serves as its entire governing body (Trustees) of the SMA. Any issuance of debt would require a two-thirds approval of the City Council.	SMA Enterprise Fund
Shawnee Airport Authority (SAA)	Created March 18, 1974, to develop, construct, plan, establish, install, enlarge, improve, maintain, equip, operate, control and regulate air transportation facilities. The current City Council serves as its entire governing body (Trustees) of the SAA. Any issuance of debt would require a two-thirds approval of the City Council.	SAA Enterprise Fund

DISCRETELY PRESENTED COMPONENT UNITS

<u>Component Unit</u>	<u>Brief Description of Unit</u>
Shawnee Civic & Cultural Development Authority (SCCDA)	Created January 5, 1976, to acquire by lease and to operate, regulate and administer all physical properties, real or personal which shall be of public use or of civic and/or cultural benefit or incident to carrying out an authority or proper function of the City. The governing body consists of seven members; the City Manager of the Beneficiary, a management level employee of the Shawnee News Star, three citizens representing the general public appointed by the SCCDA trustees, and two residents of Pottawatomie County appointed by the Commissioners of Pottawatomie County and approved by the SCCDA trustees. Any issuance of debt requires a two-thirds approval of the City Council.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:, (Continued)

I.A. FINANCIAL REPORTING ENTITY, (Continued)

<u>Component Unit</u>	<u>Brief Description of Unit</u>
Shawnee Industrial Development Authority (SIDA)	Created June 30, 1979, to promote the development of industry and culture and industrial, manufacturing, cultural and educational activities within and without the territorial limits of the City. The SIDA governing body is comprised of five members appointed by the City Council from a list of three qualified individuals prepared by the Trustees of the SIDA. Any issuance of debt would require a two-thirds approval of the City Council.

Complete financial statements of the individual discretely presented component units can be obtained from their respective administrative offices, except for the Shawnee Civic & Cultural Development Authority which did not issue separate annual financial statements.

ADMINISTRATIVE OFFICES:
Shawnee Industrial Development Authority
P.O. Box 1222
Shawnee, OK 74802-1222

RELATED ORGANIZATIONS

The following related organizations are not included in the financial reporting entity.

Shawnee Industrial Authority (SIA) - A Title 60 Public Trust created July 19, 1971, to acquire, construct or improve facilities for use by governmental, corporate or other entities; to promote the development of industry within and without the State of Oklahoma; and to provide funds for the cost of financing or refinancing the acquisition, construction or expansion of properties by such entities. Trustee vacancies are replaced by vote of the remaining Trustees.

Shawnee Housing Authority - a non-stock, non-profit corporation acting as an instrumentality of the City for the purpose of assisting in financial dwelling accommodations for persons of low income. The Corporation issued first lien revenue bonds after approval by the City Council. The bonds do not constitute debt of the City and are secured by revenues received from the United States Department of Housing and Urban Development. The revenues represent monthly housing assistance payments for project units occupied by eligible low income tenants.

Shawnee Urban Renewal Board - This board currently has no assets or liabilities and had no financial activity for the year. The Shawnee Urban Renewal Board serves in an advisory capacity.

Shawnee Economic Development Foundation - a non-stock, non-profit corporation contracting with the City for the purpose of assisting and promoting the economic development and civic growth of the City of Shawnee. The City pays the Foundation \$100,000 annually for these contractual services.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:, (Continued)

1.B BASIS OF PRESENTATION

The accounts of the reporting entity are organized into funds, account groups and discretely presented component units, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. The account groups also comprise a separate self-balancing group of accounts. Funds are organized into three major categories: governmental, proprietary and component units. Funds within each major category are grouped by fund type in the combined financial statements. The major fund categories, fund types, account groups and discretely presented component units of the financial reporting entity are described below.

Reclassification of Funds and Activities

The City of Shawnee reclassified the reporting presentation of several funds and activities from Expendable Trust Funds to Special Revenue Funds and from Agency Funds to Special Revenue and Enterprise Funds. In addition, the City reclassified the Shawnee Civic and Cultural Development Authority from a blended enterprise fund to a discretely presented component unit. Furthermore, the City included in the reporting entity as a discretely presented component unit, for the fiscal year ended June 30, 2001, the Shawnee Industrial Development Authority which was excluded from the prior year report.

GOVERNMENTAL FUND TYPES

General Fund

The General Fund is the primary operating fund of the City. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes. The reporting entity includes the following special revenue funds:

Fund

Brief Description

Street & Alley Fund

Accounts 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

Accounts for the operations and maintenance of the City's 911 emergency services. Financing is provided primarily through telephone service fees.

Revolving Oil & Gas Fund

Accounts for the inspection and monitoring of oil and gas wells. Financing is provided primarily through user licenses and fees.

Economic Development Fund

Accounts for the promotion of economic development. Financing is provided primarily through sales tax revenues.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:, (Continued)

1.B. BASIS OF PRESENTATION, (Continued)

GOVERNMENTAL FUND TYPES (Continued)

<u>Fund</u>	<u>Brief Description</u>
Spay & Neuter Fund	Accounts for the City's animal adoption program. Financing is provided primarily through participant fees.
Hotel/Motel Surcharge Fund	Accounts for the collection of the City's hotel/motel surcharge. Funds received from this surcharge are used for the promotion of tourism.
Police Sales Tax Fund	Accounts for the 1/16 cent of a one-cent dedicated sales tax revenue for police officers.
Fire Sales Tax Fund	Accounts for the 1/16 cent of a one-cent dedicated sales tax revenue for firefighters.
ODOC Grant Funds	Accounts for federal grant funds received by the City and expenditures related to the operation of these grants.
Library Fund	Accounts for the maintenance of the municipal library. The Shawnee Municipal Library is part of the Pioneer Library System, a multi-county system.
Cemetery Care Fund	Accounts 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 (12.5%) in accordance with state statutes.
Senior Citizens Fund	Accounts for the maintenance of the senior citizens center.
Gifts & Contributions Fund	Accounts for monies donated for park projects and economic development.
Sister Cities Fund	Accounts for the financial activity of the sister cities program.

Debt Service Fund

The Debt Service Fund is used to account for ad-valorem taxes levied by the City for use in retiring general obligation bonds, court-assessed judgments, and their related interest expense and fiscal agent fees.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

1.B. BASIS OF PRESENTATION, (Continued)

GOVERNMENTAL FUND TYPES, (Continued)

Capital Project Funds

Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes the following capital project funds.

<u>Fund</u>	<u>Brief Description</u>
Capital Improvement Fund	Accounts for the purchase of capital equipment and construction of facilities. Financing is provided primarily through sales tax.
Street Improvement Fund	Accounts for the construction or major reconstruction of street projects. Financing is provided primarily through sales tax.
1994 Street Improvement Project	Accounts for general obligation bond proceeds designated for the construction of specific street projects.

PROPRIETARY FUND TYPES

Enterprise funds are used to account for businesslike activities provided to the general public. Internal service funds are used to account for businesslike activities provided to other funds or entities within the reporting entity. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise and internal service funds.

Enterprise Funds

<u>Fund</u>	<u>Brief Description</u>
Shawnee Municipal Authority	Accounts for operation, maintenance and capital facility construction related to water, sewer and sanitary services. Financing is provided primarily through user charges.
Shawnee Airport Authority	Accounts for operation, maintenance and capital facility construction related to the Shawnee Municipal Airport.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:, (Continued)

1.B. BASIS OF PRESENTATION, (Continued)

PROPRIETARY FUND TYPES, (Continued)

Internal Service Funds

<u>Fund</u>	<u>Brief Description</u>
Workers Compensation Self-Insurance	Accounts for activities related to the City's self-insurance for workers compensation. Financing is provided through General Fund and Municipal Authority transfers.
General Liability Self-Insurance	Accounts 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.

ACCOUNT GROUPS

Account groups are used to account for fixed assets and long-term liabilities which are not accounted for in the governmental type funds. The City maintains two account groups: General Fixed Asset Account Group and the General Long-Term Debt Account Group.

General Fixed Asset Account Group

This account group is used to account for the property, plant, and equipment assets used by governmental type funds. The fixed assets of the account group are offset with "other credits." entitled "investment in general fixed assets".

General Long-Term Debt Account Group

This account group is used to account for the unmatured principal of general obligation bonded debt and governmental fund type capital lease obligations and other long-term liabilities. The liabilities of the account group are offset with "other debits" entitled "amount available for debt retirement" and "amount to be provided for debt retirement".

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:, (Continued)

1.B. BASIS OF PRESENTATION, (Continued)

COMPONENT UNITS

Discretely presented component units are separate legal entities whose governing body (in majority) is appointed by the Mayor or City Council, but whose governing body is not substantially the same as the City Council nor an entity established to provide services primarily to the City. Since these component units are not as closely associated with the City as are the blended component units, they are reported in a discretely presented column on the combined financial statements labeled "Component Units". The reporting entity includes the following discretely presented component units:

<u>Component Units</u>	<u>Brief Description</u>
Shawnee Civic & Cultural Development Authority	Accounts for operation, maintenance and capital facility construction relating to the Heart of Oklahoma Exposition Center.
Shawnee Industrial Development Authority	Accounts for revenues and expenditures of the public trust used in establishing and operating industrial development activities.

TOTAL COLUMNS (MEMORANDUM ONLY)

Total columns on the combined financial statements are captioned "memorandum only" to indicate that they are presented only to aid in financial analysis. Interfund eliminations have not been made in the aggregation of this data; and it is, therefore, not comparable to a consolidation.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "how" transactions are recorded within each fund type. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

All governmental fund types utilize a spending or "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These fund types use fund balance as their measure of available spendable financial resources at the end of the period. The account groups present these fund type's fixed assets and long-term debt.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:, (Continued)

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING, (Continued)

Measurement Focus, (Continued)

Proprietary fund types and similar component units utilize a capital maintenance or "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flow. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are included on their balance sheets. Proprietary type fund equity is segregated into contributed capital and retained earnings.

Account groups are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

For governmental fund types, the City utilizes the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary fund types and similar component units utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used.

1.D. BUDGETARY ACCOUNTING AND CONTROL

The City has adopted the provisions of the Municipal Budget Act of 1979 (the 'Budget Act). In accordance with the Budget Act, the following process is used to adopt the annual budget.

- a. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 15 days prior to July 1.
- c. Subsequent to the public hearings but no later than seven days prior to July 1, the budget is adopted by resolution of the City Council.
- d. By July 1, the adopted budget is filed with the Office of State Auditor and Inspector.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:, (Continued)

1.D. BUDGETARY ACCOUNTING AND CONTROL, (Continued)

All funds of the City with revenues and expenditures are required to have annual budgets. The legal level of control at which expenditures may not legally exceed appropriations is the object category level by department within a fund. The Budget Act recognizes the following object categories as the minimum legal level of control by department within a fund:

- | | |
|------------------------------|------------------|
| - Personal Services | - Capital Outlay |
| - Materials and Supplies | - Debt Service |
| - Other Services and Charges | - Transfers |

All transfers of appropriations within and between departments and supplemental appropriations require City Council approval. Budget supplements must also be filed with the Office of State Auditor and Inspector.

In accordance with Title 60 of the Oklahoma State Statutes, all of the City's Title 60 Public Trusts (accounted for as enterprise funds and similar component units) are required to prepare an annual budget and submit a copy to the city as beneficiary. However, there are no further requirements such as form of budget, approval of the budget or definition of a legal level of control.

Budgetary Accounting

The annual operating budgets are prepared and presented on the cash basis of accounting for all revenues. The modified accrual basis of accounting is used for the budgeting of expenditures with the exception of the net effect of certain year-end accruals (i.e. payroll and allocation of shared costs). The City utilizes encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation. Encumbrances outstanding at year-end are not considered expenditures for budgetary purposes, but are reported as a reservation of fund balance since the City intends to honor the commitments and provide for supplemental appropriations in the following budget year. All appropriations lapse at year-end.

1.E. ASSETS, LIABILITIES AND EQUITY

Cash and Cash Equivalents

For the purposes of the combined balance sheet and statement of cash flows, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less. Investments in open ended mutual fund-money market accounts are also considered cash equivalents and are reported at the funds' current share price.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:, (Continued)

1.E. ASSETS, LIABILITIES AND EQUITY, (Continued)

Investments

Investments are reported at fair value using selected bases. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments in long-term U.S. government securities are carried at fair value from quoted market prices. Additional cash and investment disclosures are presented in Note 2.C. and Note 3.A.

Interfund Receivables and Payables

During the course of operations, numerous receivables and payables occur between individual funds. Those related to goods and services type transactions are classified as "due to and from other funds". Short-term interfund loans are reported as "interfund receivables and payables". Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds". See Note 3.G. for details of interfund transactions, including receivables and payables at year-end.

Receivables

Material receivables in governmental fund types include revenue accruals such as sales tax, franchise tax, court fines and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in accordance with GASB 33. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Proprietary type funds and similar component units material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund type receivables.

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

The City has chosen to record consumable materials and supplies as expenditures in the governmental fund types at the time of purchase, and year-end inventory on hand is not material; therefore, no balances for inventory on-hand are reported on the balance sheet for such fund types. The City also considers all proprietary fund type and similar discretely presented component unit inventory on hand as immaterial, and therefore records inventory purchases as expense when purchased.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:, (Continued)

1.E. ASSETS, LIABILITIES AND EQUITY, (Continued)

Fixed Assets

The accounting treatment for property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund type operations or proprietary fund type and similar component unit operations.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for as capital outlay expenditures of the governmental type fund upon acquisition and are recorded as property, plant and equipment in the General Fixed Assets Account Group.

Fixed assets used in proprietary fund type and similar component unit operations are accounted for as property, plant and equipment within the proprietary fund and similar component unit itself.

All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Public domain, "infrastructure", fixed assets (such as streets, bridges, drainage systems) of the governmental fund types are not recorded within the General Fixed Asset Account Group.

Depreciation of all exhaustible fixed assets of the proprietary type funds and similar component units is recorded as an expense in their operating statements, with accumulated depreciation reflected in their balance sheet. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset are as follows:

- Buildings	40 years
- Improvements Other Than Buildings	20 - 50 years
- Machinery and Equipment	5 - 10 years

Depreciation and accumulated depreciation are not reported against general fixed assets.

Restricted Assets

Restricted assets include cash, investments and accrued interest receivable of proprietary fund types that are legally restricted as to their use. The primary restricted assets are related to revenue note and OWRB trustee accounts.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:, (Continued)

1.E. ASSETS, LIABILITIES AND EQUITY, (Continued)

Long-Term Debt

Accounting treatment of long-term debt varies depending upon whether source of repayment is from governmental fund type or proprietary fund type and similar component unit resources. Long-term debt to be repaid from governmental fund type resources are reported in the General Long-Term Debt Account Group. Long-term debt to be repaid from proprietary fund type and similar component unit resources are reported as fund liabilities.

The governmental fund types long-term debt presently is comprised of accrued compensated absences, claims and judgments payable, capital lease obligations, and general obligation bonds. The proprietary fund type and component unit long-term debt consists of notes payable, revenue notes payable, estimated liability for claims, capital lease obligations and accrued compensated absences.

Compensated Absences

The City's policies regarding vacation, sick leave and holiday leave permit employees to accumulate varying amounts as determined by management and contracts with employee groups.

The liability for accrued vacation and compensatory time attributable to the City's governmental funds is recorded in the General Long-Term Debt Account Group. Since the City considers the amount of compensated absence liability to be paid from current financial resources of governmental fund types to be insignificant, the entire liability payable from governmental fund types is reported in the General Long-Term Debt Account Group. The amount attributable to the proprietary type funds is charged to expense and accrued compensated absences liability in their respective funds.

Equity Classifications

Governmental fund type fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance indicates the amounts are either legally restricted to use or not available for appropriation or expenditure. Proprietary fund type and component unit fund equity is classified as retained earnings and/or contributed capital. Retained earnings is further classified as reserved for debt service and unreserved.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES., (Continued)

1.F. REVENUES, EXPENDITURES AND EXPENSES

Sales Tax

The City presently levies a three cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. Two cents of the sales tax received is to be recorded as sales tax revenue within the General Fund and the remaining one cent distributed to various funds based on prescribed percentages. These percentages, initially set by ordinance, have been further restricted by management and governing body approval as follows:

Capital Improvement Fund	38.75%
Street Improvement Fund	43.75%
Economic Development Fund	5.00%
Police Sales Tax Fund	6.25%
Fire Sales Tax Fund	6.25%
Total	<u>100.00%</u>

Sales taxes from sales occurring prior to year-end but not yet received by the City, have been accrued and are included under the caption "Due from other governments".

Property Tax

Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments. At the present time, the City levies a property tax to fund the annual debt service requirements of the general obligation bonds.

The property tax levy, as determined by the City's debt service needs, is submitted to the County Excise Board for approval. County assessors, determine the taxable value of real estate and personal property in the County. A State Board of Equalization hears complaints on real estate values with the power to equalize assessments. Under present State law, the ratio of "assessed value" to "true value" cannot exceed 35%, and for the year ended June 30, 2001, averaged 12%.

Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2001, the City's net assessed valuation of taxable property was \$99,638,920. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2001 was \$2.50.

JUNE 30, 2001

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, (Continued)

2.A. FUND ACCOUNTING REQUIREMENTS

The City complied, in all material respects, with state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include the following:

<u>Fund</u>	<u>Required By</u>
E-911 Fund	State Law
Police Sales Tax Fund	State Law (Restricted Sales Tax)
Fire Sales Tax Fund	State Law (Restricted Sales Tax)
ODOC Grants Fund	Grant Agreement
Cemetery Care Fund	State Law
Debt Service Fund	State Law
Capital Improvement Fund	State Law (Restricted Sales Tax)
Street Improvement Project Fund	State Law (Restricted Sales Tax)
Shawnee Municipal Authority Fund	Trust Indenture
Shawnee Airport Authority Fund	Trust Indenture
Shawnee Civic & Cultural Development Authority	Trust Indenture
Shawnee Industrial Development Authority	Trust Indenture

2.B. BUDGET REQUIREMENTS

For the year ended June 30, 2001, the City complied, in all material respects, with the applicable budget laws as discussed in Note 1.D.

Supplemental appropriations reflected in the budget amounts reported in the combined financial statements were properly approved by the City Council. For the year ended June 30, 2001, the following supplemental appropriations were approved:

<u>Fund Type</u>	<u>Original Appropriations</u>	<u>Supplemental Appropriations</u>	<u>Revised Appropriations</u>
General Fund	\$12,363,666	\$545,162	\$12,908,828
Special Revenue Funds	1,677,730	1,132,677	2,810,407
Capital Project Funds	7,289,475	722,084	8,011,559

The "revenues and other sources over (under) expenditures and other uses" of the General Fund differ from Statement 2 to Statement 3 by \$248,289. This difference is the result of \$24,193 of net prior year and current year revenue accruals and miscellaneous adjustments and \$224,096 of net prior year and current year expenditure accruals and miscellaneous adjustments.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, (Continued)

2.B. BUDGET REQUIREMENTS, (Continued)

The "revenues and other sources over (under) expenditures and other uses" of the Special Revenue Funds differ from Statement 2 to Statement 3 by \$18,105. This difference is the result of \$(11,682) of net prior year and current year revenue accruals and miscellaneous adjustments and \$29,787 of net prior year and current year expenditure accruals.

The "revenues and other sources over (under) expenditures and other uses" of the Debt Service Fund differ from Statement 2 to Statement 3 by \$379. This difference is the result of \$379 of net prior year and current year revenue accruals.

The "revenues and other sources over (under) expenditures and other uses" of the Capital Project Funds differ from Statement 2 to Statement 3 by \$549,449. This difference is the result of \$6,021 of net prior year and current year revenue accruals and miscellaneous adjustments and \$543,428 of expenditure adjustments related to the current use of funds previously deposited with Oklahoma Department of Transportation and expended for budgetary purposes in a prior year.

2.C. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, surety bonds, and letters of credit. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments of a City (excluding Public Trusts) are limited by State Law to the following:

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U. S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, (Continued)

2.C. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS, (Continued)

- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c., and d.

Public trusts created under O.S. Title 60, are not subject to the above noted investment limitations and are primarily governed by any restrictions in their trust or bond indenture.

For the year ended June 30, 2001, the City complied, in all material respects, with the above noted investment restrictions.

2.D. REVENUE RESTRICTIONS

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales Tax	See Note 1.F.
Gasoline Excise & Commercial Vehicle Tax	Street and Alley Purposes
E-911 Revenue	E-911 Emergency Services Purposes
Water and Sewer Revenue	Debt Service and Utility Operations
Cemetery Revenue	Cemetery Capital Improvements
Ad-Valorem Tax	Debt Service on Bonds and Judgments
Hotel-Motel Tax	Tourism
Grant Revenues	Various Grant Agreements
Certain Gifts & Contributions	Various Park Improvements

For the year ended June 30, 2001, the City complied, in all material respects, with these revenue restrictions.

2.E. DEBT RESTRICTIONS AND COVENANTS

Constitutional Long-Term Debt Limitation

As required by the Oklahoma State Constitution, the City (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without first obtaining voter approval. For the year ended June 30, 2001, the City entered into two new capital leases which contained non-appropriation clauses. These long-term leases require annual renewal, therefore, they are not considered a violation of this Constitutional limitation.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, (Continued)

2.E. DEBT RESTRICTIONS AND COVENANTS, (Continued)

Revenue Note and Promissory Note Debt

The various bond and note indentures relating to the revenue bond and promissory note issuances of the Shawnee Municipal Authority contain a number of restrictions or covenants that are financial related. These include covenants such as a required flow of funds through special accounts, a debt service coverage requirement and required reserve account balances. The following schedule presents a brief summary of the most significant requirements and the Authorities' level of compliance thereon as of June 30, 2001.

<u>Requirement</u>	<u>Level of Compliance</u>
a. Flow of Funds:	
1. Revenue Notes and OWRB Loans:	All funds have been established.
- Municipal Authority Fund	
• Interest Account	
• Principal Account	
• Reserve Account	
• Project Account	
b. Reserve Account Requirement:	
1. 1993A Utility Revenue Notes:	
• Account balance should equal \$1,233,350.	Account balance at June 30, 2001 is \$1,228,972.
2. 1997B OWRB Loan:	
• Account balance should equal \$160,458.	Account balance at June 30, 2001 is \$163,032.
c. Promissory Note Coverage:	
1. 1997B OWRB Promissory Note:	
• Net operating revenue of the Authority's pledged systems must equal 1.25 times maximum annual debt service on the 1993A Utility Revenue Notes and the 1997A & 1997B OWRB Promissory Notes.	For the year ended June 30, 2001, net revenues available amounted to \$2,571,065; maximum annual debt service on the notes and any subordinate debt amounted to \$1,741,558. Actual coverage was 1.48 times.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, (Continued)

2. F. FUND EQUITY RESTRICTIONS

Deficit Prohibition

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund of the City (excluding public trusts). For the year ended June 30, 2001, the City incurred no fund balance deficits in any fund.

The Shawnee Airport Authority and the Shawnee Civic & Cultural Development Authority (public trusts) reported retained earnings deficits of \$2,306,048 and \$2,171,072, respectively, at June 30, 2001. These public trusts are not subject to the deficit prohibition in Title 11.

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the combined financial statements for its various assets, liabilities, equity, revenues and expenditures/expenses.

3.A. CASH AND INVESTMENTS

Deposits

The City's policies regarding deposits of cash are discussed in Note 1.E. The table presented below is designed to disclose the level of custody credit risk assumed by the City based upon how its deposits were secured with collateral at June 30, 2001. The categories of credit risk are defined as follows:

- Category 1 - Insured by FDIC or collateralized with securities held by the City (or public trust) or by its agent in its name,
- Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the City's name,
- Category 3 - Uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name; or collateralized without a written or approved collateral agreement.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3.A. CASH AND INVESTMENTS, (Continued)

Primary Government

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Custody Credit Risk Category</u>			<u>Total Carrying Value</u>
		<u>1</u>	<u>2</u>	<u>3</u>	
Insured deposits	\$289,179	\$289,179	\$ -	\$ -	
Uninsured deposits:					
Collateralized	<u>386,789</u>	<u>-</u>	<u>386,789</u>	<u>-</u>	
Total deposits	<u>\$675,968</u>	<u>\$289,179</u>	<u>\$386,789</u>	<u>\$ -</u>	\$178,076
Petty cash					<u>1,860</u>
					<u>\$179,936</u>

Reconciliation to Combined Balance Sheet:

Unrestricted cash and cash equivalents	\$10,938,387
Unrestricted investments	44,272
Restricted cash and cash equivalents	1,747,695
Restricted investments	1,188,988
Less: Investments in mutual funds recorded as:	
Unrestricted cash and cash equivalents	(11,225,756)
Restricted cash and cash equivalents	(1,280,390)
Investments in repurchase agreements recorded	(1,120,460)
Investments in government securities	(68,528)
Corporate bonds	(44,272)
	<u>\$179,936</u>

Component Units

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Custody Credit Risk Category</u>			<u>Total Carrying Value</u>
		<u>1</u>	<u>2</u>	<u>3</u>	
Insured deposits	\$116,822	\$116,822	\$ -	\$ -	
Uninsured deposits:					
Collateralized	<u>641,583</u>	<u>-</u>	<u>641,583</u>	<u>-</u>	
Total deposits	<u>\$758,405</u>	<u>\$116,822</u>	<u>\$641,583</u>	<u>\$ -</u>	<u>\$628,045</u>

Reconciliation to Combined Balance Sheet:

Unrestricted cash and cash equivalents:	
Shawnee Civic & Cultural Development Authority	\$619,546
Shawnee Industrial Development Authority	<u>8,499</u>
	<u>\$628,045</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3. A. CASH AND INVESTMENTS, (Continued)

Investments

The City's policies and applicable laws regarding investments are discussed in Note 1.E. and 2.C. The table presented below is designed to disclose the level of market risk and custody credit risk assumed by the City (or public trust) based upon whether the investments are insured or registered and upon who holds the security at June 30, 2001. The categories of credit risk are defined as follows:

- Category 1 - Insured or registered, with securities held by the entity or its agent in the entity's name.
- Category 2 - Uninsured and unregistered with securities held by counterparty's trust department or agent in the entity's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparts or by its trust department or agent but not in the City's name.

Primary Government

<u>Type of Investments</u>	<u>Custody Credit Risk Category</u>			<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Corporate bonds	\$44,272	-	-	\$44,272
U.S. Government securities	68,528	-	-	68,528
Repurchase agreements	-	\$1,120,460	-	1,120,460
Totals	<u>\$112,800</u>	<u>\$1,120,460</u>	<u>\$ -</u>	1,233,260
Mutual funds (not subject to custody credit risk classification)				<u>12,506,146</u>
Total Investments				<u>\$13,739,406</u>

Reconciliation to Combined Balance Sheets:

Unrestricted investments	\$44,272
Restricted investments	1,188,988
Add: Investments in mutual funds recorded as:	
Unrestricted cash and cash equivalents	11,225,756
Restricted cash and cash equivalents	<u>1,280,390</u>
	<u>\$13,739,406</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3. B. RESTRICTED ASSETS

The amounts reported as restricted assets of the enterprise fund type on the combined balance sheet are comprised of cash and investments held by the trustee bank on behalf of the various public trusts (Authorities) related to their required revenue bond and note accounts as described in Note 2.E. The restricted assets as of June 30, 2001 were as follows:

<u>Type of Restricted Assets</u>	<u>Cash, and Cash Equivalents</u>	<u>Investments</u>	<u>Accrued Interest</u>	<u>Total</u>
Primary Government:				
Municipal Authority:				
Revenue Bond and Note Trustee Accounts	\$1,280,390	\$1,188,988	\$39,447	\$2,508,825
Meter Deposit Liability	<u>467,305</u>	<u>-</u>	<u>-</u>	<u>467,305</u>
Total Municipal Authority	<u>\$1,747,695</u>	<u>\$1,188,988</u>	<u>\$39,447</u>	<u>\$2,976,130</u>

3.C. PROPERTY, PLANT AND EQUIPMENT

General Fixed Asset Account Group

The fixed assets acquired by the governmental funds are accumulated in the general fixed asset account group. No depreciation is provided on these fixed assets. A summary of the changes in the general fixed assets is as follows:

	<u>Balance at July 1, 2000</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2001</u>
Land	\$2,066,633	\$7,000	-	\$2,073,633
Buildings	5,562,881	123,630	-	5,686,511
Improvements other than buildings	1,491,818	251,770	-	1,743,588
Machinery and equipment	7,570,711	701,471	-	8,272,182
Construction-in-progress	-	<u>3,625</u>	-	<u>3,625</u>
	<u>\$16,692,043</u>	<u>\$1,087,496</u>	<u>-</u>	<u>\$17,779,539</u>

Proprietary Fund Type Fixed Assets

Fixed assets of the Enterprise Funds and the Component Units are comprised of the following at June 30, 2001:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
Land	\$1,617,094	\$94,493	\$1,711,587
Building	777,171	4,337,824	5,114,995
Improvements other than buildings	39,895,229	2,084,914	41,980,143
Machinery and equipment	2,906,555	489,570	3,396,125
Construction-in-progress	1,577,532	151,867	1,729,399
Less accumulated depreciation	<u>(16,417,453)</u>	<u>(3,440,620)</u>	<u>(19,858,073)</u>
Net property, plant and equipment	<u>\$30,356,128</u>	<u>\$3,718,048</u>	<u>\$34,074,176</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3. D. 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.

SMA acquired a contractual interest in the water rights 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, which totals \$16,916,119, represents SMA's investment in the water rights contract with PCDA.

The term of this agreement shall be for a period of one hundred (100) years from its effective date and may be extended by written agreement of the parties. Upon the expiration of the term of this agreement and any extension thereof, PCDA shall by quit claim deed and bill of sale, convey to each party an undivided fractional interest in the facilities and all personal property titled in PCDA that is used in the operation of the facilities except PCDA's files and records.

Due to the long-term nature of this agreement, the SMA's investment in the water rights contract is not being amortized.

3.E. LONG-TERM DEBT

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental type funds (General Long-Term Debt), amounts to be repaid from proprietary type funds (Enterprise Fund Debt), and amounts to be repaid from component units (Component Unit Debt).

General Long-Term Debt

As of June 30, 2001, the general long-term debt of the financial reporting entity consisted of the following:

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3.E. LONG-TERM DEBT, (Continued)

General Obligation Bonds:

\$1,400,000 General Obligation Limited Access Facilities Bonds of 1994, due in annual installments of \$100,000, final installment due February 1, 2009 with interest rates at 3.5% to 6.5%	\$800,000
\$1,020,000 General Obligation Limited Access Facilities Refunding Bonds of 1994, due in annual installments ranging from \$75,000 to \$150,000, final installment of \$80,000 due July 1, 2002, with interest rates of 4.75% to 10.0%	<u>80,000</u>
Total General Obligation Bonds	<u>\$880,000</u>
Current Maturities	\$180,000
Long-Term Liabilities	<u>700,000</u>
Total	<u>\$880,000</u>

Capital Lease Obligations:

Capital lease obligation of backhoe loader payable in monthly installments of \$1,686 including principal and interest at 6.75%, final payment due June 2005	\$70,140
Capital lease obligation of backhoe loader payable in monthly installments of \$1,557 including principal and interest at 6.75%, final payment due June 2005	65,808
Capital lease obligation of communication equipment payable in monthly installments of \$8,439 including principal and interest at 5.946%, final payment due July 2005	360,809
Capital lease obligation of motor grader payable in monthly installments of \$1,450 including principal and interest at 5.385%, final payment of \$60,000 due July 2003	87,624
Capital lease obligation for computer software payable in monthly installments of \$5,524 (beginning when entire contract has been funded) including principal and interest at 5.95%, final payment anticipated for January 2005	<u>28,708</u>
Total Capital Lease Obligations	<u>\$613,089</u>
Current Maturities	\$155,805
Long-Term Liabilities	<u>457,284</u>
Total	<u>\$613,089</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3. E. LONG-TERM DEBT, (Continued)

Accrued Compensated Absences:

Accrued compensated absences reported in the general long-term debt account group at June 30, 2001 are comprised of the following:

Accrued Vacation	\$550,438
Holiday	92,982
1/3 Sick Leave	<u>678,978</u>
Total Accrued Compensated Absences (Long-term)	<u><u>\$1,322,398</u></u>

Claims and Judgments Payable:

Estimated long-term liability for a workers compensation claim for injuries sustained to an employee in the line of work to be funded from governmental fund resources. The amount of claim estimated by a third party administrator. \$1,813,464

Enterprise Fund Long-Term Debt

As of June 30, 2001, the long-term debt payable from enterprise fund resources consisted of the following:

Revenue and Promissory Notes Payable:

1993A Series Utility Revenue Note, original issue amount of \$21,165,000, dated July 1993 issued by the Shawnee Municipal Authority, secured by utility revenues, interest rates from 3.5% to 5.9%, final maturity July 26, 2026	\$19,175,000
1997A SRF Promissory Note payable to Oklahoma Water Resources Board, original amount of \$1,073,279, dated September 2, 1997 by the Shawnee Municipal Authority, secured by utility revenues, administrative fee of .05%	875,569
1997B Promissory Note payable to Oklahoma Water Resources Board, original amount of \$1,900,000, dated September 1, 1997 by the Shawnee Municipal Authority, secured by utility revenues, interest rates ranging from 3.895% to 5.245%.	<u>1,695,000</u>
Total Revenue and Promissory Notes Payable	<u><u>\$21,745,569</u></u>
Current Maturities	\$471,488
Long-Term Liabilities	<u>21,274,081</u>
Total	<u><u>\$21,745,569</u></u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3. E. LONG-TERM DEBT, (Continued)

Accrued Compensated Absences:

Accrued compensated absences reported as a fund liability within the enterprise fund balance at June 30, 2001, is comprised of the following:

Accrued Vacation	\$147,506
Holiday	116
Vested Sick Leave	<u>148,693</u>
Total Accrued Compensated Absences	<u>\$296,315</u>

Component Unit Long-Term Debt

Capital Lease Obligations:

Capital lease obligation of forklift equipment payable in annual installments of \$14,283 including principal and interest at 6.2%, final payment due December 2002	\$26,021
Capital lease obligation for sanitation truck payable in annual installments of \$5,551 including principal and interest at 5.0%, final payment due September 2001	<u>5,109</u>
Total Capital Lease Obligations	<u>\$31,130</u>
Current Maturities	\$17,756
Long-Term Liabilities	<u>13,374</u>
Total	<u>\$31,130</u>

Accrued Compensated Absences:

Accrued compensated absences reported as a fund liability within the component unit balance sheet at June 30, 2001, are comprised of the following:

Accrued Vacation	\$30,164
Vested Sick Leave	<u>30,251</u>
Total Accrued Compensated Absences	<u>\$60,415</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3. E. LONG-TERM DEBT, (Continued)

Changes in Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended June 30, 2001:

<u>Type of Debt</u>	(Restated) Balance <u>July 1, 2000</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2001</u>
PRIMARY GOVERNMENT:				
General Long-Term Debt:				
General Obligation Bonds	\$1,055,000	-	\$175,000	\$880,000
Capital Lease Obligations	638,406	\$128,094	153,411	613,089
Accrued Compensated Absences	1,155,635	166,763	-	1,322,398
Claims and Judgements Payable	<u>1,261,947</u>	<u>551,517</u>	<u>-</u>	<u>1,813,464</u>
Total General Long-Term Debt	<u>\$4,110,988</u>	<u>\$846,374</u>	<u>\$328,411</u>	<u>\$4,628,951</u>
Enterprise Fund Debt:				
Revenue and Promissory Notes Payable	\$22,267,058	-	\$521,489	\$21,745,569
Accrued Compensated Absences	<u>288,829</u>	<u>\$7,486</u>	<u>-</u>	<u>296,315</u>
Total Enterprise Fund Debt	<u>\$22,555,887</u>	<u>\$7,486</u>	<u>\$521,489</u>	<u>\$22,041,884</u>
COMPONENT UNIT:				
Capital Lease Obligations	\$48,028	-	\$16,898	\$31,130
Accrued Compensated Absences	<u>58,158</u>	<u>\$2,257</u>	<u>-</u>	<u>60,415</u>
Total Component Unit Debt	<u>\$106,186</u>	<u>\$2,257</u>	<u>\$16,898</u>	<u>\$91,545</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3. E. LONG-TERM DEBT, (Continued)

Annual Debt Service Requirements - Primary Government

The annual debt service requirements to maturity, including principal and interest, for long-term debt, excluding accrued compensated absences and claims and judgements payable, of the primary government as of June 30, 2001 are as follows:

<u>Year Ending June 30,</u>	<u>General Long-Term Debt</u>		<u>Enterprise Fund Debt</u>	<u>Totals</u>
	<u>G.O.Bonds</u>	<u>Capital Leases</u>	<u>Revenue and Promissory Notes</u>	
2002	\$221,560	\$187,138	\$1,663,809	\$2,072,507
2003	132,450	157,718	1,662,758	1,952,926
2004	128,200	200,319	1,660,287	1,988,806
2005	123,800	140,318	1,661,229	1,925,347
2006	119,300	-	1,659,478	1,778,778
Thereafter	<u>329,600</u>	<u>-</u>	<u>32,355,823</u>	<u>32,685,423</u>
Total principal & interest	1,054,910	685,493	40,663,384	42,403,787
Less interest	<u>174,910</u>	<u>72,404</u>	<u>18,917,814</u>	<u>19,165,128</u>
Principal outstanding at June 30, 2001	<u>\$880,000</u>	<u>\$613,089</u>	<u>\$21,745,570</u>	<u>\$23,238,659</u>

Annual Debt Service Requirements - Component Units

The annual debt service requirements to maturity for component unit debt as of June 30, 2001 are as follows:

<u>Year Ending June 30,</u>	<u>Component Unit</u>
2002	\$19,504
2003	14,282
2004	-
2005	-
2006	-
Thereafter	<u>-</u>
Total principal and interest	\$33,786
Less: Interest	<u>2,656</u>
Total principal	<u>\$31,130</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3.F. INTERFUND TRANSACTIONS AND BALANCES

Interfund receivables and payables at June 30, 2001 were as follows:

<u>DUE TO AND DUE FROM:</u>	<u>DUE FROM</u>	<u>DUE TO</u>
GENERAL FUND:		
ODOC Grants Fund	\$3,002	-
Worker's Compensation Self-Insurance Fund	-	\$923,468
Total General Fund	<u>3,002</u>	<u>923,468</u>
SPECIAL REVENUE FUNDS:		
ODOC Grants Fund:		
General Fund	-	<u>3,002</u>
ENTERPRISE FUNDS:		
Shawnee Municipal Authority:		
Worker's Compensation Self-Insurance Fund	-	<u>76,049</u>
INTERNAL SERVICE FUND:		
Worker's Compensation Self-Insurance Fund		
General Fund	923,468	-
Shawnee Municipal Authority	<u>76,049</u>	-
Total Worker's Compensation Self-Insurance Fund	<u>999,517</u>	-
GRAND TOTALS	<u>\$1,002,519</u>	<u>\$1,002,519</u>

Transfers for the year ended June 30, 2001 were as follows:

<u>TRANSFERS:</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
GENERAL FUND:		
Police Sales Tax Fund	\$250,000	-
Fire Sales Tax Fund	250,000	-
Library Fund	-	\$42,509
Shawnee Municipal Authority	1,000,000	898,455
Shawnee Airport Authority	-	<u>68,220</u>
Total General Fund	<u>1,500,000</u>	<u>1,009,184</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3. F. INTERFUND TRANSACTIONS AND BALANCES, (Continued)

<u>TRANSFERS, (Continued):</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
SPECIAL REVENUE FUNDS:		
Economic Development Fund:		
Sister Cities Fund	-	\$15,000
Street Improvement Fund	-	<u>125,000</u>
Total Economic Development Fund	-	<u>140,000</u>
 Police Sales Tax Fund:		
General Fund	-	<u>250,000</u>
 Fire Sales Tax Fund:		
General Fund	-	<u>250,000</u>
 Library Fund:		
General Fund	<u>\$42,509</u>	-
 Cemetery Care Fund:		
Capital Improvement Fund	<u>36,203</u>	-
 Sister Cities Fund:		
Economic Development Fund	<u>15,000</u>	-
 Total Special Revenue Funds	<u>93,712</u>	<u>640,000</u>
 CAPITAL PROJECT FUNDS:		
Capital Improvement Fund:		
Cemetery Care Fund	-	<u>36,203</u>
 Street Improvement Fund:		
Economic Development Fund	<u>125,000</u>	-
 Total Capital Project Funds	<u>125,000</u>	<u>36,203</u>
 ENTERPRISE FUNDS:		
Shawnee Municipal Authority:		
General Fund	<u>898,455</u>	<u>1,000,000</u>
 Shawnee Airport Authority:		
General Fund	<u>68,220</u>	-
 Total Enterprise Funds	<u>966,675</u>	<u>1,000,000</u>
 GRAND TOTALS	<u>\$2,685,387</u>	<u>\$2,685,387</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3. F. INTERFUND TRANSACTIONS AND BALANCES, (Continued)

Transfers between the primary government and component units for the year ended June 30, 2001 were as follows:

<u>TRANSFERS:</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
General Fund:		
Shawnee Civic & Cultural Development Authority	-	\$543,770
Component Unit:		
Shawnee Civic & Cultural Development Authority		
General Fund	\$543,770	-
GRAND TOTALS	<u>\$543,770</u>	<u>\$543,770</u>

3.G. FUND EQUITY

Contributed Capital

The City has leased, on a long-term basis, its water, sewer, sanitation, airport and exposition facilities to the Shawnee Municipal Authority, Shawnee Airport Authority, and the Shawnee Civic & Cultural Development Authority to manage and operate the utility, airport and exposition functions. The cost, less accumulated depreciation, of the property and equipment of the leased facilities was recorded as a contribution from the City.

Certain property, plant and equipment has been donated or contributed by other funds, outside parties or funded by capital grants, within the enterprise and internal service funds and similar discretely presented component units. These assets are reported as contributed capital. The balance of contributed capital in the enterprise funds, internal service funds and similar discretely presented component units at June 30, 2001, is \$15,398,106, \$16,862 and \$6,000,864, respectively. As a result of implementing GASB Statement 33 in the current year, capital contributions are now recorded as revenue rather than additions to equity.

Fund Equity Reserve

Retained earnings reserves at June 30, 2001, relate to revenue and promissory note trustee accounts. Balances at June 30, 2001, are as follows:

	<u>Primary Government Enterprise Funds</u>
Restricted Assets in:	
1993 Revenue Note Accounts	\$2,211,534
1997 OWRB Note Accounts	<u>257,844</u>
	\$2,469,378
Accrued Interest Receivable	39,447
Less: Accrued Interest Payable	<u>(589,887)</u>
Reserve for Debt Service	<u>\$1,918,938</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, (Continued)

3.G. FUND EQUITY, (Continued)

Prior Period Adjustments

Certain adjustments were needed to restate the beginning fund balance/retained earnings of various individual funds. The schedule below outlines the adjustments:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Internal Service Funds</u>
Beginning fund balance/retained earnings, (as previously reported)	\$1,386,112	\$1,088,783	\$4,876,825	\$17,148,698
Implementation of GASB 33:				
Restatement of sales tax receivable	671,119	58,719	276,835	-
Restatement of use tax receivable	43,636	-	-	-
Restatement of court fine receivable	406,329	-	-	-
Restatement of allowance for doubtful accounts	(304,747)	-	-	-
Restatement of deferred revenue	(70,066)	-	-	-
Restatement of due to other funds	-	-	-	-
Correction of previous accounting period:				
Restatement of due from other funds	-	-	-	(32,950)
Restatement of accounts payable and accrued liabilities	(11,162)	-	-	-
Restatement of due to other funds	32,950	-	-	-
Restatement of bonds payable	(4,001)	-	-	-
Restatement of estimated liability for claims	-	-	-	32,950
Restatement of cash and cash equivalents	<u>(3,190)</u>	<u>3,190</u>	<u>-</u>	<u>484</u>
Total Prior Period Adjustments	<u>760,868</u>	<u>61,909</u>	<u>276,835</u>	<u>484</u>
Beginning fund balance/retained earnings, (Restated)	<u>\$2,146,980</u>	<u>\$1,150,692</u>	<u>\$5,153,660</u>	<u>\$17,149,182</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 4. OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFITS PLANS

The City participates in three employee pension systems as follows:

<u>Name of Plan/System</u>	<u>Type of Plan</u>
Oklahoma Police Pension and Retirement Fund	Cost Sharing Multiple Employer - Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund	Cost Sharing Multiple Employer - Defined Benefit Plan
Oklahoma Municipal Retirement Fund (OMRF)	Agent Multiple Employer - Defined Benefit Plan

Oklahoma Police and Firefighters Pension and Retirement Systems

The City of Shawnee, as the employer, participates in two state-wide cost-sharing multi-employer defined benefit plans on behalf of the policemen and firefighters. The systems are funded by contributions from participants, employers, insurance premium taxes and state appropriations as necessary. The following is a summary of eligibility factors, contribution methods, and benefit provisions.

A. Eligibility Factors, Contribution Methods, and Benefit Provisions

	<u>Oklahoma Police Pension and Retirement System</u>	<u>Oklahoma Firefighter's Pension and Retirement System</u>
Obtaining separately issued financial statements	Police Pension and Retirement 1001 N.W. 63rd St., Suite 605 Oklahoma City, OK 73116-7335	Firefighters Pension & Retirement 4545 N. Lincoln Blvd., Suite 265 Oklahoma City, OK 73105-3414
Eligibility to participate	All full-time officers, employed by a participating municipality, not less than 21 years of age or more than 45 years of age when hired.	All full-time or voluntary firefighters of a participating municipality hired before age 45.
Authority establishing contribution obligations and benefits	State Statute	State Statute
Employee's contribution rate (percent of covered payroll)	8%	8%
City's contribution rate (percent of covered payroll)	13%	13%
State obligation	State appropriation to fund the unfunded actuarial accrued liability	State appropriation to fund the unfunded actuarial accrued liability
Period required to vest	10 years	10 years

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 4. OTHER NOTES, (Continued)

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS, (Continued)

Oklahoma Police and Firefighter's Pension and Retirement Systems, (Continued)

	<u>Oklahoma Police Pension and Retirement System</u>	<u>Oklahoma Firefighter's Pension and Retirement System</u>
Eligibility and benefits for distribution (full-time)	20 years credited service, 2 1/2% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits.	20 years credited service 2 1/2% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits
Eligibility and benefits for distribution (volunteer)	-	20 years credited service equal to \$5.46 per month per year of service, with a maximum of 30 years considered.
Deferred retirement option	Yes, 20 years credited service with additional option to participate in Louisiana Plan.	Yes, 20 years credited service with continued service for a maximum of 30 or more years.
Provisions for:	Yes	Yes, if vested by 5/83
Cost of living adjustments (normal retirement)		
Death (duty, non-duty, post retirement)	Yes	Yes
Disability (duty, non-duty)	Yes	Yes
Cost of living allowances	Yes	Yes

B. Trend Information

Contributions required by State statute:

	<u>Oklahoma Police Pension and Retirement System</u>		<u>Oklahoma Firefighter's Pension and Retirement System</u>	
Fiscal Year	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
1999	\$212,433	100%	\$211,161	100%
2000	226,713	100%	226,941	100%
2001	240,643	100%	266,480	100%

Trend information showing the progress of the Systems in accumulating sufficient assets to pay benefits when due is presented in their respective separate annual financial reports.

C. Related Party Investments

As of June 30, 2001, the Systems held no related-party investments of the City or of its related entities.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 4. OTHER NOTES, (Continued)

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS, (Continued)

Oklahoma Municipal Retirement Fund - Defined Benefit Plan

A. Plan Description Eligibility Factors, Contribution Methods, and Benefit Provisions

1. Plan Description

The City contributes to the City of Shawnee Plan and Trust in the form of The Oklahoma Municipal Retirement System Master Defined Benefit Plan and Trust, an agent multiple employer - defined benefit plan, for all eligible employees except for those covered by the Police and Firefighter Pension Systems. Administration of the City's individual plan rests with the City Commission. The overall operations of OMRF are supervised by a nine-member Board of Trustees elected by the participating municipalities. Bank One of Oklahoma City acts as administrator and securities custodian. OMRF issues separate plan financial statements which may be obtained by contracting the Oklahoma Municipal Retirement Fund, 100 N. Broadway, Oklahoma City, Oklahoma 73102.

2. Eligibility Factors, Contribution Methods, and Benefit Provisions

<u>Provision</u>	<u>OMRF Plan</u>
a. Eligible to Participate	Full-time, non-uniformed employees of the City or Authorities upon hire if less than age 60.
b. Contribution Requirements:	
- Authorization	By City Ordinance
- Actuarially Determined	Yes
- Employer Rate	0.00% of covered payroll
- Employee Rate	4.25% of earnings
c. Period Required to Vest	10 years of credited service
d. Eligibility for Distribution	<ul style="list-style-type: none">- Normal retirement at age 65 with 10 years of service- Early retirement at age 55 with 10 years of service- Disability retirement upon disability with 10 years of service- Death benefit with 10 years of service for married employees
e. Benefit Determination Base	Final average salary - the average of the five highest consecutive annual salaries out of the last 10 calendar years of service.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 4. OTHER NOTES, (Continued)

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS, (Continued)

Oklahoma Municipal Retirement Fund - Defined Benefit Plan, (Continued)

2. Eligibility Factors, Contribution Methods, and Benefit Provisions, (Continued)

f. Benefit Determination Methods:

- | | |
|---|--|
| - Normal Retirement | 2.625% of final average salary multiplied by credited years of service. |
| - Early Retirement | Actuarially reduced benefit based upon age, final average salary, and years of service at termination. |
| - Disability Retirement | Same as normal retirement |
| - In-service Death Benefit Before Vesting | Return of member contributions with interest |
| Married, vested | 50% of employee's accrued benefit, but terminates upon spouse death or re-marriage. |
| Single, vested | 50% of employee's accrued benefit payable over 60 months certain. |
| - Prior to 10 Years Service | Return of employee contributions with accrued interest. |

g. Form of Benefit Payments

Normal form is a 60-month certain and life thereafter basis. Employee may elect, with City consent, optional form based on actuarial equivalent.

B. Annual Pension Costs

1. Current Year Contribution Information

For the year ended June 30, 2001, the City's annual required contribution and annual pension cost totaled \$0. The City, however, contributed \$508,988 for the year ended June 30, 2001.

Due to the plan's overfunded status, the funding requirement for the 2000-2001 year is less than the value of benefits accruing (12.47%, as measured by the entry age normal cost). Funding requirements may increase in the future as benefits accrue.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE 4. OTHER NOTES, (Continued)

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS, (Continued)

Oklahoma Municipal Retirement Fund - Defined Benefit Plan, (Continued)

B. Annual Pension Costs, (Continued)

2. <u>Actuarial Assumptions:</u>	For Plan Year
Date of Last Actuarial Valuation	<u>July 1, 2001</u>
a. Actuarial Cost Method	Aggregate actuarial cost method
b. Rate of Return on Investments	7.5%
c. Projected Salary Increase	5.0%
d. Post Retirement Cost-of-Living Increase	N/A
e. Inflation Rate	Separate inflation rate not available; inflation included in projected salary increase.
f. Amortization Method of Unfunded Actuarial Accrued Liability	Level percentage of projected payroll.
g. Remaining Amortization Period	Due to the use of the aggregate actuarial cost method, unfunded actuarial liabilities are not amortized.
h. Asset Valuation Method	A tentative actuarial value, calculated as a 7.5% yield on the actuarial value at the beginning of the period, increased or decreased by a cumulative adjustment using a range of 90% to 110% of the current market value of the fund.

C. Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
June 30, 1999	\$365,994	128.0%	\$(164,174)
June 30, 2000	\$374,831	130.0%	(283,113)
June 30, 2001	-0-	N/A	(792,101)

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 4. OTHER NOTES, (Continued)

4.B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The City manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
a. General Liability: - Torts - Errors and omissions	Participation in Oklahoma Municipal Assurance Group risk entity pool	(1)
b. Physical Property: - Theft - Damage to assets - Natural disasters	Purchased commercial insurance for all major facilities and structures.	Entire risk of loss retained for all minor facilities and structures.
c. Workers Compensation: - Employee injuries	Self-insured with third-party administration of the claim process. Workers Compensation Internal Service Fund used to account for activities with participating funds charged through an estimated annual claim cost for each fund.	Risk of loss retained. Stop loss insurance obtained for losses over \$250,000. Claim liability determined through estimate of loss by third- party.
d. Health and Life: - Medical	Purchased commercial insurance.	None

The City participates in the Oklahoma Municipal Assurance Group Liability Protection Plan (risk entity pool) as follows.

(1) Liability Protection Plan

The basic insurance agreements cover claims against municipalities for all government functions, utilities, and services covered in the Plan. These include bodily injury, property damage, wrongful acts, personal injury, and related torts under the state tort claims law and federal civil rights laws. All public officials, employees, services, and municipal functions are covered unless they are specifically listed as exclusions in the Plan.

The title to all assets acquired by the Plan are vested in the Group. In the event of termination of the Group, such property shall belong to the then members of the Group in equal shares. Each participating City pays of all costs, premiums, or other fees attributable to its respective participation in the Plan, and is responsible for its obligation under any contract entered into with the Plan.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE 4. OTHER NOTES, (Continued)

4.B. RISK MANAGEMENT, (Continued)

(1) Liability Protection Plan, (Continued)

Reserves for claim losses include provisions for reported claims on a case basis and an estimate of claim incurred but not reported limited by aggregate and individual loss levels as specified by the Plan's reinsurance contracts. These credits, if any, represent contingent liabilities of the Plan if the reinsurer was unable to meet its obligations under the reinsurance agreement.

The Plan's insurance agreements are reinsured for excess losses based upon the contract year. The significant components of each reinsurance contract can be obtained from the Plan's annual financial report.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Claims Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirements of Statement of Financial Accounting Standard No. 5., which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For the two internal service-self Insurance funds, changes in the claims liability for the City from July 1, 1999 to June 30, 2001 are as follows.

	<u>Worker's Compensation</u>	<u>General Liability</u>
Claim liability, June 30, 1999	\$382,523	-
Claims and changes in estimate	651,968	\$35,097
Claims payments	<u>(586,055)</u>	<u>(35,097)</u>
Claim liability, June 30, 2000 (restated)	\$448,436	-
Claims and changes in estimate	1,224,330	68,564
Claims payments	<u>(673,249)</u>	<u>(68,564)</u>
Claim liability, June 30, 2001	<u>\$999,517</u>	<u>-</u>

In addition to the above estimated claim liability related to worker's compensation, an estimated claim liability in the amount of \$1,813,464 is reported in the general long-term debt account group. This liability is the result of a catastrophic claim reported by one of the City's police officers. This estimated claim liability is anticipated to be repaid from General Fund resources, therefore, it is not reported in the Worker's Compensation Self-Insurance Fund.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 4. OTHER NOTES, (Continued)

4.C. COMMITMENTS AND CONTINGENCIES

Commitments:

Construction Commitments

At June 30, 2001 the following construction commitments were outstanding:

<u>Fund/Project</u>	<u>Original Contract</u>	<u>Balance Remaining</u>
Capital Project Funds:		
Wolverine/Kickapoo Industrial Access Road	\$1,088,991	\$952,744
Union Street Project (North of 45 th St.)	510,095	297,211
Midland Street Project	129,029	93,285
Dreper Street Project	111,254	111,254
Enterprise Fund:		
Water Treatment Plant Project (Phase I)	2,780,599	2,172,069

Contingencies:

Grant Program Involvement

In the normal course of operations, the City participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loan agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Litigation

The City is a party to various legal proceedings which normally occur in the course of governments operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City "Sinking Fund" for the payment of any court assessed judgment rendered against the City.

While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or insurance would not have a material adverse effect on the financial condition of the City, but could substantially increase the City's ad valorem tax levy. This statutory taxing ability is not available to the City's public trusts (Authorities).

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 4. OTHER NOTES, (Continued)

4.D. SUBSEQUENT EVENTS

DEQ Consent Order

On January 31, 2002, the City was assessed penalties in the amount of \$10,000, subsequently reduced to \$2,500) for OPDES permit violations at the wastewater collection facilities through an Administrative Compliance Order. The City performed repair and remediation activities to resolve these permit violations.

Agreement as to Use of Surplus Bond Proceeds

On December 1, 2001, an agreement was made among the Pottawatomie County Development Authority, Shawnee Municipal Authority and the trustee bank regarding the use of surplus bond proceeds from the 1990 Series Bonds. These surplus monies are required to be transferred into two accounts in the City's financial institution to be held in the name of the Shawnee Municipal Authority (SMA). The first such account shall be a 1990 Project Fund and shall be funded with \$225,000. The 1990 Project Fund shall be in the name of the SMA but held for the benefit of the Pottawatomie County Development Authority (PCDA). Said \$225,000 shall be drawn by requests from PCDA with copies to be sent to the Bank and to SMA to pay operation, maintenance and/or costs related to the Series 1990 Project. The second account shall be the SMA Water Treatment Project Fund and shall be an account of the SMA and used to pay costs related to the SMA Water Treatment Project. All funds in this account are expected to be used within 18 months of the date of the agreement.

Issuance of Sales Tax Revenue Note

On December 28, 2001, the Shawnee Municipal Authority issued its Sales Tax Revenue Note, Series 2001, in the amount of \$5,350,000 for the purpose of financing the acquisition, construction, furnishing and equipping all or a portion of one or more of the following capital improvements: 1) the water treatment facility 2) a multi-purpose building 3) a regional park and sports complex, and 4) a downtown streetscape. Monthly payments of \$54,804, which includes interest at 4.25%, will be made beginning January 28, 2002, with final maturity on December 28, 2011.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 4. OTHER NOTES, (Continued)

4.E. SEGMENT INFORMATION ON ENTERPRISE AND INTERNAL SERVICE FUNDS

Segment information by types of activity of the Enterprise Funds is as follows:

	<u>Municipal Authority (Utilities)</u>	<u>Airport Authority</u>	<u>Total Primary Government</u>
Operating revenues	\$6,892,872	\$78,977	\$6,971,849
Operating expenses:			
Depreciation and amortization	901,549	326,184	1,227,733
Other	4,652,621	124,434	4,777,055
Operating income (loss)	1,338,702	(371,641)	967,061
Non-operating revenues (expenses)	(883,262)	34,889	(848,373)
Capital contributions	505,962	-	505,962
Transfers in (out)	(101,545)	68,220	(33,325)
Net income (loss)	859,857	(268,532)	591,325
Property and equipment additions	1,423,117	15,516	1,438,633
Working capital	3,126,196	205,426	3,331,622
Total assets	50,145,144	4,194,465	54,339,609
Bonds and other long-term capital debt	21,642,526	-	21,642,526
Total equity	26,289,957	4,176,063	30,466,020

Segment information by types of activity of the Internal Service Funds is as follows:

	<u>Worker's Compensation Self-Insurance</u>	<u>General Liability Self-Insurance</u>	<u>Uninsured Losses</u>	<u>Total Primary Government</u>
Operating revenues	\$1,277,708	-	-	\$1,277,708
Operating expenses	1,224,330	\$68,564	-	1,292,894
Operating income (loss)	53,378	(68,564)	-	(15,186)
Non-operating revenues (expenses)	2,760	2,687	\$72	5,519
Net income (loss)	56,138	(65,877)	72	(9,667)
Working capital	56,622	2,450	1,501	60,573
Total assets	1,060,467	2,450	1,501	1,064,418
Total equity	56,622	2,450	1,501	60,573

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION

OMRF Agent Multiple Employer Defined Pension Plan - Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) -- Entry Age</u>	<u>Unfunded (Overfunded) AAL</u>	<u>Funded Ratio</u>	<u>(1) Covered Payroll</u>	<u>Overfunded AAL as a Percentage of Covered Payroll</u>
1/1/96	\$13,807,765	\$9,158,786	\$(4,648,979)	150.8%	\$3,954,438	117.6%
1/1/97	\$15,298,174	\$9,608,963	\$(5,689,211)	159.2%	\$3,919,038	145.2%
1/1/98	\$14,485,687	\$13,200,100	\$(1,285,587)	109.7%	\$4,010,361	32.1%
1/1/99	\$17,166,334	\$14,670,486	\$(2,495,848)	117.0%	\$4,008,020	62.3%
1/1/00	\$20,116,523	\$14,668,807	\$(5,447,716)	137.1%	\$4,101,801	132.8%
1/1/01	\$20,721,347	\$14,717,465	\$(6,003,882)	140.8%	\$4,331,334	138.6%

- (1) Covered payroll is the total annualized rate of pay as of the valuation date based on actual pay for the preceding year and not the actual covered payroll during the fiscal year.

Note: The amounts shown for valuations prior to 1/1/98 are the pension benefit obligation defined in GASB 5. GASB 25 which replaced GASB 5 requires that the actuarial liability used to fund the plan be used to measure funding progress.

GENERAL FUND

CITY OF SHAWNEE, OKLAHOMA

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - GENERAL FUND
(NON-GAAP BUDGETARY BASIS)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TAXES:			
Sales tax	\$7,911,963	\$8,019,126	\$107,163
Use tax	562,330	554,316	(8,014)
Franchise tax	1,465,094	1,534,766	69,672
Occupational tax	11,575	14,200	2,625
Other taxes	6,000	7,971	1,971
Total Taxes	9,956,962	10,130,379	173,417
INTERGOVERNMENTAL:			
Alcoholic beverage tax	76,500	69,907	(6,593)
Grants	45,472	97,402	51,930
Interlocal agreement revenue	166,460	202,505	36,045
Total Intergovernmental	288,432	369,814	81,382
CHARGES FOR SERVICES:			
Rental revenue	81,422	90,093	8,671
Fire run revenue	2,000	2,075	75
Total Charges for Services	83,422	92,168	8,746
FINES AND FORFEITURES	387,500	352,432	(35,068)
LICENSES AND PERMITS	186,700	166,466	(20,234)
INVESTMENT INCOME	93,332	126,304	32,972
MISCELLANEOUS:			
Oil and gas royalties	30,000	30,739	739
Cemetery revenue	10,500	28,840	18,340
Other	92,550	50,867	(41,683)
Total Miscellaneous	133,050	110,446	(22,604)
Total Revenues	11,129,398	11,348,009	218,611
OTHER FINANCING SOURCES:			
Transfers from other funds	1,500,000	1,500,000	-
Total Other Financing Sources	1,500,000	1,500,000	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$12,629,398	\$12,848,009	\$218,611

CITY OF SHAWNEE, OKLAHOMA

SCHEDULE OF EXPENDITURES, AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND
(NON-GAAP BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT & ADMINISTRATION:			
City Manager:			
Personal services	\$161,764	\$158,597	\$3,167
Materials and supplies	4,300	2,976	1,324
Other services and charges	188,068	182,861	5,207
Total City Manager	354,132	344,434	9,698
City Attorney:			
Other services and charges	81,361	64,479	16,882
Accounting:			
Personal services	283,132	279,322	3,810
Materials and supplies	5,461	5,278	183
Other services and charges	51,186	46,196	4,990
Total Accounting	339,779	330,796	8,983
Information Systems:			
Personal services	51,776	51,201	575
Materials and supplies	1,200	855	345
Other services and charges	32,625	31,917	708
Debt service	4,940	4,858	82
Total Information Systems	90,541	88,831	1,710
City Clerk:			
Personal services	169,150	168,408	742
Materials and supplies	6,731	6,001	730
Other services and charges	32,566	20,690	11,876
Total City Clerk	208,447	195,099	13,348
Human Resources:			
Personal services	92,683	91,959	724
Materials and supplies	1,727	517	1,210
Other services and charges	58,903	49,660	9,243
Capital outlay	145	145	-
Total Human Resources	153,458	142,281	11,177
Action Center:			
Personal services	45,147	44,358	789
Materials and supplies	1,500	1,172	328
Other services and charges	41,350	34,354	6,996
Total Action Center	87,997	79,884	8,113
Building Maintenance:			
Materials and supplies	5,200	3,792	1,408
Other services and charges	53,000	51,035	1,965
Total Building Maintenance	58,200	54,827	3,373

(Continued)

CITY OF SHAWNEE, OKLAHOMA

SCHEDULE OF EXPENDITURES, AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND
(NON-GAAP BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT & ADMINISTRATION, (Continued):			
Equipment Services:			
Personal services	\$185,952	\$184,074	\$1,878
Materials and supplies	6,467	6,228	239
Other services and charges	11,920	10,099	1,821
Total Equipment Services	204,339	200,401	3,938
Municipal Court:			
Personal services	172,367	170,753	1,614
Materials and supplies	1,769	1,323	446
Other services and charges	24,750	21,600	3,150
Total Municipal Court	198,886	193,676	5,210
Centralized Costs:			
Materials and supplies	198,645	188,401	10,244
Other services and charges	1,074,562	1,069,179	5,383
Total Centralized Costs	1,273,207	1,257,580	15,627
TOTAL GENERAL GOVERNMENT & ADMINISTRATION	3,050,347	2,952,288	98,059
COMMUNITY DEVELOPMENT:			
Code Enforcement:			
Personal services	112,577	110,264	2,313
Materials and supplies	2,200	2,037	163
Other services and charges	5,720	5,592	128
Total Code Enforcement	120,497	117,893	2,604
Planning:			
Personal services	75,645	74,774	871
Materials and supplies	1,442	1,243	199
Other services and charges	48,756	40,966	7,790
Total Planning	125,843	116,983	8,860
TOTAL COMMUNITY DEVELOPMENT	246,340	234,876	11,464
PUBLIC SAFETY:			
Police - Administration:			
Personal services	251,933	248,119	3,814
Materials and supplies	49,921	32,979	16,942
Other services and charges	30,311	22,577	7,734
Total Police - Administration	332,165	303,675	28,490
Police - Patrol:			
Personal services	2,237,613	2,231,261	6,352
Materials and supplies	46,549	46,430	119
Other services and charges	68,467	67,645	822
Total Police - Patrol	2,352,629	2,345,336	7,293
Police - Criminal Investigation:			
Personal services	420,805	418,305	2,500
Materials and supplies	11,746	9,441	2,305
Other services and charges	15,044	8,033	7,011
Total Police - Criminal Investigation	447,595	435,779	11,816
			(Continued)

CITY OF SHAWNEE, OKLAHOMA

SCHEDULE OF EXPENDITURES, AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND
(NON-GAAP BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PUBLIC SAFETY:			
Police - Animal Control:			
Personal services	\$151,152	\$150,620	\$532
Materials and supplies	8,488	5,564	2,924
Other services and charges	9,650	7,572	2,078
Total Police - Animal Control	169,290	163,756	5,534
Police - Dispatch:			
Personal services	317,972	314,361	3,611
Materials and supplies	4,750	2,438	2,312
Other services and charges	4,984	3,697	1,287
Total Police - Dispatch	327,706	320,496	7,210
Fire Prevention:			
Personal services	282,719	279,804	2,915
Materials and supplies	3,535	2,982	553
Other services and charges	8,633	8,311	322
Total Fire Prevention	294,887	291,097	3,790
Fire Suppression:			
Personal services	2,238,058	2,231,955	6,103
Materials and supplies	62,513	61,844	669
Other services and charges	81,644	76,262	5,382
Total Fire Suppression	2,382,215	2,370,061	12,154
Fire Training:			
Materials and supplies	835	420	415
Other services and charges	20,695	19,776	919
Total Fire Training	21,530	20,196	1,334
Emergency Management:			
Personal services	158,610	157,131	1,479
Materials and supplies	10,158	9,156	1,002
Other services and charges	14,026	11,410	2,616
Total Emergency Management	182,794	177,697	5,097
TOTAL PUBLIC SAFETY	6,510,811	6,428,093	82,718
PUBLIC WORKS:			
Public Works - Administration:			
Personal services	135,483	133,422	2,061
Materials and supplies	1,900	1,799	101
Other services and charges	15,882	13,681	2,201
Total Public Works - Administration	153,265	148,902	4,363
Streets:			
Personal services	458,463	455,435	3,028
Materials and supplies	202,120	148,830	53,290
Other services and charges	229,302	223,631	5,671
Capital outlay	10,472	10,472	-
Total Streets	889,885	827,896	61,989

(Continued)

CITY OF SHAWNEE, OKLAHOMA

SCHEDULE OF EXPENDITURES, AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND
(NON-GAAP BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PUBLIC WORKS:			
Traffic Control:			
Personal services	\$136,787	\$135,445	\$1,342
Materials and supplies	27,627	23,231	4,396
Other services and charges	17,700	16,139	1,561
Total Traffic Control	182,114	174,815	7,299
Cemetery:			
Personal services	117,035	113,465	3,570
Materials and supplies	8,200	6,247	1,953
Other services and charges	9,800	4,529	5,271
Total Cemetery	135,035	124,241	10,794
Engineering:			
Personal services	236,812	235,307	1,505
Materials and supplies	5,209	3,816	1,393
Other services and charges	30,885	13,399	17,486
Total Engineering	272,906	252,522	20,384
TOTAL PUBLIC WORKS	1,633,205	1,528,376	104,829
CULTURE & RECREATION:			
Municipal Auditorium:			
Materials and supplies	750	-	750
Other services and charges	4,348	1,565	2,783
Total Municipal Auditorium	5,098	1,565	3,533
Community Center:			
Materials and supplies	500	-	500
Other services and charges	11,400	10,011	1,389
Total Municipal Auditorium	11,900	10,011	1,889
Senior Citizens:			
Materials and supplies	200	-	200
Other services and charges	52,700	49,484	3,216
Total Senior Citizens	52,900	49,484	3,416
Parks:			
Personal services	326,051	323,327	2,724
Materials and supplies	32,700	29,717	2,983
Other services and charges	76,140	72,735	3,405
Total Parks	434,891	425,779	9,112
TOTAL CULTURE & RECREATION	504,789	486,839	17,950
TOTAL EXPENDITURES	11,945,492	11,630,472	315,020
OTHER FINANCING USES:			
Transfers to other funds	623,336	623,336	-
Transfers to component unit	340,000	340,000	-
TOTAL OTHER FINANCING USES	963,336	963,336	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$12,908,828	\$12,593,808	\$315,020

SPECIAL REVENUE FUNDS

CITY OF SHAWNEE, OKLAHOMA
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

JUNE 30, 2001

<u>ASSETS</u>	<u>STREET & ALLEY FUND</u>	<u>E-911 FUND</u>	<u>REVOLVING OIL & GAS FUND</u>	<u>ECONOMIC DEVELOPMENT FUND</u>	<u>SPAY & NEUTER FUND</u>	<u>HOTEL/MOTEL SURCHARGE FUND</u>	<u>POLICE SALES TAX FUND</u>
Cash and cash equivalents	\$17,396	\$26,696	\$58,923	\$119,765	\$25,817	\$6,503	\$215,663
Investments	-	-	-	-	-	-	-
Due from other governments	21,899	-	-	34,775	-	-	43,461
Accrued interest receivable	176	80	192	425	82	-	710
Other receivables	-	11,639	-	-	-	10,002	-
Notes receivable	-	-	-	-	-	-	-
Total Assets	\$39,471	\$38,415	\$59,115	\$154,965	\$25,899	\$16,505	\$259,834
 <u>LIABILITIES AND FUND EQUITY</u>							
Liabilities:							
Accounts payable and accrued liabilities	-	\$446	-	-	\$457	-	-
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total Liabilities	-	446	-	-	457	-	-
Fund equity:							
Fund balance:							
Reserved for encumbrances	-	2,441	-	-	15,795	-	-
Unreserved	\$39,471	35,528	\$59,115	\$154,965	9,647	\$16,505	\$259,834
Total Fund Equity	39,471	37,969	59,115	154,965	25,442	16,505	259,834
Total Liabilities and Fund Equity	\$39,471	\$38,415	\$59,115	\$154,965	\$25,899	\$16,505	\$259,834

(Continued)

CITY OF SHAWNEE, OKLAHOMA
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

JUNE 30, 2001

ASSETS	FIRE SALES TAX FUND	ODOC GRANTS FUND	LIBRARY FUND	CEMETERY CARE FUND	SENIOR CITIZENS FUND	GIFTS & CONTRIBUTIONS FUND	SISTER CITIES FUND	TOTALS
Cash and cash equivalents	\$215,663	\$25,195	\$16,317	\$117,818	\$26,747	\$38,976	\$20,773	\$932,252
Investments	-	-	-	-	-	44,272	-	44,272
Due from other governments	43,461	48,123	-	-	-	-	-	191,719
Accrued interest receivable	710	-	73	385	87	432	71	3,423
Other receivables	-	-	-	-	-	-	-	21,641
Notes receivable	-	159,710	-	-	-	-	-	159,710
Total Assets	<u>\$259,834</u>	<u>\$233,028</u>	<u>\$16,390</u>	<u>\$118,203</u>	<u>\$26,834</u>	<u>\$83,680</u>	<u>\$20,844</u>	<u>\$1,353,017</u>
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable and accrued liabilities	-	\$8,218	\$1,796	-	\$495	\$250	\$664	\$12,326
Due to other funds	-	3,002	-	-	-	-	-	3,002
Deferred revenue	-	179,048	-	-	-	-	-	179,048
Total Liabilities	<u>-</u>	<u>190,268</u>	<u>1,796</u>	<u>-</u>	<u>495</u>	<u>250</u>	<u>664</u>	<u>194,376</u>
Fund equity:								
Fund balance:								
Reserved for encumbrances	-	-	1,122	-	-	-	3,400	22,358
Unreserved	<u>\$259,834</u>	<u>42,760</u>	<u>13,472</u>	<u>\$118,203</u>	<u>26,339</u>	<u>83,430</u>	<u>17,444</u>	<u>1,136,283</u>
Total Fund Equity	<u>259,834</u>	<u>42,760</u>	<u>14,594</u>	<u>118,203</u>	<u>26,339</u>	<u>83,430</u>	<u>20,180</u>	<u>1,158,641</u>
Total Liabilities and Fund Equity	<u>\$259,834</u>	<u>\$233,028</u>	<u>\$16,390</u>	<u>\$118,203</u>	<u>\$26,834</u>	<u>\$83,680</u>	<u>\$20,844</u>	<u>\$1,353,017</u>

CITY OF SHAWNEE, OKLAHOMA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	STREET & ALLEY FUND	E-911 FUND	REVOLVING OIL & GAS FUND	ECONOMIC DEVELOPMENT FUND	SPAY & NEUTER FUND	HOTEL/MOTEL SURCHARGE FUND	POLICE SALES TAX FUND
Revenues:							
Taxes	-	-	-	\$202,478	-	-	\$253,025
Intergovernmental	\$259,037	-	-	-	-	-	-
Charges for services	-	\$133,446	-	-	\$3,875	\$107,075	-
Licenses and permits	2,371	-	\$4,250	12,619	-	-	-
Investment income	2,833	596	3,109	-	1,429	-	12,197
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	264,241	134,042	7,359	215,097	5,304	107,075	265,222
Expenditures:							
Current:							
Community development	-	-	-	-	-	-	-
Economic development	-	-	-	163,450	-	96,103	-
Public safety	-	37,728	-	-	5,612	-	-
Culture & recreation	-	-	-	-	-	-	-
Public works	23,942	-	-	-	-	-	-
Capital outlay	224,430	-	-	-	-	-	-
Debt service:							
Principal	-	67,963	-	-	-	-	-
Interest	-	20,699	-	-	-	-	-
Total Expenditures	248,372	126,390	-	163,450	5,612	96,103	-
Revenues over (under) expenditures	15,869	7,652	7,359	51,647	(308)	10,972	265,222
Other Financing Sources (Uses):							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	(140,000)	-	-	(250,000)
Revenues and other sources over (under) expenditures and other uses	15,869	7,652	7,359	(88,353)	(308)	10,972	15,222
Fund Balance - beginning of year	20,412	30,317	51,756	226,537	25,750	5,533	223,643
Prior period adjustments	3,190	-	-	16,781	-	-	20,969
Fund Balance - end of year	\$39,471	\$37,969	\$59,115	\$154,965	\$25,442	\$16,505	\$259,834

(Continued)

CITY OF SHAWNEE, OKLAHOMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	FIRE SALES TAX FUND	ODOC GRANTS FUND	LIBRARY FUND	CEMETERY CARE FUND	SENIOR CITIZENS FUND	GIFTS & CONTRIBUTIONS FUND	SISTER CITIES FUND	TOTALS
Revenues:								
Taxes	\$253,025	-	-	-	-	-	-	\$708,528
Intergovernmental	-	\$700,853	-	-	-	\$3,750	-	963,640
Charges for services	-	-	-	-	-	-	-	244,396
Licenses and permits	-	-	-	-	-	-	-	19,240
Investment income	12,197	-	\$1,100	\$6,179	\$1,510	8,060	\$2,409	51,619
Miscellaneous	-	-	-	4,120	-	18,939	35,462	58,521
Total Revenues	265,222	700,853	1,100	10,299	1,510	30,749	37,871	2,045,944
Expenditures:								
Current:								
Community development	-	640,755	-	-	-	-	-	640,755
Economic development	-	-	-	-	-	-	61,346	320,899
Public safety	-	-	-	-	-	-	-	43,340
Culture & recreation	-	-	45,785	-	1,675	28,412	-	75,872
Public works	-	-	-	-	-	-	-	23,942
Capital outlay	-	72,650	1,157	-	-	-	-	298,237
Debt service:								
Principal	-	-	-	-	-	-	-	67,963
Interest	-	-	-	-	-	-	-	20,699
Total Expenditures	-	713,405	46,942	-	1,675	28,412	61,346	1,491,707
Revenues over (under) expenditures	265,222	(12,552)	(45,842)	10,299	(165)	2,337	(23,475)	554,237
Other Financing Sources (Uses):								
Transfers from other funds	-	-	42,509	36,203	-	-	15,000	93,712
Transfers to other funds	(250,000)	-	-	-	-	-	-	(640,000)
Revenues and other sources over (under) expenditures and other uses	15,222	(12,552)	(3,333)	46,502	(165)	2,337	(8,475)	7,949
Fund Balance - beginning of year	223,643	55,312	17,927	71,701	26,504	81,093	28,655	1,088,783
Prior period adjustments	20,969	-	-	-	-	-	-	61,909
Fund Balance - end of year	\$259,834	\$42,760	\$14,594	\$118,203	\$26,339	\$83,430	\$20,180	\$1,158,641

CITY OF SHAWNEE, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	STREET & ALLEY FUND			E-911 FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	-	-	-
Intergovernmental	\$246,800	\$259,125	\$12,325	-	-	-
Charges for services	-	-	-	\$115,000	\$131,296	\$16,296
Licenses and permits	4,250	2,371	(1,879)	-	-	-
Investment income	210	2,656	2,446	500	622	122
Miscellaneous	-	-	-	-	-	-
Total Revenues	251,260	264,152	12,892	115,500	131,918	16,418
Expenditures:						
Community Development:						
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Community Development	-	-	-	-	-	-
Economic Development:						
Other services and charges	-	-	-	-	-	-
Police Patrol:						
Other services and charges	-	-	-	-	-	-
Animal Control:						
Other services and charges	-	-	-	-	-	-
Fire Prevention:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Fire Prevention	-	-	-	-	-	-
Fire Suppression:						
Other services and charges	-	-	-	-	-	-
E-911:						
Other services and charges	-	-	-	40,378	37,728	2,650
Debt service	-	-	-	88,662	88,662	-
Total E-911	-	-	-	129,040	126,390	2,650
Streets:						
Other services and charges	257,636	224,430	33,206	-	-	-
Cemetery:						
Other services and charges	-	-	-	-	-	-
Senior Citizens:						
Other services and charges	-	-	-	-	-	-
Recreation:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Recreation	-	-	-	-	-	-
Library:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Library	-	-	-	-	-	-
Total Expenditures	257,636	224,430	33,206	129,040	126,390	2,650
Revenues over (under) expenditures	(6,376)	39,722	46,098	(13,540)	5,528	19,068
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(6,376)	39,722	46,098	(13,540)	5,528	19,068
Fund Balance - beginning of year	20,412	20,412	-	30,317	30,317	-
Prior period adjustment	-	3,190	3,190	-	-	-
Fund Balance - end of year	\$14,036	\$63,324	\$49,288	\$16,777	\$35,845	\$19,068

(Continued)

CITY OF SHAWNEE, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	REVOLVING OIL & GAS FUND			ECONOMIC DEVELOPMENT FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	\$197,799	\$200,535	\$2,736
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	\$14,660	\$4,250	(\$10,410)	-	-	-
Investment income	1,800	3,179	1,379	5,584	13,339	7,755
Miscellaneous	-	-	-	-	-	-
Total Revenues	16,460	7,429	(9,031)	203,383	213,874	10,491
Expenditures:						
Community Development:						
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Community Development	-	-	-	-	-	-
Economic Development:						
Other services and charges	-	-	-	190,950	163,450	27,500
Police Patrol:						
Other services and charges	-	-	-	-	-	-
Animal Control:						
Other services and charges	-	-	-	-	-	-
Fire Prevention:						
Materials and supplies	3,000	-	3,000	-	-	-
Other services and charges	10,500	-	10,500	-	-	-
Total Fire Prevention	13,500	-	13,500	-	-	-
Fire Suppression:						
Other services and charges	-	-	-	-	-	-
E-911:						
Other services and charges	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total E-911	-	-	-	-	-	-
Streets:						
Other services and charges	-	-	-	-	-	-
Cemetery:						
Other services and charges	-	-	-	-	-	-
Senior Citizens:						
Other services and charges	-	-	-	-	-	-
Recreation:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Recreation	-	-	-	-	-	-
Library:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Library	-	-	-	-	-	-
Total Expenditures	13,500	-	13,500	190,950	163,450	27,500
Revenues over (under) expenditures	2,960	7,429	4,469	12,433	50,424	37,991
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	(140,000)	(140,000)	-
Revenues and other sources over (under) expenditures and other uses	2,960	7,429	4,469	(127,567)	(89,576)	37,991
Fund Balance - beginning of year	51,756	51,756	-	226,537	226,537	-
Prior period adjustment	-	-	-	-	16,781	16,781
Fund Balance - end of year	\$54,716	\$59,185	\$4,469	\$98,970	\$153,742	\$54,772

(Continued)

CITY OF SHAWNEE, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)-SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	SPAY & NEUTER FUND			HOTEL/MOTEL SURCHARGE FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	\$5,000	\$3,875	(\$1,125)	\$115,000	\$106,918	(\$8,082)
Licenses and permits	-	-	-	-	-	-
Investment income	1,534	1,480	(54)	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	6,534	5,355	(1,179)	115,000	106,918	(8,082)
Expenditures:						
Community Development:						
Other services and charges	-	-	-	120,602	96,103	24,499
Capital outlay	-	-	-	-	-	-
Total Community Development	-	-	-	120,602	96,103	24,499
Economic Development:						
Other services and charges	-	-	-	-	-	-
Police Patrol:						
Other services and charges	-	-	-	-	-	-
Animal Control:						
Other services and charges	23,000	5,612	17,388	-	-	-
Fire Prevention:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Fire Prevention	-	-	-	-	-	-
Fire Suppression:						
Other services and charges	-	-	-	-	-	-
E-911:						
Other services and charges	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total E-911	-	-	-	-	-	-
Streets:						
Other services and charges	-	-	-	-	-	-
Cemetery:						
Other services and charges	-	-	-	-	-	-
Senior Citizens:						
Other services and charges	-	-	-	-	-	-
Recreation:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Recreation	-	-	-	-	-	-
Library:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Library	-	-	-	-	-	-
Total Expenditures	23,000	5,612	17,388	120,602	96,103	24,499
Revenues over (under) expenditures	(16,466)	(257)	16,209	(5,602)	10,815	16,417
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(16,466)	(257)	16,209	(5,602)	10,815	16,417
Fund Balance - beginning of year	25,750	25,750	-	5,533	5,533	-
Prior period adjustment	-	-	-	-	-	-
Fund Balance - end of year	\$9,284	\$25,493	\$16,209	(\$69)	\$16,348	\$16,417

(Continued)

CITY OF SHAWNEE, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)-SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	POLICE SALES TAX FUND			FIRE SALES TAX FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$247,249	\$250,598	\$3,349	\$247,249	\$250,598	\$3,349
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investment income	5,250	12,539	7,289	5,250	12,539	7,289
Miscellaneous	-	-	-	-	-	-
Total Revenues	252,499	263,137	10,638	252,499	263,137	10,638
Expenditures:						
Community Development:						
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Community Development	-	-	-	-	-	-
Economic Development:						
Other services and charges	-	-	-	-	-	-
Police Patrol:						
Other services and charges	45,000	-	45,000	-	-	-
Animal Control:						
Other services and charges	-	-	-	-	-	-
Fire Prevention:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Fire Prevention	-	-	-	-	-	-
Fire Suppression:						
Other services and charges	-	-	-	45,000	-	45,000
E-911:						
Other services and charges	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total E-911	-	-	-	-	-	-
Streets:						
Other services and charges	-	-	-	-	-	-
Cemetery:						
Other services and charges	-	-	-	-	-	-
Senior Citizens:						
Other services and charges	-	-	-	-	-	-
Recreation:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Recreation	-	-	-	-	-	-
Library:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Library	-	-	-	-	-	-
Total Expenditures	45,000	-	45,000	45,000	-	45,000
Revenues over (under) expenditures	207,499	263,137	55,638	207,499	263,137	55,638
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	(250,000)	(250,000)	-	(250,000)	(250,000)	-
Revenues and other sources over (under) expenditures and other uses	(42,501)	13,137	55,638	(42,501)	13,137	55,638
Fund Balance - beginning of year	223,643	223,643	-	223,643	223,643	-
Prior period adjustment	-	20,969	20,969	-	20,969	20,969
Fund Balance - end of year	\$181,142	\$257,749	\$76,607	\$181,142	\$257,749	\$76,607

(Continued)

CITY OF SHAWNEE, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)-SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	ODOC GRANTS FUND			LIBRARY FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	-	-	-
Intergovernmental	\$1,121,317	\$700,853	(\$420,464)	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investment income	-	-	-	\$1,920	\$1,177	(\$743)
Miscellaneous	-	-	-	-	-	-
Total Revenues	1,121,317	700,853	(420,464)	1,920	1,177	(743)
Expenditures:						
Community Development:						
Other services and charges	940,708	640,755	299,953	-	-	-
Capital outlay	180,609	72,650	107,959	-	-	-
Total Community Development	1,121,317	713,405	407,912	-	-	-
Economic Development:						
Other services and charges	-	-	-	-	-	-
Police Patrol:						
Other services and charges	-	-	-	-	-	-
Animal Control:						
Other services and charges	-	-	-	-	-	-
Fire Prevention:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Fire Prevention	-	-	-	-	-	-
Fire Suppression:						
Other services and charges	-	-	-	-	-	-
E-911:						
Other services and charges	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total E-911	-	-	-	-	-	-
Streets:						
Other services and charges	-	-	-	-	-	-
Cemetery:						
Other services and charges	-	-	-	-	-	-
Senior Citizens:						
Other services and charges	-	-	-	-	-	-
Recreation:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Recreation	-	-	-	-	-	-
Library:						
Materials and supplies	-	-	-	6,009	3,564	2,445
Other services and charges	-	-	-	41,590	36,376	5,214
Capital outlay	-	-	-	1,700	1,157	543
Total Library	-	-	-	49,299	41,097	8,202
Total Expenditures	1,121,317	713,405	407,912	49,299	41,097	8,202
Revenues over (under) expenditures	-	(12,552)	(12,552)	(47,379)	(39,920)	7,459
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	40,000	40,000	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	(12,552)	(12,552)	(7,379)	80	7,459
Fund Balance - beginning of year	55,312	55,312	-	17,927	17,927	-
Prior period adjustment	-	-	-	-	-	-
Fund Balance - end of year	\$55,312	\$42,760	(\$12,552)	\$10,548	\$18,007	\$7,459

(Continued)

CITY OF SHAWNEE, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)-SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	CEMETERY CARE FUND			SENIOR CITIZENS FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investment income	\$3,976	\$6,156	\$2,180	\$1,532	\$1,556	\$24
Miscellaneous	4,484	4,120	(364)	-	-	-
Total Revenues	8,460	10,276	1,816	1,532	1,556	24
Expenditures:						
Community Development:						
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Community Development	-	-	-	-	-	-
Economic Development:						
Other services and charges	-	-	-	-	-	-
Police Patrol:						
Other services and charges	-	-	-	-	-	-
Animal Control:						
Other services and charges	-	-	-	-	-	-
Fire Prevention:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Fire Prevention	-	-	-	-	-	-
Fire Suppression:						
Other services and charges	-	-	-	-	-	-
E-911:						
Other services and charges	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total E-911	-	-	-	-	-	-
Streets:						
Other services and charges	-	-	-	-	-	-
Cemetery:						
Other services and charges	27,000	-	27,000	-	-	-
Senior Citizens:						
Other services and charges	-	-	-	27,791	1,675	26,116
Recreation:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Recreation	-	-	-	-	-	-
Library:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Library	-	-	-	-	-	-
Total Expenditures	27,000	-	27,000	27,791	1,675	26,116
Revenues over (under) expenditures	(18,540)	10,276	28,816	(26,259)	(119)	26,140
Other Financing Sources (Uses):						
Transfers from other funds	36,203	36,203	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	17,663	46,479	28,816	(26,259)	(119)	26,140
Fund Balance - beginning of year	71,701	71,701	-	26,504	26,504	-
Prior period adjustment	-	-	-	-	-	-
Fund Balance - end of year	\$89,364	\$118,180	\$28,816	\$245	\$26,385	\$26,140

(Continued)

CITY OF SHAWNEE, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)-SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	GIFTS & CONTRIBUTIONS FUND			SISTER CITIES FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	-	-	-
Intergovernmental	\$3,750	\$3,750	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investment income	1,185	6,288	\$5,103	\$1,700	\$2,550	\$850
Miscellaneous	9,748	18,939	9,191	12,690	35,462	22,772
Total Revenues	14,683	28,977	14,294	14,390	38,012	23,622
Expenditures:						
Community Development:						
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Community Development	-	-	-	-	-	-
Economic Development:						
Other services and charges	-	-	-	66,878	61,346	5,532
Police Patrol:						
Other services and charges	-	-	-	-	-	-
Animal Control:						
Other services and charges	-	-	-	-	-	-
Fire Prevention:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Fire Prevention	-	-	-	-	-	-
Fire Suppression:						
Other services and charges	-	-	-	-	-	-
E-911:						
Other services and charges	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total E-911	-	-	-	-	-	-
Streets:						
Other services and charges	-	-	-	-	-	-
Cemetery:						
Other services and charges	-	-	-	-	-	-
Senior Citizens:						
Other services and charges	-	-	-	-	-	-
Recreation:						
Materials and supplies	20,772	4,180	16,592	-	-	-
Other services and charges	32,622	24,232	8,390	-	-	-
Total Recreation	53,394	28,412	24,982	-	-	-
Library:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Library	-	-	-	-	-	-
Total Expenditures	53,394	28,412	24,982	66,878	61,346	5,532
Revenues over (under) expenditures	(38,711)	565	39,276	(52,488)	(23,334)	29,154
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	15,000	15,000	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(38,711)	565	39,276	(37,488)	(8,334)	29,154
Fund Balance - beginning of year	81,093	81,093	-	28,655	28,655	-
Prior period adjustment	-	-	-	-	-	-
Fund Balance - end of year	\$42,382	\$81,658	\$39,276	(\$8,833)	\$20,321	\$29,154

(Continued)

CITY OF SHAWNEE, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)-SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	TOTALS		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$692,297	\$701,731	\$9,434
Intergovernmental	1,371,867	963,728	(408,139)
Charges for services	235,000	242,089	7,089
Licenses and permits	18,910	6,621	(12,289)
Investment income	30,441	64,081	33,640
Miscellaneous	26,922	58,521	31,599
Total Revenues	2,375,437	2,036,771	(338,666)
Expenditures:			
Community Development:			
Other services and charges	1,061,310	736,858	324,452
Capital outlay	180,609	72,650	107,959
Total Community Development	1,241,919	809,508	432,411
Economic Development:			
Other services and charges	257,828	224,796	33,032
Police Patrol:			
Other services and charges	45,000	-	45,000
Animal Control:			
Other services and charges	23,000	5,812	17,388
Fire Prevention:			
Materials and supplies	3,000	-	3,000
Other services and charges	10,500	-	10,500
Total Fire Prevention	13,500	-	13,500
Fire Suppression:			
Other services and charges	45,000	-	45,000
E-911:			
Other services and charges	40,378	37,728	2,650
Debt service	88,662	88,662	-
Total E-911	129,040	126,390	2,650
Streets:			
Other services and charges	257,636	224,430	33,206
Cemetery:			
Other services and charges	27,000	-	27,000
Senior Citizens:			
Other services and charges	27,791	1,875	26,116
Recreation:			
Materials and supplies	20,772	4,180	16,592
Other services and charges	32,622	24,232	8,390
Total Recreation	53,394	28,412	24,982
Library:			
Materials and supplies	6,009	3,564	2,445
Other services and charges	41,590	36,376	5,214
Capital outlay	1,700	1,157	543
Total Library	49,299	41,097	8,202
Total Expenditures	2,170,407	1,461,920	708,487
Revenues over (under) expenditures	205,030	574,851	369,821
Other Financing Sources (Uses):			
Transfers from other funds	91,203	91,203	-
Transfers to other funds	(640,000)	(640,000)	-
Revenues and other sources over (under) expenditures and other uses	(343,767)	26,054	369,821
Fund Balance - beginning of year	1,088,783	1,088,783	-
Prior period adjustment	-	61,909	61,909
Fund Balance - end of year	\$745,016	\$1,176,746	\$431,730

CITY OF SHAWNEE, OKLAHOMA
 COMBINING BALANCE SHEET SCHEDULE - GRANT FUNDS/ACCOUNTS
 ODOC
 JUNE 30, 2001

<u>ASSETS</u>	<u>CDBG 95 ACCOUNT</u>	<u>CDBG 96 ACCOUNT</u>	<u>CDBG 97 ACCOUNT</u>	<u>CDBG 98 ACCOUNT</u>	<u>CDBG 99 ACCOUNT</u>	<u>HOME 97 ACCOUNT</u>	<u>HOME 98 ACCOUNT</u>	<u>CDBG 00 ACCOUNT</u>	<u>CDBG ESCROW</u>	<u>TOTALS</u>
Cash and cash equivalents	-	(\$16,499)	\$2,342	\$354	\$16,642	-	\$42,760	(\$20,404)	-	\$25,195
Due from other governments	-	16,499	-	-	-	3,002	-	28,622	-	48,123
Notes receivable	-	-	-	-	-	-	-	-	159,710	159,710
Total Assets	<u>-</u>	<u>-</u>	<u>\$2,342</u>	<u>\$354</u>	<u>\$16,642</u>	<u>\$3,002</u>	<u>\$42,760</u>	<u>\$8,218</u>	<u>\$159,710</u>	<u>\$233,028</u>
<u>LIABILITIES</u>										
Accounts payable and accrued liabilities	-	-	-	-	-	-	-	8,218	-	\$8,218
Due to other funds	-	-	-	-	-	3,002	-	-	-	3,002
Deferred revenue	-	-	2,342	354	16,642	-	-	-	159,710	179,048
Total Liabilities	<u>-</u>	<u>-</u>	<u>2,342</u>	<u>354</u>	<u>16,642</u>	<u>3,002</u>	<u>-</u>	<u>8,218</u>	<u>159,710</u>	<u>190,268</u>
<u>FUND EQUITY</u>										
Fund Balance:										
Unreserved	-	-	-	-	-	-	42,760	-	-	42,760
Total Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,760</u>	<u>-</u>	<u>-</u>	<u>42,760</u>
Total Liabilities and Fund Equity	<u>-</u>	<u>-</u>	<u>\$2,342</u>	<u>\$354</u>	<u>\$16,642</u>	<u>\$3,002</u>	<u>\$42,760</u>	<u>\$8,218</u>	<u>\$159,710</u>	<u>\$233,028</u>

CITY OF SHAWNEE, OKLAHOMA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ODOC GRANT FUND/ACCOUNTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<u>CDBG 95 ACCOUNT</u>	<u>CDBG 96 ACCOUNT</u>	<u>CDBG 97 ACCOUNT</u>	<u>CDBG 98 ACCOUNT</u>	<u>CDBG 99 ACCOUNT</u>	<u>HOME 97 ACCOUNT</u>	<u>HOME 98 ACCOUNT</u>	<u>CDBG 00 ACCOUNT</u>	<u>TOTALS</u>
REVENUES:									
Intergovernmental	\$132	\$22,915	\$32,676	\$43,273	\$264,393	-	\$38,907	\$298,557	\$700,853
Total Revenues	<u>132</u>	<u>22,915</u>	<u>32,676</u>	<u>43,273</u>	<u>264,393</u>	<u>-</u>	<u>38,907</u>	<u>298,557</u>	<u>700,853</u>
EXPENDITURES:									
Current:									
Community development	\$132	\$22,915	\$2,242	11,674	253,776	-	\$51,459	\$298,557	640,755
Capital outlay	-	-	\$30,434	\$31,599	\$10,617	-	-	-	72,650
Total Expenditures	<u>132</u>	<u>22,915</u>	<u>32,676</u>	<u>43,273</u>	<u>264,393</u>	<u>-</u>	<u>51,459</u>	<u>298,557</u>	<u>713,405</u>
Revenues over (under) expenditures	-	-	-	-	-	-	(12,552)	-	(12,552)
Other Financing Sources (Uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	-	-	-	-	-	(12,552)	-	(12,552)
Fund Balance - beginning of year	-	-	-	-	-	-	55,312	-	55,312
Fund Balance - end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$42,760</u>	<u>-</u>	<u>\$42,760</u>

CAPITAL PROJECT FUNDS

CITY OF SHAWNEE, OKLAHOMA
 COMBINING BALANCE SHEET - CAPITAL PROJECT FUNDS
 JUNE 30, 2001

ASSETS	CAPITAL IMPROVEMENT FUND	STREET IMPROVEMENT FUND	1994 STREET IMPROVEMENT PROJECT FUND	TOTALS
Cash and cash equivalents	\$1,089,935	\$3,635,949	\$66,254	\$4,792,138
Due from other governments	269,484	304,248	-	573,732
Accrued interest receivable	3,769	12,464	216	16,449
Total Assets	<u>\$1,363,188</u>	<u>\$3,952,661</u>	<u>\$66,470</u>	<u>\$5,382,319</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable and accrued liabilities	\$156,350	\$112,370	-	\$268,720
Deferred revenue	32,369	-	-	32,369
Total Liabilities	<u>188,719</u>	<u>112,370</u>	<u>-</u>	<u>301,089</u>
Fund Equity:				
Fund balance:				
Reserved for encumbrances	246,882	1,513,614	-	1,760,496
Unreserved	927,587	2,326,677	\$66,470	3,320,734
Total Fund Equity	<u>1,174,469</u>	<u>3,840,291</u>	<u>66,470</u>	<u>5,081,230</u>
Total Liabilities and Fund Equity	<u>\$1,363,188</u>	<u>\$3,952,661</u>	<u>\$66,470</u>	<u>\$5,382,319</u>

CITY OF SHAWNEE, OKLAHOMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECT FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	CAPITAL IMPROVEMENT FUND	STREET IMPROVEMENT FUND	1994 STREET IMPROVEMENT PROJECT FUND	TOTALS
Revenues:				
Taxes	\$1,568,755	\$1,771,175	-	\$3,339,930
Intergovernmental	81,254	-	-	81,254
Investment income	80,879	181,887	\$3,577	266,343
Miscellaneous	14,112	960	-	15,072
Total Revenues	1,745,000	1,954,022	3,577	3,702,599
Expenditures:				
Capital outlay	2,033,142	1,310,217	543,428	3,886,787
Debt service:				
Principal	80,589	-	-	80,589
Interest	24,544	-	-	24,544
Total Expenditures	2,138,275	1,310,217	543,428	3,991,920
Revenues over (under) expenditures	(393,275)	643,805	(539,851)	(289,321)
Other Financing Sources (Uses):				
Capital lease proceeds	128,094	-	-	128,094
Transfers from other funds	-	125,000	-	125,000
Transfers to other funds	(36,203)	-	-	(36,203)
Revenues and other sources over (under) expenditures and other uses	(301,384)	768,805	(539,851)	(72,430)
Fund Balance - beginning of year	1,345,821	2,924,683	606,321	4,876,825
Prior period adjustments	130,032	146,803	-	276,835
Fund Balance - end of year	\$1,174,469	\$3,840,291	\$66,470	\$5,081,230

CITY OF SHAWNEE, OKLAHOMA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
 CAPITAL PROJECT FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	CAPITAL IMPROVEMENT			STREET IMPROVEMENT FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$1,532,943	\$1,553,706	\$20,763	\$1,730,742	\$1,754,184	\$23,442
Intergovernmental	143,028	113,623	(29,405)	500,000	-	(500,000)
Investment income	76,206	84,010	7,804	136,748	184,346	47,598
Miscellaneous	14,112	14,112	-	-	960	960
Total Revenues	1,766,289	1,765,451	(838)	2,367,490	1,939,490	(428,000)
Expenditures:						
City Manager:						
Capital outlay	47,052	46,674	378	-	-	-
Accounting:						
Capital outlay	147,534	115,689	31,845	-	-	-
City Clerk:						
Capital outlay	25,740	2,354	23,386	-	-	-
Planning:						
Capital outlay	32,637	29,611	3,026	-	-	-
Police Patrol:						
Capital outlay	386,859	245,707	141,152	-	-	-
Fire Suppression:						
Capital outlay	247,494	223,350	24,144	-	-	-
Public Works Administration:						
Capital outlay	392,132	259,883	132,249	-	-	-
Street:						
Capital outlay	-	-	-	5,086,670	1,310,217	3,776,453
Engineering:						
Capital outlay	5,500	-	5,500	-	-	-
Other Projects:						
Capital outlay	250,784	235,717	15,067	-	-	-
Debt service	106,642	105,133	1,509	-	-	-
Total Other Projects	357,426	340,850	16,576	-	-	-
Utility Administration:						
Capital outlay	1,080,012	669,809	410,203	-	-	-
Expo Operations:						
Capital outlay	160,000	76,254	83,746	-	-	-
Total Expenditures	2,882,386	2,010,181	672,205	5,086,670	1,310,217	3,776,453
Revenues over (under) expenditures	(1,116,097)	(244,730)	871,367	(2,719,180)	629,273	3,348,453
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	125,000	125,000	-
Transfers to other funds	(36,203)	(36,203)	-	-	-	-
Revenues and other financing sources over (under) expenditures and other uses	(1,152,300)	(280,933)	871,367	(2,594,180)	754,273	3,348,453
Fund Balance - beginning of year	1,345,821	1,345,821	-	2,924,683	2,924,683	-
Prior period adjustment	-	130,032	130,032	-	146,803	146,803
Fund Balance - end of year	\$193,521	\$1,194,920	\$1,001,399	\$330,503	\$3,825,759	\$3,495,256

(Continued)

CITY OF SHAWNEE, OKLAHOMA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	1994 STREET IMPROVEMENT PROJECT FUND			TOTALS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	\$3,263,685	\$3,307,890	\$44,205
Intergovernmental	-	-	-	643,028	113,623	(529,405)
Investment income	\$1,180	\$3,679	\$2,499	214,134	272,035	57,901
Miscellaneous	-	-	-	14,112	15,072	960
Total Revenues	1,180	3,679	2,499	4,134,959	3,708,620	(426,339)
Expenditures:						
City Manager:						
Capital outlay	-	-	-	47,052	46,674	378
Accounting:						
Capital outlay	-	-	-	147,534	115,689	31,845
City Clerk:						
Capital outlay	-	-	-	25,740	2,354	23,386
Planning:						
Capital outlay	-	-	-	32,637	29,611	3,026
Police Patrol:						
Capital outlay	-	-	-	386,859	245,707	141,152
Fire Suppression:						
Capital outlay	-	-	-	247,494	223,350	24,144
Public Works Administration:						
Capital outlay	-	-	-	392,132	259,883	132,249
Street:						
Capital outlay	6,300	-	6,300	5,092,970	1,310,217	3,782,753
Engineering:						
Capital outlay	-	-	-	5,500	-	5,500
Other Projects:						
Capital outlay	-	-	-	250,784	235,717	-
Debt service	-	-	-	106,642	105,133	1,509
Total Other Projects	-	-	-	357,426	340,850	1,509
Utility Administration:						
Capital outlay	-	-	-	1,080,012	669,809	410,203
Expo Operations:						
Capital outlay	-	-	-	160,000	76,254	83,746
Total Expenditures	6,300	-	6,300	7,975,356	3,320,398	4,639,891
Revenues over (under) expenditures	(5,120)	3,679	8,799	(3,840,397)	388,222	4,228,619
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	125,000	125,000	-
Transfers to other funds	-	-	-	(36,203)	(36,203)	-
Revenues and other financing sources over (under) expenditures and other uses	(5,120)	3,679	8,799	(3,751,600)	477,019	4,228,619
Fund Balance - beginning of year	606,321	606,321	-	4,876,825	4,876,825	-
Prior period adjustment	-	-	-	-	276,835	276,835
Fund Balance - end of year	\$601,201	\$610,000	\$8,799	\$1,125,225	\$5,630,679	\$4,505,454

ENTERPRISE FUNDS

CITY OF SHAWNEE, OKLAHOMA

COMBINING BALANCE SHEET
ENTERPRISE FUNDS

JUNE 30, 2001

ASSETS	SHAWNEE MUNICIPAL AUTHORITY	SHAWNEE AIRPORT AUTHORITY	TOTALS
Current Assets:			
Cash and cash equivalents	\$2,782,413	\$220,471	\$3,002,884
Receivables:			
Accounts receivable, net of allowance	1,017,172	2,634	1,019,806
Accrued interest receivable	10,592	723	11,315
Total Current Assets	3,810,177	223,828	4,034,005
Restricted Assets:			
Cash and cash equivalents	1,747,695	-	1,747,695
Investments	1,188,988	-	1,188,988
Accrued interest receivables	39,447	-	39,447
Total Restricted Assets	2,976,130	-	2,976,130
Property and Equipment:			
Land	1,066,733	550,361	1,617,094
Buildings	382,429	394,742	777,171
Improvements other than buildings	33,435,679	6,459,550	39,895,229
Machinery and equipment	2,815,518	91,037	2,906,555
Construction in progress	1,577,532	-	1,577,532
Total Property and Equipment	39,277,891	7,495,690	46,773,581
Less accumulated depreciation	12,892,400	3,525,053	16,417,453
Net Property and Equipment	26,385,491	3,970,637	30,356,128
Water rights contract	16,916,119	-	16,916,119
Unamortized Debt Issuance Costs	57,227	-	57,227
Total Assets	\$50,145,144	\$4,194,465	\$54,339,609

(Continued)

CITY OF SHAWNEE, OKLAHOMA

COMBINING BALANCE SHEET
ENTERPRISE FUNDS

JUNE 30, 2001

<u>LIABILITIES AND FUND EQUITY</u>	<u>SHAWNEE MUNICIPAL AUTHORITY</u>	<u>SHAWNEE AIRPORT AUTHORITY</u>	<u>TOTALS</u>
Current liabilities (Payable from Current Assets):			
Accounts payable and accrued liabilities	\$589,932	\$4,145	\$594,077
Due to other funds	76,049	-	76,049
Due to other governments	18,000	-	18,000
Deferred revenue	-	14,257	14,257
Total Current Liabilities (Payable from Current Assets):	683,981	18,402	702,383
Current liabilities (Payable from Restricted Assets):			
Current maturities of revenue and promissory notes payable	471,488	-	471,488
Accrued interest payable	589,887	-	589,887
Meter deposit liability	467,305	-	467,305
Total Current Liabilities (Payable from Restricted Assets)	1,528,680	-	1,528,680
Total Current Liabilities	2,212,661	18,402	2,231,063
Long-Term Liabilities:			
Due to other governments	72,130	-	72,130
Accrued compensated absences	296,315	-	296,315
Revenue and promissory notes payable, net of current maturities	21,274,081	-	21,274,081
Total Long-Term Liabilities	21,642,526	-	21,642,526
Total Liabilities	23,855,187	18,402	23,873,589
Fund Equity:			
Contributed Capital	8,915,995	6,482,111	15,398,106
Retained Earnings (Deficit):			
Reserved for debt service	1,918,938	-	1,918,938
Unreserved	15,455,024	(2,306,048)	13,148,976
Total Retained Earnings (Deficit)	17,373,962	(2,306,048)	15,067,914
Total Fund Equity	26,289,957	4,176,063	30,466,020
Total Liabilities and Fund Equity	\$50,145,144	\$4,194,465	\$54,339,609

CITY OF SHAWNEE, OKLAHOMA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	SHAWNEE MUNICIPAL AUTHORITY	SHAWNEE AIRPORT AUTHORITY	TOTALS
Operating revenues:			
Charges for services:			
Water	\$3,804,845	-	\$3,804,845
Sewer	1,929,158	-	1,929,158
Sanitation	966,493	-	966,493
Penalties/late charges	126,884	-	126,884
Sewer tap inspection fees	8,250	-	8,250
Water taps	14,250	-	14,250
Industrial pretreatment fees	32,589	-	32,589
Other	394	-	394
Miscellaneous:			
Rental revenue	10,009	\$78,977	88,986
Total operating revenues	6,892,872	78,977	6,971,849
Operating expenses:			
Utility billing	190,493	-	190,493
Utility administration	1,475,847	-	1,475,847
Lake operations	58,776	-	58,776
Water production	815,526	-	815,526
Water distribution	798,959	-	798,959
North sewer treatment plant	444,638	-	444,638
South sewer treatment plant	542,895	-	542,895
Sewer collection	325,487	-	325,487
Airport operations	-	124,434	124,434
Depreciation expense	894,811	326,184	1,220,995
Amortization expense	6,738	-	6,738
Total operating expenses	5,554,170	450,618	6,004,788
Operating income (loss)	1,338,702	(371,641)	967,061
Non-operating revenues (expenses):			
Investment income	326,110	12,560	338,670
Interest and fiscal charges	(1,215,574)	(49)	(1,215,623)
Miscellaneous income	6,202	22,378	28,580
Net non-operating revenues (expenses)	(883,262)	34,889	(848,373)
Income (loss) before contributions and transfers	455,440	(336,752)	118,688
Capital contributions	505,962	-	505,962
Transfers:			
Transfers from other funds	898,455	68,220	966,675
Transfers to other funds	(1,000,000)	-	(1,000,000)
Net transfers	(101,545)	68,220	(33,325)
Net income (loss)	859,857	(268,532)	591,325
Retained earnings (deficit), beginning of year	16,514,105	(2,037,516)	14,476,589
Retained earnings (deficit), end of year	\$17,373,962	(\$2,306,048)	\$15,067,914

CITY OF SHAWNEE, OKLAHOMA

COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	SHAWNEE MUNICIPAL AUTHORITY	SHAWNEE AIRPORT AUTHORITY	TOTALS
Cash Flows From Operating Activities:			
Operating Income (Loss)	\$1,338,702	(\$371,641)	\$967,061
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation expense	894,811	326,184	1,220,995
Amortization expense	6,738	-	6,738
Other non-operating revenue (expenses)	6,202	22,378	28,580
Changes in assets and liabilities:			
Decrease (Increase) in accounts receivable	(121,951)	1,686	(120,265)
Decrease in prepaid items	-	2,931	2,931
Increase (Decrease) in accounts payable and accrued liabilities	374,031	2,116	376,147
Increase (Decrease) in accrued compensated absences	7,486	-	7,486
Increase (Decrease) in meter deposit liability	11,227	-	11,227
Increase (Decrease) in due to other funds	76,049	-	76,049
Increase (Decrease) in due to other governments	(18,000)	-	(18,000)
Increase (Decrease) in deferred revenue	-	(1,195)	(1,195)
Total adjustments	1,236,593	354,100	1,590,693
Net Cash Provided by (Used in) Operating Activities	2,575,295	(17,541)	2,557,754
Cash Flows From Non-Capital Financing Activities:			
Transfers from other funds	898,455	68,220	966,675
Transfers to other funds	(1,000,000)	-	(1,000,000)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(101,545)	68,220	(33,325)
Cash Flows From Capital and Related Financing Activities:			
Principal paid on revenue and promissory notes	(521,489)	-	(521,489)
Interest paid on long-term debt	(1,226,419)	(49)	(1,226,468)
Acquisition and construction of capital assets	(1,423,117)	(15,516)	(1,438,633)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(3,171,025)	(15,565)	(3,186,590)
Cash Flows From Investing Activities:			
Interest received on investments	334,952	11,837	346,789
Purchase of investments	(68,528)	-	(68,528)
Net Cash Provided by Investing Activities	266,424	11,837	278,261
Net Increase (Decrease) in Cash and Cash Equivalents	(430,851)	46,951	(383,900)
Cash and cash equivalents - beginning of year (restated)	4,960,959	173,520	5,134,479
Cash and cash equivalents - end of year	\$4,530,108	\$220,471	\$4,750,579
Non-Cash Activities:			
Capital assets contributed by other funds and private sources	\$505,962	-	\$505,962
Change in fair value of investments	1,675	-	1,675
Net Non-Cash Activities	\$507,637	-	\$507,637

INTERNAL SERVICE FUNDS

CITY OF SHAWNEE, OKLAHOMA
 COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS
 JUNE 30, 2001

<u>ASSETS</u>	<u>WORKER'S COMPENSATION SELF-INSURANCE FUND</u>	<u>GENERAL LIABILITY SELF-INSURANCE FUND</u>	<u>UNINSURED LOSS FUND</u>	<u>TOTALS</u>
Cash and cash equivalents	\$60,746	\$2,442	\$1,496	\$64,684
Due from other funds	999,517	-	-	999,517
Accrued interest receivable	204	8	5	217
Total Assets	<u>\$1,060,467</u>	<u>\$2,450</u>	<u>\$1,501</u>	<u>\$1,064,418</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$4,328	-	-	\$4,328
Estimated liability for claims	999,517	-	-	999,517
Total Liabilities	<u>1,003,845</u>	<u>-</u>	<u>-</u>	<u>1,003,845</u>
Fund equity :				
Contributed capital	16,862	-	-	16,862
Retained earnings:				
Unreserved	39,760	\$2,450	\$1,501	43,711
Total Fund Equity	<u>56,622</u>	<u>2,450</u>	<u>1,501</u>	<u>60,573</u>
Total Liabilities and Fund Equity	<u>\$1,060,467</u>	<u>\$2,450</u>	<u>\$1,501</u>	<u>\$1,064,418</u>

CITY OF SHAWNEE, OKLAHOMA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	WORKER'S COMPENSATION SELF-INSURANCE FUND	GENERAL LIABILITY SELF-INSURANCE FUND	UNINSURED LOSS FUND	TOTALS
Operating Revenues:				
Charges for services	\$1,277,708	-	-	\$1,277,708
Total Operating Revenues	1,277,708	-	-	1,277,708
Operating Expenses:				
Claims expense	1,224,330	\$68,564	-	1,292,894
Total Operating Expenses	1,224,330	68,564	-	1,292,894
Operating Income (Loss)	53,378	(68,564)	-	(15,186)
Non-Operating Revenues (Expenses):				
Investment income	2,450	2,687	\$72	5,209
Miscellaneous income	310	-	-	310
Net non-operating revenues (expenses)	2,760	2,687	72	5,519
Net Income (Loss)	56,138	(65,877)	72	(9,667)
Retained earnings (deficit) - beginning of year	(16,862)	68,327	1,429	52,894
Prior period adjustments	484	-	-	484
Retained earnings (deficit) - end of year	\$39,760	\$2,450	\$1,501	\$43,711

CITY OF SHAWNEE, OKLAHOMA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	WORKER'S COMPENSATION SELF-INSURANCE FUND	GENERAL LIABILITY SELF-INSURANCE FUND	UNINSURED LOSS FUND	TOTALS
Cash flows from operating activities:				
Operating income (loss)	\$53,378	(\$68,564)	-	(\$15,186)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Other non-operating revenue	310	-	-	310
Decrease (increase) in due from other funds	(551,081)	-	-	(551,081)
Increase (decrease) in accounts payable and accrued liabilities	4,328	-	-	4,328
Increase (decrease) in estimated liability for claims	551,081	-	-	551,081
Total adjustments	4,638	-	-	4,638
Net cash provided by (used in) operating activities	58,016	(68,564)	-	(10,548)
Cash flows from investing activities:				
Interest received	2,246	3,025	67	5,338
Net cash provided by (used in) investing activities	2,246	3,025	67	5,338
Net increase (decrease) in cash and cash equivalents	60,262	(65,539)	67	(5,210)
Cash and cash equivalents - beginning of year (restated)	484	67,981	1,429	69,894
Cash and cash equivalents - end of year	\$60,746	\$2,442	\$1,496	\$64,684

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CITY OF SHAWNEE, OKLAHOMA
SCHEDULE OF DEBT COVERAGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	SHAWNEE MUNICIPAL AUTHORITY
Gross Revenue Available for Debt Service:	
Charges for services	\$5,926,379
Investment income	<u>326,110</u>
Total Gross Revenues Available	<u>6,252,489</u>
Operating Expenses	<u>3,681,424</u>
Net Revenues Available for Debt Service	<u>\$2,571,065</u>
Debt Service Requirements:	
Maximum annual debt service - 1993A Revenue Note and 1997 Promissory Notes	<u>\$1,741,558</u>
Computed Coverage	<u>148%</u>
Coverage Requirement	<u>125%</u>

NOTE: The above gross revenue and operating expenses only include the activities of the water and sewer systems, excluding depreciation and amortization. Sanitation revenues have been excluded along with a portion of Utility Administration expense related to sanitation (\$971,197).

CITY OF SHAWNEE, OKLAHOMA
SCHEDULE OF RESERVE ACCOUNT BALANCE REQUIREMENTS
SHAWNEE MUNICIPAL AUTHORITY

JUNE 30, 2001

	<u>1993A UTILITY REVENUE NOTE RESERVE</u>	<u>1997B OWRB PROMISSORY NOTE RESERVE</u>
Required Balance, June 30, 2001	<u>\$1,233,350</u>	<u>\$160,459</u>
Balance in Trustee Account, June 30, 2001	<u>1,228,972</u>	<u>163,032</u>
Amount over (under) required balance	<u><u>(\$4,378)</u></u>	<u><u>\$2,573</u></u>