

CITY OF SHAWNEE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
AND ACCOMPANYING
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2002

**CITY OF SHAWNEE, OKLAHOMA
ANNUAL FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
LIST OF PRINCIPAL OFFICIALS		1
INDEPENDENT AUDITOR'S REPORT		3-4
GENERAL-PURPOSE FINANCIAL STATEMENTS:		
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units	1	6-7
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	2	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - (Non-GAAP Budgetary Basis) - All Governmental Fund Types	3	9-10
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types and Similar Discretely Presented Component Units	4	11
Combined Statement of Cash Flows - All Proprietary Fund Types and Similar Discretely Presented Component Units	5	12
Notes to Financial Statements		13-56
REQUIRED SUPPLEMENTARY INFORMATION:		
Pension Plan Schedule of Funding Progress		58
OTHER SUPPLEMENTARY INFORMATION:		
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS/SCHEDULES:		
GENERAL FUND:	<u>Exhibit</u>	<u>Page</u>
Schedule of Revenues and Other Financing Sources - Budget and Actual (Non-GAAP Budgetary Basis)	A-1	60

**CITY OF SHAWNEE, OKLAHOMA
ANNUAL FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

TABLE OF CONTENTS, (Continued)

	<u>Exhibit</u>	<u>Page</u>
GENERAL FUND, (Continued):		
Schedule of Expenditures and Other Financing		
Uses - Budget and Actual (Non-GAAP Budgetary Basis)	A-2	61-64
SPECIAL REVENUE FUNDS:		
Combining Balance Sheet	B-1	66-67
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	B-2	68-69
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)	B-3	70-77
Combining Balance Sheet Schedule - ODOC Grant Fund Accounts	Schedule B-1	78
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - ODOC Grand Fund Accounts	Schedule B-2	79
CAPITAL PROJECT FUNDS:		
Combining Balance Sheet	C-1	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	C-2	82
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)	C-3	83-84
ENTERPRISE FUNDS:		
Combining Balance Sheet	D-1	86-87
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	D-2	88
Combining Statement of Cash Flows	D-3	89
INTERNAL SERVICE FUNDS:		
Combining Balance Sheet	E-1	91

(Continued)

**CITY OF SHAWNEE, OKLAHOMA
ANNUAL FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

TABLE OF CONTENTS, (Continued)

	<u>Exhibit</u>	<u>Page</u>
INTERNAL SERVICE FUNDS, (Continued):		
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	E-2	92
Combining Statement of Cash Flows	E-3	93
AGENCY FUND:		
Statement of Changes in Assets and Liabilities – URM/DEPCA Agency Fund	F-1	95
SUPPLEMENTAL INFORMATION FOR DEBT COMPLIANCE:		
Schedule of Debt Coverage	G-1	97
Schedule of Reserve Account Balance Requirements	G-2	98

THIS PAGE INTENTIONALLY LEFT BLANK

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
Linda Peterson	Ward V

Administration

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

THIS PAGE INTENTIONALLY LEFT BLANK



CRAWFORD & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS TO GOVERNMENT

GREENBRIAR OFFICE PARK
10308 GREENBRIAR PLACE
OKLAHOMA CITY, OK 73159
PHONE: 405/691-5550
FAX: 405/691-5646
E-MAIL: info@crawfordcpas.com
WEB SITE: www.crawfordcpas.com

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, 2002, 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 did not audit the financial statements of the Shawnee Industrial Development Authority included as a discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the general-purpose financial statements, insofar as it relates to the amounts included for the Shawnee Industrial Development Authority is based solely on the report of the other auditors.

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 and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, 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, 2002, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2003, 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 58 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.

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.

January 21, 2003

GENERAL-PURPOSE FINANCIAL STATEMENTS

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

JUNE 30, 2002

ASSETS AND OTHER DEBITS	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNITS		TOTALS (MEMORANDUM ONLY) REPORTING ENTITY
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	ENTERPRISE	INTERNAL SERVICE	AGENCY FUND	GENERAL FIXED ASSET	GENERAL LONG-TERM DEBT		SHAWNEE CIVIC & CULTURAL DEVELOPMENT AUTHORITY	SHAWNEE INDUSTRIAL DEVELOPMENT AUTHORITY	
Cash and cash equivalents	\$1,142,316	\$984,084	\$181,423	\$8,062,382	\$1,772,775	\$2,033	\$3,059	-	-	\$12,148,072	\$743,148	\$8,628	\$12,899,848
Investments	-	44,908	-	-	-	-	-	-	-	44,908	-	-	44,908
Current Receivables:													
Accounts receivable, net of allowance of \$232,803	-	-	-	-	937,511	-	-	-	-	937,511	-	-	937,511
Assessments receivable	-	-	-	-	112,848	-	-	-	-	112,848	-	-	112,848
Due from other governments	1,455,829	258,478	7,989	602,960	-	-	-	-	-	2,323,234	-	-	2,323,234
Due from other funds	415,323	-	-	-	-	716,938	-	-	-	1,132,261	-	-	1,132,261
Due from component unit	101,788	-	-	-	-	-	-	-	-	101,788	-	-	101,788
Accrued interest	1,930	1,432	212	12,844	8,171	2	-	-	-	22,591	-	-	22,591
Franchise tax receivable	91,324	-	-	-	-	-	-	-	-	91,324	-	-	91,324
Court fine receivable, net of allowance of \$396,854	81,283	-	-	-	-	-	-	-	-	81,283	-	-	81,283
Other	22,984	19,586	-	186,851	4,904	-	-	-	-	234,325	-	-	234,325
Prepaid items	119,940	-	-	-	-	2,500	-	-	-	122,440	-	-	122,440
Restricted assets:													
Cash and cash equivalents	-	-	-	-	5,955,251	-	-	-	-	5,955,251	-	-	5,955,251
Investments	-	-	-	-	1,187,460	-	-	-	-	1,187,460	-	-	1,187,460
Accrued interest receivable	-	-	-	-	37,658	-	-	-	-	37,658	-	-	37,658
Long-Term Receivables:													
Notes receivable	-	261,005	-	-	-	-	-	-	-	261,005	-	-	261,005
Assessments receivable	-	-	-	-	347,237	-	-	-	-	347,237	-	-	347,237
Net pension asset	-	-	-	-	321,107	-	-	-	-	321,107	61,019	-	382,126
Property, plant and equipment, net of accumulated depreciation where applicable	-	-	-	-	33,032,049	-	-	\$18,215,713	-	51,247,762	3,663,366	-	54,911,128
Water rights contract	-	-	-	-	12,967,959	-	-	-	-	12,967,959	-	-	12,967,959
Unamortized debt issuance costs	-	-	-	-	133,127	-	-	-	-	133,127	-	-	133,127
Other Debts:													
Amount available in debt service fund for retirement of general long-term debt	-	-	-	-	-	-	-	-	\$184,080	184,080	-	-	184,080
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	3,379,053	3,379,053	-	-	3,379,053
Total Assets and Other Debits	\$3,432,717	\$1,567,491	\$189,604	\$8,665,037	\$56,816,055	\$721,473	\$3,059	\$18,215,713	\$3,563,133	\$93,374,282	\$4,467,533	\$8,628	\$97,850,443

(Continued)

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

JUNE 30, 2002

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	COMPONENT UNITS		TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	ENTERPRISE	INTERNAL SERVICE	AGENCY	GENERAL FIXED ASSET	GENERAL LONG-TERM DEBT	PRIMARY GOVERNMENT	SHAWNEE CIVIC & CULTURAL DEVELOPMENT AUTHORITY	SHAWNEE INDUSTRIAL DEVELOPMENT AUTHORITY	REPORTING ENTITY
LIABILITIES, EQUITY AND OTHER CREDITS													
Current Liabilities:													
Accounts payable and accrued liabilities	\$861,878	\$108,832	-	\$160,307	\$350,811	-	\$3,059	-	-	\$1,282,685	\$24,330	-	\$1,307,015
Due to other funds	690,905	57,632	-	-	359,051	\$24,673	-	-	-	1,132,261	-	-	1,132,261
Due to primary government	-	-	-	-	-	-	-	-	-	-	101,788	-	101,788
Due to bondholders	2,980	-	-	-	-	-	-	-	-	2,980	-	-	2,980
Due to other governments	-	-	-	-	18,000	-	-	-	-	18,000	-	-	18,000
Deferred revenue	40,405	281,069	\$5,524	86,290	60,528	-	-	-	-	464,716	406,699	-	871,415
Current maturities of revenue and promissory notes payable	-	-	-	-	939,650	-	-	-	-	939,650	-	-	939,650
Current maturities of capital lease obligations payable	-	-	-	-	-	-	-	-	\$148,334	148,334	13,374	-	159,708
Current maturities of general obligation bonds payable	-	-	-	-	-	-	-	-	100,000	100,000	-	-	100,000
Escrow liability	-	-	-	-	126,743	-	-	-	-	126,743	-	-	126,743
Accrued interest payable	-	-	-	-	598,498	-	-	-	-	598,498	503	-	599,001
Noncurrent liabilities:													
Meter deposit liability	-	-	-	-	494,809	-	-	-	-	494,809	-	-	494,809
Lease contract deposit liability	-	-	-	-	-	-	-	-	-	-	7,037	-	7,037
Due to other governments - long-term	-	-	-	-	55,630	677,903	-	-	-	733,533	-	-	733,533
Claims and judgements payable	-	-	-	-	-	-	-	-	1,082,874	1,082,874	-	-	1,082,874
Accrued compensated absences	-	-	-	-	258,559	-	-	-	1,179,227	1,438,786	53,947	-	1,492,733
Capital lease obligations - net of current maturities	-	-	-	-	-	-	-	-	454,688	454,688	-	-	454,688
General obligation bonds payable - net of current maturities	-	-	-	-	-	-	-	-	600,000	600,000	-	-	600,000
Revenue and promissory notes payable, net of current maturities	-	-	-	-	25,466,759	-	-	-	-	25,466,759	-	-	25,466,759
Total Liabilities	1,396,186	426,433	5,524	256,597	28,729,838	702,576	3,059	-	3,563,133	35,083,126	607,878	-	35,690,904
Equity and other credits:													
Investment in general fixed assets	-	-	-	-	-	-	-	\$18,215,713	-	18,215,713	-	-	18,215,713
Contributed capital	-	-	-	-	15,398,106	16,862	-	-	-	15,414,968	6,000,864	-	21,415,832
Retained earnings (deficit):													
Reserved for debt service	-	-	-	-	1,995,110	-	-	-	-	1,995,110	-	-	1,995,110
Reserved for capital improvements	-	-	-	-	4,092,152	-	-	-	-	4,092,152	-	-	4,092,152
Unreserved	-	-	-	-	6,601,049	2,035	-	-	-	6,603,084	(2,141,009)	\$8,628	4,470,703
Fund balance:													
Reserved for encumbrances	54,135	2,043	-	3,122,419	-	-	-	-	-	3,178,597	-	-	3,178,597
Unreserved	1,982,416	1,139,015	184,080	5,488,021	-	-	-	-	-	8,791,532	-	-	8,791,532
Total Equity and Other Credits	2,036,551	1,141,058	184,080	8,608,440	28,086,417	18,897	-	18,215,713	-	58,291,156	3,859,855	8,628	62,159,639
Total Liabilities, Equity and Other Credits	\$3,432,717	\$1,567,491	\$189,604	\$8,865,037	\$56,816,055	\$721,473	\$3,059	\$18,215,713	\$3,563,133	\$93,374,282	\$4,467,533	\$8,628	\$97,850,443

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, 2002

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTALS (MEMORANDUM ONLY)
Revenues:					
Taxes	\$9,807,341	\$705,585	\$250,571	\$3,326,314	\$14,089,811
Intergovernmental	279,947	915,138	-	624,386	1,819,471
Charges for services	95,643	225,732	-	-	321,375
Fines and forfeitures	318,896	-	-	-	318,896
Licenses and permits	159,238	11,511	-	-	170,749
Investment income	45,453	28,088	3,928	154,397	231,866
Miscellaneous	110,190	40,592	-	324,375	475,157
Total Revenues	10,816,708	1,926,646	254,499	4,429,472	17,427,325
Expenditures:					
Current:					
General government and administration	1,637,855	-	-	-	1,637,855
Community development	243,032	625,607	-	-	868,639
Economic development	-	306,019	-	-	306,019
Public safety	7,153,865	51,819	-	-	7,205,684
Public works	1,434,302	252,828	-	-	1,687,130
Culture and recreation	527,190	68,596	-	-	595,786
Capital outlay	-	5,397	-	4,384,597	4,389,994
Debt service:					
Principal retirements	-	59,749	180,000	66,491	306,240
Interest and fiscal charges	-	14,936	42,235	16,609	73,780
Total Expenditures	10,996,244	1,384,951	222,235	4,467,697	17,071,127
Revenues over (under) expenditures	(179,536)	541,695	32,264	(38,225)	356,198
Other Financing Sources (Uses):					
Capital lease proceeds	-	-	-	114,183	114,183
Transfers from other funds	1,600,000	60,000	-	3,765,000	5,425,000
Transfers to other funds	(973,674)	(615,000)	-	(328,824)	(1,917,498)
Transfer to component unit	(564,118)	-	-	-	(564,118)
Total Other Financing Sources (Uses)	62,208	(555,000)	-	3,550,359	3,057,567
Revenues and other sources over (under) expenditures and other uses	(117,328)	(13,305)	32,264	3,512,134	3,413,765
Fund Balance - beginning of year, restated (Note 3.G)	2,153,879	1,154,363	151,816	5,096,306	8,556,364
Fund Balance - end of year	\$2,036,551	\$1,141,058	\$184,080	\$8,608,440	\$11,970,129

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, 2002

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$10,227,681	\$9,836,938	(\$390,743)	\$713,998	\$707,659	(\$6,339)
Intergovernmental	290,736	289,384	(1,352)	1,473,428	911,095	(562,333)
Charges for services	93,522	95,143	1,621	233,925	227,787	(6,138)
Fines and forfeitures	365,313	309,847	(55,466)	-	-	-
Licenses and permits	183,139	159,238	(23,901)	6,687	11,511	4,824
Investment income	111,851	51,896	(59,955)	54,174	29,442	(24,732)
Miscellaneous	138,866	114,065	(24,801)	26,275	40,593	14,318
Total Revenues	11,411,108	10,856,511	(554,597)	2,508,487	1,928,087	(580,400)
Expenditures:						
Current:						
General government & administration	3,115,911	2,994,363	121,548	-	-	-
Community development	287,145	222,561	64,584	1,275,893	729,707	546,186
Economic development	-	-	-	235,563	195,364	40,199
Public safety	6,827,887	6,756,244	71,643	165,549	49,377	116,172
Public works	1,607,685	1,524,365	83,320	303,385	254,405	48,980
Culture and recreation	512,214	497,554	14,660	129,556	67,836	61,720
Capital outlay	-	-	-	107,264	5,397	101,867
Debt service:						
Principal retirement	-	-	-	59,749	59,749	-
Interest	-	-	-	16,202	14,936	1,266
Total Expenditures	12,350,842	11,995,087	355,755	2,293,161	1,376,771	916,390
Revenues over (under) expenditures	(939,734)	(1,138,576)	(198,842)	215,326	551,316	335,990
Other Financing Sources (Uses):						
Transfers from other funds	1,600,000	1,600,000	-	60,000	96,203	36,203
Transfers to other funds	(477,336)	(477,336)	-	(615,000)	(615,000)	-
Transfers to component unit	(376,927)	(376,927)	-	-	-	-
Total Other Financing Sources (Uses)	745,737	745,737	-	(555,000)	(518,797)	36,203
Revenues and other sources over (under) expenditures and other uses	(193,997)	(392,839)	(198,842)	(339,674)	32,519	372,193
Fund Balance - beginning of year	2,152,892	2,152,892	-	1,158,641	1,158,641	-
Prior period adjustments (Note 3.C.)	-	987	987	-	(4,278)	(4,278)
Fund Balance - end of year	\$1,958,895	\$1,761,040	(\$197,855)	\$818,967	\$1,186,882	\$367,915

(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, 2002

	DEBT SERVICE FUNDS			CAPITAL PROJECT FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$240,129	\$250,021	\$9,892	\$3,366,000	\$3,336,111	(\$29,889)
Intergovernmental	-	-	-	669,033	671,167	2,134
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investment income	5,164	4,194	(970)	227,821	158,001	(69,820)
Miscellaneous	-	-	-	325,316	137,524	(187,792)
Total Revenues	245,293	254,215	8,922	4,588,170	4,302,803	(285,367)
Expenditures:						
Current:						
General government & administration	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	10,450,077	5,851,415	4,598,662
Debt service:						
Principal retirement	180,000	180,000	-	283,191	284,163	(972)
Interest	42,560	42,235	325	124,469	127,761	(3,292)
Total Expenditures	222,560	222,235	325	10,857,737	6,263,339	4,594,398
Revenues over (under) expenditures	22,733	31,980	9,247	(6,269,567)	(1,960,536)	4,309,031
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	3,765,000	3,765,000	-
Transfers to other funds	-	-	-	-	-	-
Transfers to component unit	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	3,765,000	3,765,000	-
Revenues and other sources over (under) expenditures and other uses	22,733	31,980	9,247	(2,504,567)	1,804,464	4,309,031
Fund Balance - beginning of year	151,816	151,816	-	5,081,230	5,081,230	-
Prior period adjustments (Note 3.C.)	-	-	-	-	15,076	15,076
Fund Balance - end of year	\$174,549	\$183,796	\$9,247	\$2,576,663	\$6,900,770	\$4,324,107

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, 2002

	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	\$6,258,396	\$243,047	\$6,501,443	\$840,904	-	\$7,342,347
Miscellaneous revenue	83,897	-	83,897	-	-	83,897
Total Operating Revenues	6,342,293	243,047	6,585,340	840,904	-	7,426,244
Operating Expenses:						
Utility billing	228,963	-	228,963	-	-	228,963
Utility administration	1,514,535	-	1,514,535	-	-	1,514,535
Lake operations	54,269	-	54,269	-	-	54,269
Water production	861,517	-	861,517	-	-	861,517
Water distribution	738,693	-	738,693	-	-	738,693
North sewer treatment plant	413,162	-	413,162	-	-	413,162
South sewer treatment plant	491,014	-	491,014	-	-	491,014
Sewer collection	329,921	-	329,921	-	-	329,921
Sewer projects	1,665	-	1,665	-	-	1,665
Water projects	12,278	-	12,278	-	-	12,278
Airport operations	180,726	-	180,726	-	-	180,726
Claims expense	-	286,835	286,835	-	-	286,835
Expo operations	-	-	-	1,361,052	-	1,361,052
Depreciation expense	1,360,300	-	1,360,300	219,681	-	1,579,981
Amortization expense	10,774	-	10,774	-	-	10,774
Total Operating Expenses	6,197,817	286,835	6,484,652	1,580,733	-	8,065,385
Operating Income (Loss)	144,476	(43,788)	100,688	(739,829)	-	(639,141)
Non-Operating Revenues (Expenses):						
Investment income	151,741	873	152,614	5,169	129	157,912
Interest and fiscal charges	(1,318,988)	-	(1,318,988)	(1,256)	-	(1,320,244)
Grant revenue	-	-	-	20,000	-	20,000
Miscellaneous income	26,980	1,239	28,219	9,040	-	37,259
Net non-operating revenues (expenses)	(1,140,267)	2,112	(1,138,155)	32,953	129	(1,105,073)
Income (Loss) Before Contributions and Transfers	(995,791)	(41,676)	(1,037,467)	(706,876)	129	(1,744,214)
Capital contributions	1,857,679	-	1,857,679	124,905	-	1,982,584
Transfers:						
Transfers from other funds	1,257,498	-	1,257,498	-	-	1,257,498
Transfers to other funds	(4,765,000)	-	(4,765,000)	-	-	(4,765,000)
Transfers from primary government	-	-	-	564,118	-	564,118
Net Transfers	(3,507,502)	-	(3,507,502)	564,118	-	(2,943,384)
Net Income (Loss)	(2,645,614)	(41,676)	(2,687,290)	(17,853)	129	(2,705,014)
Retained earnings (deficit), beginning of year, restated (Note 3.G)	15,333,925	43,711	15,377,636	(2,123,156)	8,499	13,262,979
Retained earnings (deficit), end of year	\$12,688,311	\$2,035	\$12,690,346	(\$2,141,009)	\$8,628	\$10,557,965

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, 2002

	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	
Cash flows from operating activities:						
Operating income (loss)	\$144,476	(\$43,788)	\$100,688	(\$739,829)	-	(\$639,141)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation expense	1,360,300	-	1,360,300	219,681	-	1,579,981
Amortization expense	10,774	-	10,774	-	-	10,774
Operating grant received	-	-	-	20,000	-	20,000
Other non-operating revenue	26,980	1,239	28,219	9,040	-	37,259
Decrease (increase) in accounts receivables	82,295	-	82,295	-	-	82,295
Increase in prepaid items	-	(2,500)	(2,500)	-	-	(2,500)
Decrease in other receivables	4,400	-	4,400	-	-	4,400
(Increase) in assessments receivable	(460,083)	-	(460,083)	-	-	(460,083)
(Increase) in net pension asset	(60,585)	-	(60,585)	(11,513)	-	(72,098)
Decrease (increase) in due from other funds	-	282,579	282,579	-	-	282,579
Increase (decrease) in accounts payable and accrued liabilities	(243,466)	(4,328)	(247,794)	8,000	-	(239,794)
Increase in escrow liability	126,743	-	126,743	-	-	126,743
Increase (decrease) in accrued compensated absences	(36,756)	-	(36,756)	(6,488)	-	(43,224)
Increase (decrease) in meter deposit liability	27,304	-	27,304	-	-	27,304
Increase in lease contract deposit liability	-	-	-	5,447	-	5,447
Increase (decrease) in due to other funds	283,002	24,673	307,675	-	-	307,675
Increase in due to primary government	-	-	-	101,788	-	101,788
Increase (decrease) in due to other governments	(16,500)	-	(16,500)	-	-	(16,500)
Increase (decrease) in deferred revenue	46,271	-	46,271	7,766	-	54,037
Decrease in estimated liability for claims	-	(321,614)	(321,614)	-	-	(321,614)
Total adjustments	1,150,679	(19,951)	1,130,728	353,741	-	1,484,469
Net cash provided by (used in) operating activities	1,295,155	(63,739)	1,231,416	(386,088)	-	845,328
Cash flows from non-capital financing activities:						
Transfers from other funds	1,257,498	-	1,257,498	-	-	1,257,498
Transfers to other funds	(4,765,000)	-	(4,765,000)	-	-	(4,765,000)
Transfers from primary government	-	-	-	564,118	-	564,118
Net cash provided by (used in) non-capital financing activities	(3,507,502)	-	(3,507,502)	564,118	-	(2,943,384)
Cash flows from capital and related financing activities:						
Proceeds from issuance of long-term debt	5,350,000	-	5,350,000	-	-	5,350,000
Proceeds from other government (PCDA)	3,948,160	-	3,948,160	-	-	3,948,160
Principal paid on revenue and promissory notes	(689,160)	-	(689,160)	-	-	(689,160)
Principal paid on capital lease obligation	-	-	-	(17,756)	-	(17,756)
Interest paid on long-term debt	(1,310,461)	-	(1,310,461)	(1,747)	-	(1,312,208)
Revenue note issuance costs paid	(86,674)	-	(86,674)	-	-	(86,674)
Capital grant received	927,671	-	927,671	-	-	927,671
Acquisition and construction of capital assets	(3,106,213)	-	(3,106,213)	(40,094)	-	(3,146,307)
Net cash provided by (used in) capital and related financing activities	5,033,323	-	5,033,323	(59,597)	-	4,973,726
Cash flows from investing activities:						
Interest received on investments	158,758	1,088	159,846	5,169	129	165,144
Sale of investments	1,528	-	1,528	-	-	1,528
Net cash provided by investing activities	160,286	1,088	161,374	5,169	129	166,672
Net increase (decrease) in cash and cash equivalents	2,981,262	(62,651)	2,918,611	123,602	129	3,042,342
Cash and cash equivalents - beginning of year (restated)	4,746,764	64,684	4,811,448	619,546	8,499	5,439,493
Cash and cash equivalents - end of year	\$7,728,026	\$2,033	\$7,730,059	\$743,148	\$8,628	\$8,481,835
Non-Cash Activities:						
Capital assets contributed by other funds and private sources	\$930,008	-	\$930,008	\$124,905	-	\$1,054,913
Change in fair value of investments	4,334	-	4,334	-	-	4,334

See accompanying notes to the general-purpose financial statements.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

INDEX

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. FINANCIAL REPORTING ENTITY
- B. BASIS OF PRESENTATION
- C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING
- D. BUDGETARY ACCOUNTING AND CONTROL
- E. ASSETS, LIABILITIES AND EQUITY
- F. REVENUES, EXPENDITURES AND EXPENSES
- G. USE OF ESTIMATES

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. FUND ACCOUNTING REQUIREMENTS
- B. BUDGET REQUIREMENTS
- C. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS
- D. REVENUE RESTRICTIONS
- E. DEBT RESTRICTIONS AND COVENANTS
- F. FUND EQUITY RESTRICTIONS

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

- A. CASH AND INVESTMENTS
- B. RESTRICTED ASSETS
- C. PROPERTY, PLANT AND EQUIPMENT
- D. WATER RIGHTS CONTRACT
- E. LONG-TERM DEBT
- F. INTERFUND TRANSACTIONS AND BALANCES
- G. FUND EQUITY

NOTE 4. OTHER NOTES

- A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS
- B. RISK MANAGEMENT
- C. COMMITMENTS AND CONTINGENCIES
- D. SEGMENT INFORMATION ON ENTERPRISE AND INTERNAL SERVICE FUNDS

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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.

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".

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 Commission 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 Commission 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, 2002

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 Commission serves as its entire governing body (Trustees) of the SMA. Any issuance of debt would require a two-thirds approval of the City Commission.	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 Commission serves as its entire governing body (Trustees) of the SAA. Any issuance of debt would require a two-thirds approval of the City Commission.	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 Commission.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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

1.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 Commission 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 Commission.

Complete financial statements of the SIDA discretely presented component units can be obtained from their respective administrative offices.

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

The Shawnee Civic & Cultural Development Authority which did not issue separate annual financial statements.

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 Commission. 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, 2002

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 four major categories: governmental, proprietary, fiduciary, 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.

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:

<u>Fund</u>	<u>Brief Description</u>
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, 2002

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, 2002

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, 2002

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.

FIDUCIARY FUND TYPE

Agency Fund

Agency funds account for assets held by the City in a fiduciary capacity. The reporting entity presently includes no trust or pension funds but does include one agency fund. Agency funds are custodial in nature (i.e., assets equal liabilities) and do not involve the measurement of results of operations. The agency fund of the City includes the following:

<u>Fund</u>	<u>Description</u>
URM/DEPCA Fund	Accounts for pre-tax payroll deductions received from employees for unreimbursed medical and dependant care reimbursements.

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, 2002

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 Commission, but whose governing body is not substantially the same as the City Commission 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, 2002

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 Commission 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 Commission.
- d. The adopted budget is filed with the Office of State Auditor and Inspector.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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 Commission 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 modified 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 considered expenditures for budgetary purposes and are reported as a reservation of fund balance.

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, 2002

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.F. 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. Revenue from 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, 2002

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, 2002

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, 2002

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	<u>6.25%</u>
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, 2002, 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, 2002, the City's net assessed valuation of taxable property was \$110,245,403. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2002 was \$1.84.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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

1.F. REVENUES, EXPENDITURES AND EXPENSES, (Continued)

Expenditures/Expenses

For purposes of the combined operating statements, expenditures/expenses are classified as follows:

Governmental Fund Types - By Character:	Current (further classified by function)
	Capital Outlay
	Debt Service

Proprietary Fund Types and Component Units -	By Operating and Non-Operating
--	--------------------------------

Governmental fund types report expenditures of financial resources. Proprietary fund types and similar component units normally report expenses relating to use of economic resources.

Transfers

Permanent re-allocation of resources between funds of the reporting entity are classified as transfers.

1.G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component units are subject to various federal, state and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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, 2002, the City complied, in all material respects, with the applicable budget laws as discussed in Note 1.D. However, certain immaterial instances of expenditures exceeding appropriations at the legal level of control, totaling \$18,846 occurred.

Supplemental appropriations reflected in the budget amounts reported in the combined financial statements were properly approved by the City Commission. For the year ended June 30, 2002, the following supplemental appropriations were approved:

<u>Fund Type</u>	<u>Original Appropriations</u>	<u>Supplemental Appropriations</u>	<u>Revised Appropriations</u>
General Fund	\$13,204,605	\$500	\$13,205,105
Special Revenue Funds	1,435,919	1,472,242	2,908,161
Capital Project Funds	8,352,237	2,505,500	10,857,737

The Revenues and other sources over (under) expenditures and other uses of the General Fund differ from Statement 2 to Statement 3 by \$(275,511). This difference is the result of \$39,803 of net prior year and current year revenue accruals and miscellaneous adjustments and \$(315,314) of net prior year and current year expenditure accruals and miscellaneous adjustments.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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 \$45,824. This difference is the result of \$37,644 of net prior year and current year revenue accruals and miscellaneous adjustments and \$8,180 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 \$284. This difference is the result of \$284 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 \$1,569,096. This difference is the result of \$(240,852) of net prior year and current year revenue accruals and miscellaneous adjustments and \$1,809,948 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.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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

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

- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., 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, 2002, 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, 2002, 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, 2002, the City entered into no new capital leases.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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, 2002.

<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, 2002 is \$1,199,460.
2. 1997B OWRB Loan:	
• Account balance should equal \$160,459.	Account balance at June 30, 2002 is \$167,105.
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, 2002, net revenues available amounted to \$2,357,312; maximum annual debt service on the notes and any subordinate debt amounted to \$1,662,758. Actual coverage was 1.42 times.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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, 2002, 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 \$1,780,188 and \$2,141,009, respectively, at June 30, 2002. These public trusts are not subject to the deficit prohibition in Title 11 and had sufficient contributed capital to offset those deficits to report positive fund equity.

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, 2002. 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, 2002

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>1</u>	<u>2</u>	<u>3</u>	
Insured deposits	\$112,593	\$112,593	\$ -	\$ -	
Uninsured deposits:					Total Carrying
Collateralized	396,097	-	396,097	-	Value
Total deposits	<u>\$508,690</u>	<u>\$112,593</u>	<u>\$396,097</u>	<u>\$ -</u>	\$205,661
Petty cash					1,960
					<u>\$207,621</u>

Reconciliation to Combined Balance Sheet:

Unrestricted cash and cash equivalents	\$12,148,072
Unrestricted investments	44,908
Restricted cash and cash equivalents	5,955,251
Restricted investments	1,187,460
Less:	
Investments in mutual funds	(17,895,702)
Investments in repurchase agreements	(1,120,460)
Investments in government securities	(67,000)
Corporate bonds	(44,908)
	<u>\$207,621</u>

Component Units

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Custody Credit Risk Category</u>			
		<u>1</u>	<u>2</u>	<u>3</u>	
Insured deposits	\$226,904	\$226,904	\$ -	\$ -	
Uninsured deposits:					Total Carrying
Collateralized	526,632	-	526,632	-	Value
Total deposits	<u>\$753,536</u>	<u>\$226,904</u>	<u>\$526,632</u>	<u>\$ -</u>	<u>\$751,776</u>

Reconciliation to Combined Balance Sheet:

Unrestricted cash and cash equivalents:	
Shawnee Civic & Cultural Development Authority	\$743,148
Shawnee Industrial Development Authority	8,628
	<u>\$751,776</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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, 2002. 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	\$44,908	-	-	\$ 44,908
U.S. Government securities	67,000	-	-	67,000
Repurchase agreements	-	\$1,120,460	-	1,120,460
Totals	<u>\$111,908</u>	<u>\$1,120,460</u>	<u>\$ -</u>	1,232,368
Mutual funds (not subject to custody credit risk classification)				<u>17,895,702</u>
Total Investments				<u>\$19,128,070</u>
Reconciliation to Combined Balance Sheets:				
Unrestricted investments				\$44,908
Restricted investments				1,187,460
Add:				
Investments in mutual funds				<u>17,895,702</u>
				<u>\$19,128,070</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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, 2002 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	\$5,460,642	\$1,187,460	\$37,658	\$6,685,760
Meter Deposit Accounts	494,609	-	-	494,609
Total Municipal Authority	<u>\$5,955,251</u>	<u>\$1,187,460</u>	<u>\$37,658</u>	<u>\$7,180,369</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, 2001</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2002</u>
Land	\$2,073,633	-	-	\$2,073,633
Buildings	5,686,511	\$129,795	-	5,816,306
Improvements other than buildings	1,743,588	8,818	-	1,752,406
Machinery and equipment	8,272,182	291,686	-	8,563,868
Construction-in-progress	3,625	9,500	\$3,625	9,500
	<u>\$17,779,539</u>	<u>\$439,799</u>	<u>\$3,625</u>	<u>\$18,215,713</u>

Proprietary Fund Type Fixed Assets

Fixed assets of the Enterprise Funds and the Component Units are comprised of the following at June 30, 2002:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
Land	\$1,617,094	\$94,493	\$1,711,587
Building	830,595	4,489,691	5,320,286
Improvements other than buildings	45,332,136	2,109,681	47,441,817
Machinery and equipment	3,007,777	503,341	3,511,118
Construction-in-progress	22,200	126,461	148,661
Less accumulated depreciation	<u>(17,777,753)</u>	<u>(3,660,301)</u>	<u>(21,438,054)</u>
Net property, plant and equipment	<u>\$33,032,049</u>	<u>\$3,663,366</u>	<u>\$36,695,415</u>

CITY OF SHAWNEE, OKLAHOMA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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, represented SMA's investment in the water rights contract with PCDA. Pursuant to an agreement dated December 1, 2001, between the SMA, the PCDA and a trustee Bank, during the current fiscal year, the SMA received \$3,948,160 in surplus bond proceeds remaining in the PCDA trust funds to be used for SMA utility system improvements. These proceeds have been accounted for as a reduction in the investment in the water rights contract with PCDA to \$12,967,959 at June 30, 2002.

The term of the water rights 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, and the infinite economic life of the water rights, 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, 2002, the general long-term debt of the financial reporting entity consisted of the following:

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%	\$700,000
Total General Obligation Bonds	\$700,000
Current Maturities	\$100,000
Long-Term Liabilities	600,000
Total	\$700,000

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

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

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

Capital Lease Obligations (Requiring annual renewal and appropriation):

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	\$54,201
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	51,050
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	278,266
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	74,625
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>142,890</u>
Total Capital Lease Obligations	<u>\$601,032</u>
Current Maturities	\$146,334
Long-Term Liabilities	454,698
Total	<u>\$601,032</u>

Accrued Compensated Absences:

Accrued compensated absences reported in the general long-term debt account group at June 30, 2002 are comprised of the following:

Accrued Vacation	\$528,977
Holiday	82,366
Vested Sick Leave	<u>567,884</u>
Total Accrued Compensated Absences (Long-term)	<u>\$1,179,227</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 liability estimated by a third party administrator.

\$1,082,874

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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

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

Enterprise Fund Long-Term Debt

As of June 30, 2002, 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	\$18,835,000
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%	819,081
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%.	1,620,000
2001 Sales Tax Revenue Note, original issue amount of \$5,350,000, dated December 2001 issued by the Shawnee Municipal Authority, secured by sales tax revenue pledged, interest rate 4.25%, final maturity November 28, 2011	<u>5,132,328</u>
Total Revenue and Promissory Notes Payable	<u>\$26,406,409</u>
Current Maturities	\$939,650
Long-Term Liabilities	<u>25,466,759</u>
Total	<u>\$26,406,409</u>

Accrued Compensated Absences:

Accrued compensated absences reported as a fund liability within the enterprise fund balance at June 30, 2002, is comprised of the following:

Accrued Vacation	\$134,578
Holiday	167
Vested Sick Leave	<u>124,814</u>
Total Accrued Compensated Absences	<u>\$259,559</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

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

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

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	<u>\$13,374</u>
Current Maturities	<u>\$13,374</u>

Accrued Compensated Absences:

Accrued compensated absences reported as a fund liability within the component unit balance sheet at June 30, 2002, are comprised of the following:

Accrued Vacation	\$27,129
Vested Sick Leave	<u>26,818</u>
Total Accrued Compensated Absences	<u>\$53,947</u>

Changes in Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended June 30, 2002:

<u>Type of Debt</u>	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2002</u>
PRIMARY GOVERNMENT:				
General Long-Term Debt:				
General Obligation Bonds	\$880,000	-	\$180,000	\$700,000
Capital Lease Obligations	613,089	\$114,183	126,240	601,032
Accrued Compensated Absences	1,322,398	-	143,171	1,179,227
Claims and Judgements Payable	<u>1,813,464</u>	<u>-</u>	<u>730,590</u>	<u>1,082,874</u>
Total General Long-Term Debt	<u>\$4,628,951</u>	<u>\$114,183</u>	<u>\$1,180,001</u>	<u>\$3,563,133</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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

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

Changes in Long-Term Debt, (Continued):

Enterprise Fund Debt:

Revenue and Promissory Notes Payable	\$21,745,569	\$5,350,000	\$689,160	\$26,406,409
Accrued Compensated Absences	<u>296,315</u>	<u>-</u>	<u>36,756</u>	<u>259,559</u>
Total Enterprise Fund Debt	<u>\$22,041,884</u>	<u>\$5,350,000</u>	<u>\$725,916</u>	<u>\$26,665,968</u>

COMPONENT UNIT:

Capital Lease Obligations	\$31,130	-	\$17,756	\$13,374
Accrued Compensated Absences	<u>60,415</u>	<u>-</u>	<u>6,468</u>	<u>53,947</u>
Total Component Unit Debt	<u>\$91,545</u>	<u>-</u>	<u>\$24,224</u>	<u>\$67,321</u>

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, 2002 are as follows:

Year Ending June 30,	<u>General Long-Term Debt</u>		<u>Enterprise Fund Debt</u>
	<u>G.O. Bonds</u>	<u>Capital Leases</u>	<u>Revenue and Promissory Notes</u>
2003	\$132,450	\$174,292	\$2,320,407
2004	128,200	266,611	2,317,936
2005	123,800	206,483	2,318,878
2006	119,300	52,530	2,317,127
2007	114,700	-	2,312,800
Thereafter	<u>214,900</u>	<u>-</u>	<u>33,659,471</u>
Total principal & interest	833,350	699,916	45,246,619
Less amount not yet drawn down	-	38,667	-
Less interest	<u>133,350</u>	<u>60,217</u>	<u>18,840,210</u>
Principal outstanding at June 30, 2002	<u>\$700,000</u>	<u>\$601,032</u>	<u>\$26,406,409</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

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

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

Annual Debt Service Requirements - Component Units

The annual debt service requirements to maturity for component unit debt as of June 30, 2002 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Component</u> <u>Unit</u>
2003	\$14,282
2004	-
2005	-
2006	-
2007	-
Thereafter	-
Total principal and interest	\$14,282
Less: Interest	<u>908</u>
Total principal	<u>\$13,374</u>

3.F. INTERFUND TRANSACTIONS AND BALANCES

Interfund receivables and payables at June 30, 2002 were as follows:

<u>DUE TO AND DUE FROM:</u>	<u>DUE FROM</u>	<u>DUE TO</u>
GENERAL FUND:		
ODOC Grants Fund	\$57,632	-
Worker's Compensation Self-Insurance Fund	24,673	\$690,905
SMA	<u>333,018</u>	<u>-</u>
Total General Fund	<u>415,323</u>	<u>690,905</u>
SPECIAL REVENUE FUNDS:		
ODOC Grants Fund:		
General Fund	<u>-</u>	<u>57,632</u>
ENTERPRISE FUNDS:		
Shawnee Municipal Authority:		
General Fund	-	333,018
Worker's Compensation Self-Insurance Fund	<u>-</u>	<u>26,033</u>
Total Enterprise Funds	<u>-</u>	<u>359,051</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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

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

<u>DUE TO AND DUE FROM, (Continued):</u>	<u>DUE FROM</u>	<u>DUE TO</u>
INTERNAL SERVICE FUND:		
Worker's Compensation Self-Insurance Fund		
General Fund	690,905	24,673
Shawnee Municipal Authority	<u>26,033</u>	<u>-</u>
Total Worker's Compensation Self-Insurance Fund	<u>716,938</u>	<u>24,673</u>
GRAND TOTALS	<u>\$1,132,261</u>	<u>\$1,132,261</u>

Receivables and payables between primary government and component unit at June 30, 2002 were as follows:

<u>DUE TO AND DUE FROM:</u>	<u>DUE FROM</u>	<u>DUE TO</u>
GENERAL FUND:		
Shawnee Civic & Cultural Development Authority	<u>\$101,788</u>	<u>-</u>
COMPONENT UNIT:		
Shawnee Civic & Cultural Development Authority:		
General Fund	<u>-</u>	<u>\$101,788</u>
GRAND TOTALS	<u>\$101,788</u>	<u>\$101,788</u>

Transfers for the year ended June 30, 2002 were as follows:

<u>TRANSFERS:</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
GENERAL FUND:		
Police Sales Tax Fund	\$300,000	-
Fire Sales Tax Fund	300,000	-
Library Fund	-	\$45,000
Shawnee Municipal Authority	1,000,000	860,793
Shawnee Airport Authority	<u>-</u>	<u>67,881</u>
Total General Fund	<u>1,600,000</u>	<u>973,674</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

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	<u>-</u>	<u>\$15,000</u>
Police Sales Tax Fund:		
General Fund	<u>-</u>	<u>300,000</u>
Fire Sales Tax Fund:		
General Fund	<u>-</u>	<u>300,000</u>
Library Fund:		
General Fund	<u>\$45,000</u>	<u>-</u>
Sister Cities Fund:		
Economic Development Fund	<u>15,000</u>	<u>-</u>
Total Special Revenue Funds	<u>60,000</u>	<u>615,000</u>
CAPITAL PROJECT FUNDS:		
Capital Improvement Fund:		
Shawnee Municipal Authority	<u>3,765,000</u>	<u>328,824</u>
ENTERPRISE FUNDS:		
Shawnee Municipal Authority:		
General Fund	<u>860,793</u>	<u>1,000,000</u>
Capital Improvement Fund	<u>328,824</u>	<u>3,765,000</u>
Total Shawnee Municipal Authority	<u>1,189,617</u>	<u>4,765,000</u>
Shawnee Airport Authority:		
General Fund	<u>67,881</u>	<u>-</u>
Total Enterprise Funds	<u>1,257,498</u>	<u>4,765,000</u>
GRAND TOTALS	<u>\$6,682,498</u>	<u>\$6,682,498</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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, 2002 were as follows:

<u>TRANSFERS:</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
General Fund:		
Shawnee Civic & Cultural Development Authority	-	\$564,118
Component Unit:		
Shawnee Civic & Cultural Development Authority		
General Fund	\$564,118	-
GRAND TOTALS	<u>\$564,118</u>	<u>\$564,118</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, 2002, is \$15,398,106, \$16,862 and \$6,000,864, respectively. As a result of implementing GASB Statement 33, capital contributions are now recorded as revenue rather than additions to equity.

Fund Equity Reserve

Retained earnings reserves at June 30, 2002, relate to revenue and promissory note trustee accounts. Balances at June 30, 2002, are as follows:

	<u>Primary Government Enterprise Funds</u>
Restricted Assets in:	
1993 Revenue Note Accounts	\$2,304,774
1997 OWRB Note Accounts	<u>251,176</u>
	\$2,555,950
Accrued Interest Receivable	37,658
Less: Accrued Interest Payable	<u>(598,498)</u>
Reserve for Debt Service	<u>\$1,995,110</u>
Reserve for capital improvements	<u>\$4,092,152</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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>Enterprise Funds</u>	<u>Component Unit (SCCDA)</u>
Beginning fund balance/retained earnings, (as previously reported)	\$2,152,892	\$1,158,641	\$5,081,230	\$15,067,914	\$(2,171,072)
Correction of previous accounting period:					
Restatement of accounts payable and accrued liabilities	-	-	-	-	(1,590)
Restatement of receivables	-	(3,002)	-	9,305	-
Understatement of net pension asset	-	-	-	260,522	49,506
Restatement of due from other governments	(1,011)	-	15,076	-	-
Restatement of cash and cash equivalents	<u>1,998</u>	<u>(1,276)</u>	<u>-</u>	<u>(3,816)</u>	<u>-</u>
Total Prior Period Adjustments	<u>987</u>	<u>(4,278)</u>	<u>15,076</u>	<u>266,011</u>	<u>47,916</u>
Beginning fund balance/retained earnings, (Restated)	<u>\$2,153,879</u>	<u>\$1,154,363</u>	<u>\$5,096,306</u>	<u>\$15,333,925</u>	<u>\$(2,123,156)</u>

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 Municipal Retirement Fund (OMRF)	Agent Multiple Employer – Defined Contribution Plan

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

NOTE 4. OTHER NOTES

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

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
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.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

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>
Provisions for:		
Cost of living adjustments (normal retirement)	Yes	Yes, if vested by 5/83
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
2000	\$226,713	100%
2001	240,643	100%
2002	276,598	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, 2002, the Systems held no related-party investments of the City or of its related entities.

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. The following plan provisions reflect revisions to the plan effective October 1, 2001.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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

Provision

OMRF Plan

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
- Employer Rate
- Employee Rate

· Yes
0.00% of covered payroll
0.00% of earnings

c. Period Required to Vest

7 years of credited service

d. Eligibility for Distribution

- Normal retirement at the earlier of: Age 65 with 7 years of service, or when age plus service years equal 80 points. Minimum age is 55 with 7 years of service.
- Early retirement at age 55 with 7 years of service
- Disability retirement upon disability with 7 years of service
- Death benefit with 7 years of service

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.

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.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

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)

- | | |
|-----------------------------|--|
| 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, 2002, the City's annual required contribution and annual pension cost totaled \$0. The City, however, contributed \$184,206 for the year ended June 30, 2002.

Due to the plan's overfunded status, the funding requirement for the 2001-2002 year is less than the value of benefits accruing (12.7%, as measured by the entry age normal cost). Funding requirements may increase in the future as benefits accrue.

- | | |
|---|--|
| 2. <u>Actuarial Assumptions:</u> | For Plan Year |
| Date of Last Actuarial Valuation | <u>July 1, 2002</u> |
| a. Actuarial Cost Method | Entry age normal |
| 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. |

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

NOTE 4. OTHER NOTES, (Continued)

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

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

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, 2000	\$374,831	130.0%	(283,113)
June 30, 2001	-0-	N/A	(792,101)
June 30, 2002	-0-	N/A	(976,307)

In accordance with GASB Statement 27, any material positive net pension obligation is required to be recorded as an asset in proprietary type funds. Governmental funds are excluded from this requirement. The portion of positive net pension obligation (asset) recorded as assets in enterprise funds are as follows: Shawnee Municipal Authority - \$312,418; Shawnee Airport Authority - \$8,689; and Shawnee Civic and Cultural Development Authority - \$61,019.

Oklahoma Municipal Retirement Fund - Defined Contribution Plan

The City has also provided a defined contribution plan and trust known as the City of Shawnee Plan and Trust (the Plan) in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The plan is administered by Bank One, N.A. The defined contribution plan is available to all full-time employees except those participating in state fire or police program. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon employment, and must make a mandatory minimum pre-tax contribution of 4.25%. Employees are allowed to contribute in excess of the 4.25%; however, these contributions are not pre-tax. By City ordinance, the City, as employer, is required to make variable contributions to the plan, based on availability of funds. The employee is fully vested after 7 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting are allocated back to remaining eligible participants. The authority to establish and amend the provisions of the plan rests with the City Commission.

For the year ended June 30, 2002, the following amounts related to the defined contribution plan:

Employee contributions made	\$150,660
Employer (City) contributions made	\$353,427

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

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 \$300,000. 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, 2002

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, 2000 to June 30, 2002 are as follows.

	<u>Worker's Compensation</u>	<u>General Liability</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	\$999,517	-
Claims and changes in estimate	284,835	2,000
Claims payments	<u>(606,449)</u>	<u>(2,000)</u>
Claim liability, June 30, 2002	<u>\$677,903</u>	<u>-</u>

In addition to the above estimated claim liability related to worker's compensation, an estimated claim liability in the amount of \$1,082,874 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, 2002

NOTE 4. OTHER NOTES, (Continued)

4.C. COMMITMENTS AND CONTINGENCIES

Commitments:

Construction Commitments

At June 30, 2002 the following construction commitments were outstanding:

<u>Fund/Project</u>	<u>Original Contract</u>	<u>Balance Remaining</u>
Capital Project Funds:		
Independence Street Paving Project	\$ 558,058	\$ 17,776
Broadway Street Paving Project	395,191	157,388
Rehab Asphalt Streets-Variou	786,480	554,939
Expo Conference Center – Exhibit Hall	2,651,000	2,526,095
Enterprise Fund:		
Water Treatment Plant Project (Phase II)	185,000	162,800
Dewey Lift Station Rehab	54,986	54,986

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.

Oklahoma Housing Finance Agency

The OHFA requires the City to maintain records supporting the banked match that is necessary for participation in the Home Grant Program. As of June 30, 2002 the City's records indicate that the City's banked match of the Home Grant Program totaled \$220,584.

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. This statutory taxing ability is not available to the City's public trusts (Authorities).

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.

CITY OF SHAWNEE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002

NOTE 4. OTHER NOTES, (Continued)

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

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

	Municipal Authority (Utilities)	Airport Authority	Total Primary Government
Operating revenues	\$6,268,655	\$73,638	\$6,342,293
Operating expenses:			
Depreciation and amortization	.992,232	378,842	1,371,074
Other	4,646,017	180,726	4,826,743
Operating income (loss)	630,406	(485,930)	144,476
Non-operating revenues (expenses)	(1,153,578)	13,311	(1,140,267)
Capital contributions	930,008	927,671	1,857,679
Transfers in (out)	(3,575,383)	67,881	(3,507,502)
Net income (loss)	(3,168,547)	522,933	(2,645,614)
Property and equipment additions	2,976,337	1,059,884	4,036,221
Working capital	2,004,462	41,555	2,046,017
Total assets	52,066,806	4,749,249	56,816,055
Bonds and other long-term capital debt	25,781,948	-	25,781,948
Total equity	23,384,494	4,701,923	28,086,417

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

	Worker's Compensation Self-Insurance	General Liability Self-Insurance	Uninsured Losses	Total Primary Government
Operating revenues	\$243,047	-	-	\$243,047
Operating expenses	284,835	\$2,000	-	286,835
Operating income (loss)	(41,788)	(2,000)	-	(43,788)
Non-operating revenues (expenses)	2,028	48	\$36	2,112
Net income (loss)	(39,760)	(1,952)	36	(41,676)
Working capital	16,862	498	1,537	18,897
Total assets	719,438	498	1,537	721,473
Total equity	16,862	498	1,537	18,897

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>
1/1/97	\$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%
1/1/02	\$21,491,773	\$18,552,363	\$(2,939,410)	115.8%	\$4,692,782	62.6%

(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.

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2002

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TAXES:			
Sales tax	\$8,159,998	\$8,087,541	(\$72,457)
Use tax	562,330	389,418	(172,912)
Franchise tax	1,485,994	1,341,155	(144,839)
Occupational tax	11,575	12,200	625
Other taxes	7,784	6,624	(1,160)
Total Taxes	<u>10,227,681</u>	<u>9,836,938</u>	<u>(390,743)</u>
INTERGOVERNMENTAL:			
Alcoholic beverage tax	68,824	71,376	2,552
Grants	48,829	57,195	8,366
Interlocal agreement revenue	173,083	160,813	(12,270)
Total Intergovernmental	<u>290,736</u>	<u>289,384</u>	<u>(1,352)</u>
CHARGES FOR SERVICES:			
Rental revenue	91,522	95,143	3,621
Fire run revenue	2,000	-	(2,000)
Total Charges for Services	<u>93,522</u>	<u>95,143</u>	<u>1,621</u>
FINES AND FORFEITURES	<u>365,313</u>	<u>309,847</u>	<u>(55,466)</u>
LICENSES AND PERMITS	<u>183,139</u>	<u>159,238</u>	<u>(23,901)</u>
INVESTMENT INCOME	<u>111,851</u>	<u>51,896</u>	<u>(59,955)</u>
MISCELLANEOUS:			
Oil and gas royalties	30,713	19,397	(11,316)
Cemetery revenue	7,887	32,154	24,267
Other	100,266	62,514	(37,752)
Total Miscellaneous	<u>138,866</u>	<u>114,065</u>	<u>(24,801)</u>
Total Revenues	<u>11,411,108</u>	<u>10,856,511</u>	<u>(554,597)</u>
OTHER FINANCING SOURCES:			
Transfers from other funds	1,600,000	1,600,000	-
Total Other Financing Sources	<u>1,600,000</u>	<u>1,600,000</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$13,011,108</u>	<u>\$12,456,511</u>	<u>(\$554,597)</u>

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, 2002

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT & ADMINISTRATION:			
City Manager:			
Personal services	\$152,489	\$152,495	(\$6)
Materials and supplies	4,542	2,398	2,144
Other services and charges	188,189	185,243	2,946
Total City Manager	345,220	340,136	5,084
City Attorney:			
Other services and charges	80,900	70,420	10,480
Accounting:			
Personal services	302,322	301,028	1,294
Materials and supplies	5,122	4,810	312
Other services and charges	49,083	47,855	1,228
Total Accounting	356,527	353,693	2,834
Information Systems:			
Personal services	63,097	62,848	249
Materials and supplies	1,676	1,675	1
Other services and charges	18,674	17,479	1,195
Total Information Systems	83,447	82,002	1,445
City Clerk:			
Personal services	179,878	179,464	414
Materials and supplies	6,700	4,983	1,717
Other services and charges	52,184	37,789	14,395
Total City Clerk	238,762	222,236	16,526
Human Resources:			
Personal services	131,139	122,955	8,184
Materials and supplies	2,700	2,661	39
Other services and charges	77,535	76,131	1,404
Total Human Resources	211,374	201,747	9,627
Action Center:			
Personal services	79,960	78,841	1,119
Materials and supplies	1,500	1,347	153
Other services and charges	31,875	31,658	217
Total Action Center	113,335	111,846	1,489
Building Maintenance:			
Materials and supplies	5,200	4,070	1,130
Other services and charges	62,058	59,024	3,034
Total Building Maintenance	67,258	63,094	4,164

(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, 2002

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT & ADMINISTRATION, (Continued):			
Equipment Services:			
Personal services	\$183,813	\$183,242	\$571
Materials and supplies	7,794	7,871	(77)
Other services and charges	33,113	35,039	(1,926)
Total Equipment Services	224,720	226,152	(1,432)
Municipal Court:			
Personal services	173,261	173,144	117
Materials and supplies	1,269	1,193	76
Other services and charges	31,550	30,019	1,531
Total Municipal Court	206,080	204,356	1,724
Centralized Costs:			
Materials and supplies	221,000	157,634	63,366
Other services and charges	967,288	961,047	6,241
Total Centralized Costs	1,188,288	1,118,681	-69,607
TOTAL GENERAL GOVERNMENT & ADMINISTRATION	3,115,911	2,994,363	121,548
COMMUNITY DEVELOPMENT:			
Code Enforcement:			
Personal services	119,661	117,259	2,402
Materials and supplies	2,706	1,458	1,248
Other services and charges	5,547	2,648	2,899
Total Code Enforcement	127,914	121,365	6,549
Planning:			
Personal services	86,034	85,929	105
Materials and supplies	3,042	2,832	210
Other services and charges	70,155	12,435	57,720
Total Planning	159,231	101,196	58,035
TOTAL COMMUNITY DEVELOPMENT	287,145	222,561	64,584
PUBLIC SAFETY:			
Police - Administration:			
Personal services	256,974	252,796	4,178
Materials and supplies	54,565	51,399	3,166
Other services and charges	32,654	30,243	2,411
Total Police - Administration	344,193	334,438	9,755
Police - Patrol:			
Personal services	2,408,282	2,398,828	9,454
Materials and supplies	38,327	36,022	2,305
Other services and charges	88,756	87,802	954
Total Police - Patrol	2,535,365	2,522,652	12,713
Police - Criminal Investigation:			
Personal services	416,261	415,117	1,144
Materials and supplies	10,647	7,544	3,103
Other services and charges	18,216	15,616	2,600
Total Police - Criminal Investigation	445,124	438,277	6,847

(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, 2002

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PUBLIC SAFETY:			
Police - Animal Control:			
Personal services	\$123,774	\$121,003	\$2,771
Materials and supplies	8,249	8,135	114
Other services and charges	10,537	11,099	(562)
Total Police - Animal Control	142,560	140,237	2,323
Police - Dispatch:			
Personal services	372,819	371,468	1,351
Materials and supplies	4,750	3,617	1,133
Other services and charges	5,518	3,683	1,835
Total Police - Dispatch	383,087	378,768	4,319
Fire Prevention:			
Personal services	290,031	289,606	425
Materials and supplies	2,785	1,884	901
Other services and charges	11,399	10,487	912
Total Fire Prevention	304,215	301,977	2,238
Fire Suppression:			
Personal services	2,194,217	2,190,553	3,664
Materials and supplies	42,386	41,549	837
Other services and charges	78,139	68,359	9,780
Total Fire Suppression	2,314,742	2,300,461	14,281
Fire Training:			
Personal services	65,274	64,634	640
Materials and supplies	1,000	108	892
Other services and charges	29,028	15,467	13,561
Total Fire Training	95,302	80,209	15,093
Emergency Management:			
Personal services	234,702	233,822	880
Materials and supplies	11,020	10,373	647
Other services and charges	17,577	14,593	2,984
Total Emergency Management	263,299	258,788	4,511
L.E.P.C.:			
Other services and charges	-	437	(437)
TOTAL PUBLIC SAFETY	6,827,887	6,756,244	71,643
PUBLIC WORKS:			
Public Works - Administration:			
Personal services	168,191	167,520	671
Materials and supplies	1,939	1,652	287
Other services and charges	16,774	13,796	2,978
Total Public Works - Administration	186,904	182,968	3,936
Streets:			
Personal services	403,327	402,237	1,090
Materials and supplies	179,200	129,678	49,522
Other services and charges	228,020	222,759	5,261
Total Streets	810,547	754,674	55,873

(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, 2002

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PUBLIC WORKS:			
Traffic Control:			
Personal services	\$125,593	\$124,925	\$668
Materials and supplies	25,800	23,760	2,040
Other services and charges	18,701	16,580	2,121
Total Traffic Control	170,094	165,265	4,829
Cemetery:			
Personal services	149,093	148,694	399
Materials and supplies	8,157	8,112	45
Other services and charges	9,600	9,821	(221)
Total Cemetery	166,850	166,627	223
Engineering:			
Personal services	233,891	232,179	1,712
Materials and supplies	4,709	4,070	639
Other services and charges	34,690	18,582	16,108
Total Engineering	273,290	254,831	18,459
TOTAL PUBLIC WORKS	1,607,685	1,524,365	83,320
CULTURE & RECREATION:			
Municipal Auditorium:			
Materials and supplies	500	402	98
Other services and charges	4,348	3,660	688
Total Municipal Auditorium	4,848	4,062	786
Community Center:			
Materials and supplies	1,500	319	1,181
Other services and charges	6,200	1,397	4,803
Total Municipal Auditorium	7,700	1,716	5,984
Senior Citizens:			
Materials and supplies	400	202	198
Other services and charges	53,340	50,275	3,065
Total Senior Citizens	53,740	50,477	3,263
Parks:			
Personal services	337,371	336,631	740
Materials and supplies	32,455	33,897	(1,442)
Other services and charges	76,100	70,771	5,329
Total Parks	445,926	441,299	4,627
TOTAL CULTURE & RECREATION	512,214	497,554	14,660
TOTAL EXPENDITURES	12,350,842	11,995,087	355,755
OTHER FINANCING USES:			
Transfers to other funds	477,336	477,336	-
Transfers to component unit	376,927	376,927	-
TOTAL OTHER FINANCING USES	854,263	854,263	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$13,205,105	\$12,849,350	\$355,755

SPECIAL REVENUE FUNDS

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

JUNE 30, 2002

	STREET & ALLEY FUND	E-911 FUND	REVOLVING OIL & GAS FUND	ECONOMIC DEVELOPMENT FUND	SPAY & NEUTER FUND	HOTEL/MOTEL SURCHARGE FUND	POLICE SALES TAX FUND
ASSETS							
Cash and cash equivalents	\$56,055	\$41,381	\$66,854	\$157,574	\$23,990	\$13,249	\$173,858
Investments	-	-	-	-	-	-	-
Due from other governments	23,237	-	-	34,178	-	-	42,722
Accrued interest receivable	47	47	79	206	28	-	217
Other receivables	-	8,889	-	-	-	10,697	-
Notes receivable	-	-	-	-	-	-	-
Total Assets	<u>\$79,339</u>	<u>\$50,317</u>	<u>\$66,933</u>	<u>\$191,958</u>	<u>\$24,018</u>	<u>\$23,946</u>	<u>\$216,797</u>
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable and accrued liabilities	\$22,365	\$6,452	-	\$10,625	\$745	\$19,274	-
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total Liabilities	<u>22,365</u>	<u>6,452</u>	<u>-</u>	<u>10,625</u>	<u>745</u>	<u>19,274</u>	<u>-</u>
Fund equity:							
Fund balance:							
Reserved for encumbrances	-	-	-	-	-	-	-
Unreserved	56,974	43,865	\$66,933	181,333	23,273	4,672	\$216,797
Total Fund Equity	<u>56,974</u>	<u>43,865</u>	<u>66,933</u>	<u>181,333</u>	<u>23,273</u>	<u>4,672</u>	<u>216,797</u>
Total Liabilities and Fund Equity	<u>\$79,339</u>	<u>\$50,317</u>	<u>\$66,933</u>	<u>\$191,958</u>	<u>\$24,018</u>	<u>\$23,946</u>	<u>\$216,797</u>

(Continued)

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

JUNE 30, 2002

	FIRE SALES TAX FUND	ODOC GRANTS FUND	LIBRARY FUND	CEMETERY CARE FUND	SENIOR CITIZENS FUND	GIFTS & CONTRIBUTIONS FUND	SISTER CITIES FUND	TOTALS
ASSETS								
Cash and cash equivalents	\$173,425	\$46,829	\$16,711	\$125,620	\$25,917	\$39,376	\$23,245	\$984,084
Investments	-	-	-	-	-	44,908	-	44,908
Due from other governments	42,722	113,617	-	-	-	-	-	256,476
Accrued interest receivable	217	-	21	149	31	357	33	1,432
Other receivables	-	-	-	-	-	-	-	19,586
Notes receivable	-	261,005	-	-	-	-	-	261,005
Total Assets	<u>\$216,364</u>	<u>\$421,451</u>	<u>\$16,732</u>	<u>\$125,769</u>	<u>\$25,948</u>	<u>\$84,641</u>	<u>\$23,278</u>	<u>\$1,567,491</u>
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable and accrued liabilities	-	\$39,713	\$3,658	-	-	\$900	\$3,100	\$106,332
Due to other funds	-	57,632	-	-	-	-	-	57,632
Deferred revenue	-	261,969	-	-	-	-	-	261,969
Total Liabilities	<u>-</u>	<u>359,314</u>	<u>3,658</u>	<u>-</u>	<u>-</u>	<u>900</u>	<u>3,100</u>	<u>426,433</u>
Fund equity:								
Fund balance:								
Reserved for encumbrances	-	700	993	-	-	350	-	2,043
Unreserved	<u>\$216,364</u>	<u>61,437</u>	<u>12,081</u>	<u>\$125,769</u>	<u>\$25,948</u>	<u>83,391</u>	<u>20,178</u>	<u>1,139,015</u>
Total Fund Equity	<u>216,364</u>	<u>62,137</u>	<u>13,074</u>	<u>125,769</u>	<u>25,948</u>	<u>83,741</u>	<u>20,178</u>	<u>1,141,058</u>
Total Liabilities and Fund Equity	<u>\$216,364</u>	<u>\$421,451</u>	<u>\$16,732</u>	<u>\$125,769</u>	<u>\$25,948</u>	<u>\$84,641</u>	<u>\$23,278</u>	<u>\$1,567,491</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, 2002

	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	-	-	-	\$201,591	-	-	\$251,997
Intergovernmental	\$264,904	-	-	-	-	-	-
Charges for services	-	\$121,868	-	-	\$5,042	\$98,822	-
Licenses and permits	3,386	-	\$8,125	-	-	-	-
Investment income	2,041	877	1,543	3,227	594	-	4,966
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	270,331	122,745	9,668	204,818	5,636	98,822	256,963
Expenditures:							
Current:							
Community development	-	-	-	-	-	-	-
Economic development	-	-	-	163,450	-	110,655	-
Public safety	-	42,164	1,850	-	7,805	-	-
Culture & recreation	-	-	-	-	-	-	-
Public works	252,828	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	59,749	-	-	-	-	-
Interest	-	14,936	-	-	-	-	-
Total Expenditures	252,828	116,849	1,850	163,450	7,805	110,655	-
Revenues over (under) expenditures	17,503	5,896	7,818	41,368	(2,169)	(11,833)	256,963
Other Financing Sources (Uses):							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	(15,000)	-	-	(300,000)
Revenues and other sources over (under) expenditures and other uses	17,503	5,896	7,818	26,368	(2,169)	(11,833)	(43,037)
Fund Balance - beginning of year, Restated	39,471	37,969	59,115	154,965	25,442	16,505	259,834
Fund Balance - end of year	\$56,974	\$43,865	\$66,933	\$181,333	\$23,273	\$4,672	\$216,797

(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, 2002

	FIRE SALES TAX FUND	ODOC GRANTS FUND	LIBRARY FUND	CEMETERY CARE FUND	SENIOR CITIZENS FUND	GIFTS & CONTRIBUTIONS FUND	SISTER CITIES FUND	TOTALS
Revenues:								
Taxes	\$251,997	-	-	-	-	-	-	\$705,585
Intergovernmental	-	\$648,734	-	-	-	\$1,500	-	915,138
Charges for services	-	-	-	-	-	-	-	225,732
Licenses and permits	-	-	-	-	-	-	-	11,511
Investment income	4,533	-	\$617	\$2,953	\$596	5,361	\$780	28,088
Miscellaneous	-	-	1,053	4,813	-	18,794	16,132	40,592
Total Revenues	256,530	648,734	1,870	7,566	596	25,655	16,912	1,926,646
Expenditures:								
Current:								
Community development	-	625,607	-	-	-	-	-	625,607
Economic development	-	-	-	-	-	-	31,914	306,019
Public safety	-	-	-	-	-	-	-	51,819
Culture & recreation	-	-	43,541	-	987	24,068	-	68,596
Public works	-	-	-	-	-	-	-	252,828
Capital outlay	-	748	4,649	-	-	-	-	5,397
Debt service:								
Principal	-	-	-	-	-	-	-	59,749
Interest	-	-	-	-	-	-	-	14,936
Total Expenditures	-	626,355	48,190	-	987	24,068	31,914	1,384,951
Revenues over (under) expenditures	256,530	22,379	(46,520)	7,566	(391)	1,587	(15,002)	541,695
Other Financing Sources (Uses):								
Transfers from other funds	-	-	45,000	-	-	-	15,000	60,000
Transfers to other funds	(300,000)	-	-	-	-	-	-	(615,000)
Revenues and other sources over (under) expenditures and other uses	(43,470)	22,379	(1,520)	7,566	(391)	1,587	(2)	(13,305)
Fund Balance - beginning of year, Restated	259,834	39,758	14,594	118,203	26,339	82,154	20,180	1,154,363
Fund Balance - end of year	\$216,364	\$62,137	\$13,074	\$125,769	\$25,948	\$83,741	\$20,178	\$1,141,058

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, 2002

	STREET & ALLEY FUND			E-911 FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	-	-	-
Intergovernmental	\$258,745	\$263,565	\$4,820	-	-	-
Charges for services	-	-	-	\$115,000	\$124,618	\$9,618
Licenses and permits	2,437	3,386	949	-	-	-
Investment income	-	2,170	2,170	-	910	910
Miscellaneous	-	-	-	-	-	-
Total Revenues	261,182	269,121	7,939	115,000	125,528	10,528
Expenditures:						
Community Development:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
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:						
Materials and supplies	-	-	-	3,000	2,700	300
Other services and charges	-	-	-	36,049	37,022	(973)
Debt service	-	-	-	75,951	74,685	1,266
Total E-911	-	-	-	115,000	114,407	593
Streets:						
Other services and charges	274,385	254,405	19,980	-	-	-
Cemetery:						
Other services and charges	-	-	-	-	-	-
Senior Citizens:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Senior Citizens	-	-	-	-	-	-
Recreation:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Recreation	-	-	-	-	-	-
Library:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Library	-	-	-	-	-	-
Total Expenditures	274,385	254,405	19,980	115,000	114,407	593
Revenues over (under) expenditures	(13,203)	14,716	27,919	-	11,121	11,121
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(13,203)	14,716	27,919	-	11,121	11,121
Fund Balance - beginning of year	39,471	39,471	-	37,969	37,969	-
Prior period adjustment	-	-	-	-	-	-
Fund Balance - end of year	\$26,268	\$54,187	\$27,919	\$37,969	\$49,090	\$11,121

(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, 2002

	REVOLVING OIL & GAS FUND			ECONOMIC DEVELOPMENT FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	\$204,000	\$202,189	(\$1,811)
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	\$4,250	\$8,125	\$3,875	-	-	-
Investment income	2,683	1,656	(1,027)	11,384	3,446	(7,938)
Miscellaneous	-	-	-	-	-	-
Total Revenues	6,933	9,781	2,848	215,384	205,635	(9,749)
Expenditures:						
Community Development:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Community Development	-	-	-	-	-	-
Economic Development:						
Other services and charges	-	-	-	183,450	163,450	20,000
Police Patrol:						
Other services and charges	-	-	-	-	-	-
Animal Control:						
Other services and charges	-	-	-	-	-	-
Fire Prevention:						
Materials and supplies	3,000	1,850	1,150	-	-	-
Other services and charges	10,500	-	10,500	-	-	-
Total Fire Prevention	13,500	1,850	11,650	-	-	-
Fire Suppression:						
Other services and charges	-	-	-	-	-	-
E-911:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total E-911	-	-	-	-	-	-
Streets:						
Other services and charges	-	-	-	-	-	-
Cemetery:						
Other services and charges	-	-	-	-	-	-
Senior Citizens:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Senior Citizens	-	-	-	-	-	-
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	1,850	11,650	183,450	163,450	20,000
Revenues over (under) expenditures	(6,567)	7,931	14,498	31,934	42,185	10,251
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	(15,000)	(15,000)	-
Revenues and other sources over (under) expenditures and other uses	(6,567)	7,931	14,498	16,934	27,185	10,251
Fund Balance - beginning of year	59,115	59,115	-	154,965	154,965	-
Prior period adjustment	-	-	-	-	-	-
Fund Balance - end of year	\$52,548	\$67,046	\$14,498	\$171,899	\$182,150	\$10,251

(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, 2002

	SPAY & NEUTER FUND			HOTEL/MOTEL SURCHARGE FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	\$3,925	\$5,042	\$1,117	\$115,000	\$98,127	(\$16,873)
Licenses and permits	-	-	-	-	-	-
Investment income	1,284	648	(636)	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	5,209	5,690	481	115,000	98,127	(16,873)
Expenditures:						
Community Development:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	121,584	110,655	10,929
Capital outlay	-	-	-	-	-	-
Total Community Development	-	-	-	121,584	110,655	10,929
Economic Development:						
Other services and charges	-	-	-	-	-	-
Police Patrol:						
Other services and charges	-	-	-	-	-	-
Animal Control:						
Other services and charges	23,000	7,805	15,195	-	-	-
Fire Prevention:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Fire Prevention	-	-	-	-	-	-
Fire Suppression:						
Other services and charges	-	-	-	-	-	-
E-911:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total E-911	-	-	-	-	-	-
Streets:						
Other services and charges	-	-	-	-	-	-
Cemetery:						
Other services and charges	-	-	-	-	-	-
Senior Citizens:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Senior Citizens	-	-	-	-	-	-
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	7,805	15,195	121,584	110,655	10,929
Revenues over (under) expenditures	(17,791)	(2,115)	15,678	(6,584)	(12,528)	(5,944)
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(17,791)	(2,115)	15,678	(6,584)	(12,528)	(5,944)
Fund Balance - beginning of year	25,442	25,442	-	16,505	16,505	-
Prior period adjustment	-	-	-	-	-	-
Fund Balance - end of year	\$7,651	\$23,327	\$15,678	\$9,921	\$3,977	(\$5,944)

(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, 2002

	POLICE SALES TAX FUND			FIRE SALES TAX FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$254,999	\$252,735	(\$2,264)	\$254,999	\$252,735	(\$2,264)
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investment income	10,847	5,243	(5,604)	10,847	5,243	(5,604)
Miscellaneous	-	-	-	-	-	-
Total Revenues	265,846	257,978	(7,868)	265,846	257,978	(7,868)
Expenditures:						
Community Development:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
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:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total E-911	-	-	-	-	-	-
Streets:						
Other services and charges	-	-	-	-	-	-
Cemetery:						
Other services and charges	-	-	-	-	-	-
Senior Citizens:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Senior Citizens	-	-	-	-	-	-
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	220,846	257,978	37,132	220,846	257,978	37,132
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	(300,000)	(300,000)	-	(300,000)	(300,000)	-
Revenues and other sources over (under) expenditures and other uses	(79,154)	(42,022)	37,132	(79,154)	(42,022)	37,132
Fund Balance - beginning of year	259,834	259,834	-	259,834	259,834	-
Prior period adjustment	-	-	-	-	-	-
Fund Balance - end of year	\$180,680	\$217,812	\$37,132	\$180,680	\$217,812	\$37,132

(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, 2002

	ODOC GRANTS FUND			LIBRARY FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	-	-	-
Intergovernmental	\$1,214,683	\$646,030	(\$568,653)	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investment income	-	-	-	\$1,064	\$669	(\$395)
Miscellaneous	-	-	-	-	1,054	1,054
Total Revenues	1,214,683	646,030	(568,653)	1,064	1,723	659
Expenditures:						
Community Development:						
Personal services	260,188	171,453	88,735	-	-	-
Materials and supplies	10,336	19,274	(8,938)	-	-	-
Other services and charges	883,785	428,325	455,460	-	-	-
Capital outlay	100,131	748	99,383	-	-	-
Total Community Development	1,254,440	619,800	634,640	-	-	-
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:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total E-911	-	-	-	-	-	-
Streets:						
Other services and charges	-	-	-	-	-	-
Cemetery:						
Other services and charges	-	-	-	-	-	-
Senior Citizens:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Senior Citizens	-	-	-	-	-	-
Recreation:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Recreation	-	-	-	-	-	-
Library:						
Materials and supplies	-	-	-	3,800	2,720	1,080
Other services and charges	-	-	-	45,990	39,711	6,279
Capital outlay	-	-	-	7,133	4,649	2,484
Total Library	-	-	-	56,923	47,080	9,843
Total Expenditures	1,254,440	619,800	634,640	56,923	47,080	9,843
Revenues over (under) expenditures	(39,757)	26,230	65,987	(55,859)	(45,357)	10,502
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	45,000	45,000	-
Transfers to other funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(39,757)	26,230	65,987	(10,859)	(357)	10,502
Fund Balance - beginning of year	42,760	42,760	-	14,594	14,594	-
Prior period adjustment	-	(3,002)	(3,002)	-	-	-
Fund Balance - end of year	\$3,003	\$65,988	\$62,985	\$3,735	\$14,237	\$10,502

(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, 2002

	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	\$5,100	\$3,158	(\$1,942)	\$1,340	\$683	(\$657)
Miscellaneous	4,233	4,613	380	-	-	-
Total Revenues	9,333	7,771	(1,562)	1,340	683	(657)
Expenditures:						
Community Development:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
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:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total E-911	-	-	-	-	-	-
Streets:						
Other services and charges	-	-	-	-	-	-
Cemetery:						
Other services and charges	29,000	-	29,000	-	-	-
Senior Citizens:						
Materials and supplies	-	-	-	25,507	600	24,907
Other services and charges	-	-	-	2,600	387	2,213
Total Senior Citizens	-	-	-	28,107	987	27,120
Recreation:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Recreation	-	-	-	-	-	-
Library:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Library	-	-	-	-	-	-
Total Expenditures	29,000	-	29,000	28,107	987	2,213
Revenues over (under) expenditures	(19,667)	7,771	27,438	(26,767)	(304)	26,463
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	(19,667)	43,974	63,641	(26,767)	(304)	26,463
Fund Balance - beginning of year	118,203	118,203	-	26,339	26,339	-
Prior period adjustment	-	-	-	-	-	-
Fund Balance - end of year	\$98,536	\$162,177	\$63,641	(\$428)	\$26,035	\$26,463

(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, 2002

	GIFTS & CONTRIBUTIONS FUND			SISTER CITIES FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	\$1,500	\$1,500	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investment income	\$6,868	4,799	(2,069)	\$2,757	\$817	(\$1,940)
Miscellaneous	9,267	18,794	9,527	12,775	16,132	3,357
Total Revenues	16,135	25,093	8,958	15,532	16,949	1,417
Expenditures:						
Community Development:						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Community Development	-	-	-	-	-	-
Economic Development:						
Other services and charges	-	-	-	52,113	31,914	20,199
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:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total E-911	-	-	-	-	-	-
Streets:						
Other services and charges	-	-	-	-	-	-
Cemetery:						
Other services and charges	-	-	-	-	-	-
Senior Citizens:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Total Senior Citizens	-	-	-	-	-	-
Recreation:						
Materials and supplies	22,790	4,804	17,986	-	-	-
Other services and charges	28,869	19,614	9,255	-	-	-
Total Recreation	51,659	24,418	27,241	-	-	-
Library:						
Materials and supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Library	-	-	-	-	-	-
Total Expenditures	51,659	24,418	27,241	52,113	31,914	20,199
Revenues over (under) expenditures	(35,524)	675	36,199	(36,581)	(14,965)	21,616
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	(35,524)	675	36,199	(21,581)	35	21,616
Fund Balance - beginning of year	83,430	83,430	-	20,180	20,180	-
Prior period adjustment	-	(1,276)	(1,276)	-	-	-
Fund Balance - end of year	\$47,906	\$82,829	\$34,923	(\$1,401)	\$20,215	\$21,616

(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, 2002

	TOTALS		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$713,998	\$707,659	(\$6,339)
Intergovernmental	1,473,428	911,095	(562,333)
Charges for services	233,925	227,787	(6,138)
Licenses and permits	6,687	11,511	4,824
Investment income	54,174	29,442	(24,732)
Miscellaneous	26,275	40,593	14,318
Total Revenues	2,508,487	1,928,087	(580,400)
Expenditures:			
Community Development:			
Personal services	260,188	171,453	88,735
Materials and supplies	10,336	19,274	(8,938)
Other services and charges	1,005,369	538,980	466,389
Capital outlay	100,131	748	99,383
Total Community Development	1,376,024	730,455	645,569
Economic Development:			
Other services and charges	235,563	195,364	40,199
Police Patrol:			
Other services and charges	45,000	-	45,000
Animal Control:			
Other services and charges	23,000	7,805	15,195
Fire Prevention:			
Materials and supplies	3,000	1,850	1,150
Other services and charges	10,500	-	10,500
Total Fire Prevention	13,500	1,850	11,650
Fire Suppression:			
Other services and charges	45,000	-	45,000
E-911:			
Materials and supplies	3,000	2,700	300
Other services and charges	36,049	37,022	(973)
Debt service	75,951	74,685	1,266
Total E-911	115,000	114,407	593
Streets:			
Other services and charges	274,385	254,405	19,980
Cemetery:			
Other services and charges	29,000	-	29,000
Senior Citizens:			
Materials and supplies	25,507	600	24,907
Other services and charges	2,600	387	2,213
Total Senior Citizens	28,107	987	27,120
Recreation:			
Materials and supplies	22,790	4,804	17,986
Other services and charges	28,899	19,614	9,285
Total Recreation	51,689	24,418	27,271
Library:			
Materials and supplies	3,800	2,720	1,080
Other services and charges	45,980	39,711	6,269
Capital outlay	7,133	4,649	2,484
Total Library	56,913	47,080	9,833
Total Expenditures	2,293,161	1,376,771	916,390
Revenues over (under) expenditures	215,326	551,316	335,990
Other Financing Sources (Uses):			
Transfers from other funds	60,000	96,203	36,203
Transfers to other funds	(615,000)	(615,000)	-
Revenues and other sources over (under) expenditures and other uses	(339,674)	32,519	372,193
Fund Balance - beginning of year	1,158,641	1,158,641	-
Prior period adjustment	-	(4,278)	(4,278)
Fund Balance - end of year	\$918,967	\$1,186,882	\$367,915

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

JUNE 30, 2002

<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>CDBG 00 ACCOUNT</u>	<u>HOME 01 ACCOUNT</u>	<u>CDBG 01 ACCOUNT</u>	<u>CDBG ESCROW</u>	<u>TOTALS</u>
Cash and cash equivalents	-	-	\$108	\$824	\$570	-	\$45,327	-	-	\$46,829
Due from other governments	-	-	-	-	-	\$51,543	37,592	\$24,482	-	113,617
Notes receivable	-	-	-	-	-	-	-	-	\$261,005	261,005
Total Assets	-	-	\$108	\$824	\$570	\$51,543	\$82,919	\$24,482	\$261,005	\$421,451
<u>LIABILITIES</u>										
Accounts payable and accrued liabilities:	-	-	-	-	\$538	\$5,650	\$20,782	\$12,743	-	\$39,713
Due to other funds	-	-	-	-	-	45,893	-	11,739	-	57,632
Deferred revenue	-	-	\$108	\$824	32	-	-	-	\$261,005	261,969
Total Liabilities	-	-	108	824	570	51,543	20,782	24,482	261,005	359,314
<u>FUND EQUITY</u>										
Fund Balance:										
Reserved for encumbrances	-	-	-	-	-	-	700	-	-	700
Unreserved	-	-	-	-	-	-	61,437	-	-	61,437
Total Fund Equity	-	-	-	-	-	-	62,137	-	-	62,137
Total Liabilities and Fund Equity	-	-	\$108	\$824	\$570	\$51,543	\$82,919	\$24,482	\$261,005	\$421,451

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, 2002

	CDBG 95 ACCOUNT	CDBG 96 ACCOUNT	CDBG 97 ACCOUNT	CDBG 98 ACCOUNT	CDBG 99 ACCOUNT	CDBG 00 ACCOUNT	HOME 01 ACCOUNT	CDBG 01 ACCOUNT	TOTALS
REVENUES:									
Intergovernmental	\$183	\$31	\$1,467	\$8,616	\$7,759	\$254,906	\$274,584	\$101,188	\$648,734
Total Revenues	<u>183</u>	<u>31</u>	<u>1,467</u>	<u>8,616</u>	<u>7,759</u>	<u>254,906</u>	<u>274,584</u>	<u>101,188</u>	<u>648,734</u>
EXPENDITURES:									
Current:									
Community development	183	31	1,467	8,616	7,759	254,158	252,205	101,188	625,607
Capital outlay	-	-	-	-	-	748	-	-	748
Total Expenditures	<u>183</u>	<u>31</u>	<u>1,467</u>	<u>8,616</u>	<u>7,759</u>	<u>254,906</u>	<u>252,205</u>	<u>101,188</u>	<u>626,355</u>
Revenues over (under) expenditures	-	-	-	-	-	-	22,379	-	22,379
Other Financing Sources (Uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	-	-	-	-	-	-	22,379	-	22,379
Fund Balance - beginning of year, Restated	-	-	-	-	-	-	39,758	-	39,758
Fund Balance - end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$62,137</u>	<u>-</u>	<u>\$62,137</u>

CAPITAL PROJECT FUNDS

CITY OF SHAWNEE, OKLAHOMA

COMBINING BALANCE SHEET - CAPITAL PROJECT FUNDS

JUNE 30, 2002

<u>ASSETS</u>	<u>CAPITAL IMPROVEMENT FUND</u>	<u>STREET IMPROVEMENT FUND</u>	<u>1994 STREET IMPROVEMENT PROJECT FUND</u>	<u>TOTALS</u>
Cash and cash equivalents	\$4,771,285	\$3,223,738	\$67,359	\$8,062,382
Due from other governments	303,903	299,057	-	602,960
Accrued interest receivable	8,669	4,095	80	12,844
Other receivables	-	186,851	-	186,851
Total Assets	<u>\$5,083,857</u>	<u>\$3,713,741</u>	<u>\$67,439</u>	<u>\$8,865,037</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$75,398	\$84,909	-	\$160,307
Deferred revenue	96,290	-	-	96,290
Total Liabilities	<u>171,688</u>	<u>84,909</u>	<u>-</u>	<u>256,597</u>
Fund Equity:				
Fund balance:				
Reserved for encumbrances	2,374,017	748,402	-	3,122,419
Unreserved	2,538,152	2,880,430	\$67,439	5,486,021
Total Fund Equity	<u>4,912,169</u>	<u>3,628,832</u>	<u>67,439</u>	<u>8,608,440</u>
Total Liabilities and Fund Equity	<u>\$5,083,857</u>	<u>\$3,713,741</u>	<u>\$67,439</u>	<u>\$8,865,037</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, 2002

	CAPITAL IMPROVEMENT FUND	STREET IMPROVEMENT FUND	1994 STREET IMPROVEMENT PROJECT FUND	TOTALS
Revenues:				
Taxes	\$1,562,356	\$1,763,958	-	\$3,326,314
Intergovernmental	124,386	500,000	-	624,386
Investment income	75,800	76,997	\$1,600	154,397
Miscellaneous - contributions	519	323,856	-	324,375
Total Revenues	1,763,061	2,664,811	1,600	4,429,472
Expenditures:				
Capital outlay	1,507,696	2,876,270	631	4,384,597
Debt service:				
Principal	66,491	-	-	66,491
Interest	16,609	-	-	16,609
Total Expenditures	1,590,796	2,876,270	631	4,467,697
Revenues over (under) expenditures	172,265	(211,459)	969	(38,225)
Other Financing Sources (Uses):				
Capital lease proceeds	114,183	-	-	114,183
Transfers from other funds	3,765,000	-	-	3,765,000
Transfers to other funds	(328,824)	-	-	(328,824)
Revenues and other sources over (under) expenditures and other uses	3,722,624	(211,459)	969	3,512,134
Fund Balance - beginning of year, Restated	1,189,545	3,840,291	66,470	5,096,306
Fund Balance - end of year	\$4,912,169	\$3,628,832	\$67,439	\$8,608,440

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, 2002

	CAPITAL IMPROVEMENT			STREET IMPROVEMENT FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$1,581,001	\$1,566,961	(\$14,040)	\$1,784,999	\$1,769,150	(\$15,849)
Intergovernmental	169,033	171,167	2,134	500,000	500,000	-
Investment income	74,521	70,899	(3,622)	150,143	85,366	(64,777)
Miscellaneous	500	519	19	324,816	137,005	(187,811)
Total Revenues	1,825,055	1,809,546	(15,509)	2,759,958	2,491,521	(268,437)
Expenditures:						
City Manager - Capital outlay	750	596	154	-	-	-
Accounting - Capital outlay	600	499	101	-	-	-
Information Systems - Capital outlay	20,585	20,484	101	-	-	-
Utility Billing - Capital outlay	3,849	3,849	-	-	-	-
Municipal Court - Capital outlay	2,200	1,795	405	-	-	-
City Clerk - Capital outlay	1,460	1,252	208	-	-	-
Human Resources - Capital outlay	5,448	5,448	-	-	-	-
Planning - Capital outlay	2,615	2,615	-	-	-	-
Police Administration - Capital outlay	38,126	9,372	28,754	-	-	-
Police Patrol - Capital outlay	213,341	165,301	48,040	-	-	-
Criminal Investigation - Capital outlay	5,150	5,149	1	-	-	-
Animal Control - Capital outlay	600	-	600	-	-	-
Dispatch - Capital outlay	25,548	25,548	-	-	-	-
Fire Prevention - Capital outlay	4,600	2,200	2,400	-	-	-
Fire Suppression - Capital outlay	200,450	44,820	155,630	-	-	-
Fire Training - Capital outlay	2,200	2,052	148	-	-	-
Emergency Management - Capital outlay	29,558	28,693	865	-	-	-
Public Works Administration - Capital outlay	3,391	3,391	-	-	-	-
Street - Capital outlay	97,200	96,700	500	4,848,276	2,265,264	2,583,012
Traffic Control - Capital outlay	70,200	63,159	7,041	-	-	-
Parks - Capital outlay	213,843	111,773	102,070	-	-	-
Cemetery - Capital outlay	11,251	11,088	163	-	-	-
Engineering - Capital outlay	8,500	8,040	460	-	-	-
Water Projects - Capital outlay	200,000	-	200,000	-	-	-
Sewer Projects - Capital outlay	205,684	205,684	-	-	-	-
Other Projects - Capital outlay	1,353,668	67,025	1,286,643	-	-	-
Water Production - Capital outlay	230,392	158,832	71,560	-	-	-
Water Distribution - Capital outlay	34,735	34,735	-	-	-	-
North Sewer Treatment Plant - Capital outlay	28,800	19,770	9,030	-	-	-
South Sewer Treatment Plant - Capital outlay	15,731	15,670	61	-	-	-
Sewer Collection - Capital outlay	77,077	77,077	-	-	-	-
Municipal Auditorium - Capital outlay	8,000	6,815	1,185	-	-	-
Community Center - Capital outlay	3,000	1,200	1,800	-	-	-
Senior Citizens - Capital outlay	2,000	-	2,000	-	-	-
Equipment Services - Capital outlay	11,400	8,642	2,758	-	-	-
Building Maintenance - Capital outlay	48,349	48,348	1	-	-	-
Expo Operations - Capital outlay	2,265,000	2,265,000	-	-	-	-
Shared Costs - Capital outlay	150,000	62,898	87,102	-	-	-
Debt Service	407,660	411,924	(4,264)	-	-	-
Total Expenditures	6,002,961	3,997,444	2,005,517	4,848,276	2,265,264	2,583,012
Revenues over (under) expenditures	(4,177,906)	(2,187,898)	1,990,008	(2,088,318)	226,257	2,314,575
Other Financing Sources (Uses):						
Transfers from other funds	3,765,000	3,765,000	-	-	-	-
Revenues and other financing sources over (under) expenditures and other uses	(412,906)	1,577,102	1,990,008	(2,088,318)	226,257	2,314,575
Fund Balance - beginning of year	1,174,469	1,174,469	-	3,840,291	3,840,291	-
Prior period adjustment	-	15,076	15,076	-	-	-
Fund Balance - end of year	\$761,563	\$2,766,647	\$2,005,084	\$1,751,973	\$4,066,548	\$2,314,575

(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, 2002

	1994 STREET IMPROVEMENT PROJECT FUND			TOTALS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	-	-	-	\$3,366,000	\$3,336,111	(\$29,889)
Intergovernmental	-	-	-	669,033	671,167	2,134
Investment income	\$3,157	\$1,736	(\$1,421)	227,821	158,001	(69,820)
Miscellaneous	-	-	-	325,316	137,524	(187,792)
Total Revenues	3,157	1,736	(1,421)	4,588,170	4,302,803	(285,367)
Expenditures:						
City Manager - Capital outlay	-	-	-	750	596	154
Accounting - Capital outlay	-	-	-	600	499	101
Information Systems - Capital outlay	-	-	-	20,585	20,484	101
Utility Billing - Capital outlay	-	-	-	3,849	3,849	-
Municipal Court - Capital outlay	-	-	-	2,200	1,795	405
City Clerk - Capital outlay	-	-	-	1,460	1,252	208
Human Resources - Capital outlay	-	-	-	5,448	5,448	-
Planning - Capital outlay	-	-	-	2,615	2,615	-
Police Administration - Capital outlay	-	-	-	38,126	9,372	28,754
Police Patrol - Capital outlay	-	-	-	213,341	165,301	48,040
Criminal Investigation - Capital outlay	-	-	-	5,150	5,149	1
Animal Control - Capital outlay	-	-	-	600	-	600
Dispatch - Capital outlay	-	-	-	25,548	25,548	-
Fire Prevention - Capital outlay	-	-	-	4,600	2,200	2,400
Fire Suppression - Capital outlay	-	-	-	200,450	44,820	155,630
Fire Training - Capital outlay	-	-	-	2,200	2,052	148
Emergency Management - Capital outlay	-	-	-	29,558	28,693	865
Public Works Administration - Capital outlay	-	-	-	3,391	3,391	-
Street - Capital outlay	6,500	631	5,869	4,951,976	2,362,595	2,589,381
Traffic Control - Capital outlay	-	-	-	70,200	63,159	7,041
Parks - Capital outlay	-	-	-	213,843	111,773	102,070
Cemetery - Capital outlay	-	-	-	11,251	11,088	163
Engineering - Capital outlay	-	-	-	8,500	8,040	460
Water Projects - Capital outlay	-	-	-	200,000	-	200,000
Sewer Projects - Capital outlay	-	-	-	205,684	205,684	-
Other Projects - Capital outlay	-	-	-	1,353,668	67,025	1,286,643
Water Production - Capital outlay	-	-	-	230,392	158,832	71,560
Water Distribution - Capital outlay	-	-	-	34,735	34,735	-
North Sewer Treatment Plant - Capital outlay	-	-	-	28,800	19,770	9,030
South Sewer Treatment Plant - Capital outlay	-	-	-	15,731	15,670	61
Sewer Collection - Capital outlay	-	-	-	77,077	77,077	-
Municipal Auditorium - Capital outlay	-	-	-	8,000	6,815	1,185
Community Center - Capital outlay	-	-	-	3,000	1,200	1,800
Senior Citizens - Capital outlay	-	-	-	2,000	-	2,000
Equipment Services - Capital outlay	-	-	-	11,400	8,642	2,758
Building Maintenance - Capital outlay	-	-	-	48,349	48,348	1
Expo Operations - Capital outlay	-	-	-	2,265,000	2,265,000	-
Shared Costs - Capital outlay	-	-	-	150,000	62,898	87,102
Debt Service	-	-	-	407,660	411,924	(4,264)
Total Expenditures	6,500	631	5,869	10,857,737	6,263,339	4,594,398
Revenues over (under) expenditures	(3,343)	1,105	4,448	(6,269,567)	(1,960,536)	4,309,031
Other Financing Sources (Uses):						
Transfers from other funds	-	-	-	3,765,000	3,765,000	-
Revenues and other financing sources over (under) expenditures and other uses	(3,343)	1,105	4,448	(2,504,567)	1,804,464	4,309,031
Fund Balance - beginning of year	66,470	66,470	-	5,081,230	5,081,230	-
Prior period adjustment	-	-	-	-	15,076	15,076
Fund Balance - end of year	\$63,127	\$67,575	\$4,448	\$2,576,663	\$6,900,770	\$4,324,107

ENTERPRISE FUNDS

CITY OF SHAWNEE, OKLAHOMA

COMBINING BALANCE SHEET
ENTERPRISE FUNDS

JUNE 30, 2002

<u>ASSETS</u>	<u>SHAWNEE MUNICIPAL AUTHORITY</u>	<u>SHAWNEE AIRPORT AUTHORITY</u>	<u>TOTALS</u>
Current Assets:			
Cash and cash equivalents	\$1,692,102	\$80,673	\$1,772,775
Receivables:			
Accounts receivable, net of allowance	929,387	8,124	937,511
Assessments receivable	112,846	-	112,846
Accrued interest receivable	6,087	84	6,171
Other receivables	4,904	-	4,904
Total Current Assets	2,745,326	88,881	2,834,207
Restricted Assets:			
Cash and cash equivalents	5,955,251	-	5,955,251
Investments	1,187,460	-	1,187,460
Accrued interest receivables	37,658	-	37,658
Total Restricted Assets	7,180,369	-	7,180,369
Other Non-Current Assets:			
Assessments receivable	347,237	-	347,237
Net pension asset	312,418	8,689	321,107
Property, Plant and Equipment:			
Land	1,066,733	550,361	1,617,094
Buildings	386,014	444,581	830,595
Improvements other than buildings	37,862,541	7,469,595	45,332,136
Machinery and equipment	2,916,740	91,037	3,007,777
Construction in progress	22,200	-	22,200
Total Property, Plant and Equipment	42,254,228	8,555,574	50,809,802
Less accumulated depreciation	13,873,858	3,903,895	17,777,753
Net Property and Equipment	28,380,370	4,651,679	33,032,049
Water rights contract	12,967,959	-	12,967,959
Unamortized debt issuance costs	133,127	-	133,127
Total Other Non-Current Assets	42,141,111	4,660,368	46,801,479
Total Assets	\$52,066,806	\$4,749,249	\$56,816,055

(Continued)

CITY OF SHAWNEE, OKLAHOMA

**COMBINING BALANCE SHEET
ENTERPRISE FUNDS**

JUNE 30, 2002

<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	\$331,245	\$19,366	\$350,611
Due to other funds	359,051	-	359,051
Due to other governments	18,000	-	18,000
Deferred revenue	32,568	27,960	60,528
Total Current Liabilities (Payable from Current Assets):	740,864	47,326	788,190
Current liabilities (Payable from Restricted Assets):			
Escrow liability	126,743		126,743
Current maturities of revenue and promissory notes payable	939,650	-	939,650
Accrued interest payable	598,498	-	598,498
Total Current Liabilities (Payable from Restricted Assets)	1,664,891	-	1,664,891
Total Current Liabilities	2,405,755	47,326	2,453,081
Long-Term Liabilities:			
Meter deposit liability	494,609	-	494,609
Due to other governments	55,630		55,630
Accrued compensated absences	259,559	-	259,559
Revenue and promissory notes payable, net of current maturities	25,466,759	-	25,466,759
Total Long-Term Liabilities	26,276,557	-	26,276,557
Total Liabilities	28,682,312	47,326	28,729,638
Fund Equity:			
Contributed Capital	8,915,995	6,482,111	15,398,106
Retained Earnings (Deficit):			
Reserved for debt service	1,995,110	-	1,995,110
Reserved for capital improvements	4,092,152	-	4,092,152
Unreserved	8,381,237	(1,780,188)	6,601,049
Total Retained Earnings (Deficit)	14,468,499	(1,780,188)	12,688,311
Total Fund Equity	23,384,494	4,701,923	28,086,417
Total Liabilities and Fund Equity	\$52,066,806	\$4,749,249	\$56,816,055

CITY OF SHAWNEE, OKLAHOMA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	SHAWNEE MUNICIPAL AUTHORITY	SHAWNEE AIRPORT AUTHORITY	TOTALS
Operating revenues:			
Charges for services:			
Water	\$3,363,865	-	\$3,363,865
Sewer	1,819,151	-	1,819,151
Sanitation	931,602	-	931,602
Penalties/late charges	74,707	-	74,707
Sewer tap inspection fees	5,800	-	5,800
Water taps	11,400	-	11,400
Industrial pretreatment fees	40,326	-	40,326
Other	11,545	-	11,545
Miscellaneous:			
Rental revenue	10,259	\$73,638	83,897
Total operating revenues	6,268,655	73,638	6,342,293
Operating expenses:			
Utility billing	228,963	-	228,963
Utility administration	1,514,535	-	1,514,535
Lake operations	54,269	-	54,269
Water production	861,517	-	861,517
Water distribution	738,693	-	738,693
North sewer treatment plant	413,162	-	413,162
South sewer treatment plant	491,014	-	491,014
Sewer collection	329,921	-	329,921
Sewer projects	1,665	-	1,665
Water projects	12,278	-	12,278
Airport operations	-	180,726	180,726
Depreciation expense	981,458	378,842	1,360,300
Amortization expense	10,774	-	10,774
Total operating expenses	5,638,249	559,568	6,197,817
Operating income (loss)	630,406	(485,930)	144,476
Non-operating revenues (expenses):			
Investment income	151,741	-	151,741
Interest and fiscal charges	(1,319,072)	84	(1,318,988)
Miscellaneous income	13,753	13,227	26,980
Net non-operating revenues (expenses)	(1,153,578)	13,311	(1,140,267)
Income (loss) before contributions and transfers	(523,172)	(472,619)	(995,791)
Capital contributions	930,008	927,671	1,857,679
Transfers:			
Transfers from other funds	1,189,617	67,881	1,257,498
Transfers to other funds	(4,765,000)	-	(4,765,000)
Net transfers	(3,575,383)	67,881	(3,507,502)
Net income (loss)	(3,168,547)	522,933	(2,645,614)
Retained earnings (deficit), beginning of year, Restated	17,637,046	(2,303,121)	15,333,925
Retained earnings (deficit), end of year	\$14,468,499	(\$1,780,188)	\$12,688,311

CITY OF SHAWNEE, OKLAHOMA

COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	SHAWNEE MUNICIPAL AUTHORITY	SHAWNEE AIRPORT AUTHORITY	TOTALS
Cash Flows From Operating Activities:			
Operating Income (Loss)	\$630,406	(\$485,930)	\$144,476
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation expense	981,458	378,842	1,360,300
Amortization expense	10,774	-	10,774
Other non-operating revenue (expenses)	13,753	13,227	26,980
Changes in assets and liabilities:			
Decrease (Increase) in accounts receivable	87,785	(5,490)	82,295
Decrease in other receivables	4,400	-	4,400
(Increase) in assessment receivable	(460,083)	-	(460,083)
(Increase) in net pension asset	(58,946)	(1,639)	(60,585)
Increase (Decrease) in accounts payable and accrued liabilities	(258,687)	15,221	(243,466)
Increase in escrow liability	126,743	-	126,743
Increase (Decrease) in accrued compensated absences	(36,756)	-	(36,756)
Increase (Decrease) in meter deposit liability	27,304	-	27,304
Increase (Decrease) in due to other funds	283,002	-	283,002
Increase (Decrease) in due to other governments	(16,500)	-	(16,500)
Increase (Decrease) in deferred revenue	32,568	13,703	46,271
Total adjustments	736,815	413,864	1,150,679
Net Cash Provided by (Used in) Operating Activities	1,367,221	(72,066)	1,295,155
Cash Flows From Non-Capital Financing Activities:			
Transfers from other funds	1,189,617	67,881	1,257,498
Transfers to other funds	(4,765,000)	-	(4,765,000)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(3,575,383)	67,881	(3,507,502)
Cash Flows From Capital and Related Financing Activities:			
Proceeds from issuance of long-term capital debt	5,350,000	-	5,350,000
Proceeds from other governments (PCDA)	3,948,160	-	3,948,160
Principal paid on revenue and promissory notes	(689,160)	-	(689,160)
Interest paid on long-term debt	(1,310,461)	-	(1,310,461)
Revenue note issuance costs paid	(86,674)	-	(86,674)
Capital grant received	-	927,671	927,671
Acquisition and construction of capital assets	(2,046,329)	(1,059,884)	(3,106,213)
Net Cash Provided by (Used in) Capital and Related Financing Activities	5,165,536	(132,213)	5,033,323
Cash Flows From Investing Activities:			
Interest received on investments	158,035	723	158,758
Sale of investments	1,528	-	1,528
Net Cash Provided by Investing Activities	159,563	723	160,286
Net Increase (Decrease) in Cash and Cash Equivalents	3,116,937	(135,675)	2,981,262
Cash and cash equivalents - beginning of year (restated)	4,530,416	216,348	4,746,764
Cash and cash equivalents - end of year	\$7,647,353	\$80,673	\$7,728,026
Non-Cash Activities:			
Capital assets contributed by other funds and private sources	\$930,008	-	\$930,008
Change in fair value of investments	4,334	-	4,334

INTERNAL SERVICE FUNDS

CITY OF SHAWNEE, OKLAHOMA
 COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS
 JUNE 30, 2002

<u>ASSETS</u>	WORKER'S COMPENSATION SELF-INSURANCE FUND	GENERAL LIABILITY SELF-INSURANCE FUND	UNINSURED LOSS FUND	TOTALS
Cash and cash equivalents	-	\$498	\$1,535	\$2,033
Due from other funds	\$716,938	-	-	716,938
Prepaid asset	2,500	-	-	2,500
Accrued interest receivable	-	-	2	2
Total Assets	<u>\$719,438</u>	<u>\$498</u>	<u>\$1,537</u>	<u>\$721,473</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Estimated liability for claims	\$677,903	-	-	\$677,903
Due to other funds	24,673	-	-	24,673
Total Liabilities	<u>702,576</u>	<u>-</u>	<u>-</u>	<u>702,576</u>
Fund equity :				
Contributed capital	16,862	-	-	16,862
Retained earnings:				
Unreserved	-	\$498	\$1,537	2,035
Total Fund Equity	<u>16,862</u>	<u>498</u>	<u>1,537</u>	<u>18,897</u>
Total Liabilities and Fund Equity	<u>\$719,438</u>	<u>\$498</u>	<u>\$1,537</u>	<u>\$721,473</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, 2002

	WORKER'S COMPENSATION SELF-INSURANCE FUND	GENERAL LIABILITY SELF-INSURANCE FUND	UNINSURED LOSS FUND	TOTALS
Operating Revenues:				
Charges for services	\$243,047	-	-	\$243,047
Total Operating Revenues	243,047	-	-	243,047
Operating Expenses:				
Claims expense	284,835	\$2,000	-	286,835
Total Operating Expenses	284,835	2,000	-	286,835
Operating Income (Loss)	(41,788)	(2,000)	-	(43,788)
Non-Operating Revenues (Expenses):				
Investment income	789	48	\$36	873
Miscellaneous income	1,239	-	-	1,239
Net non-operating revenues (expenses)	2,028	48	36	2,112
Net Income (Loss)	(39,760)	(1,952)	36	(41,676)
Retained earnings - beginning of year	39,760	2,450	1,501	43,711
Retained earnings - end of year	-	\$498	\$1,537	\$2,035

CITY OF SHAWNEE, OKLAHOMA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	WORKER'S COMPENSATION SELF-INSURANCE FUND	GENERAL LIABILITY SELF-INSURANCE FUND	UNINSURED LOSS FUND	TOTALS
Cash flows from operating activities:				
Operating income (loss)	(\$41,788)	(\$2,000)	-	(\$43,788)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Other non-operating revenue	1,239	-	-	1,239
Decrease (increase) in due from other funds	282,579	-	-	282,579
Decrease (increase) in prepaid asset	(2,500)	-	-	(2,500)
Increase (decrease) in accounts payable and accrued liability	(4,328)	-	-	(4,328)
Increase (decrease) in estimated liability for claims	(321,614)	-	-	(321,614)
Increase (decrease) in due to other funds	24,673	-	-	24,673
Total adjustments	(19,951)	-	-	(19,951)
Net cash provided by (used in) operating activities	(61,739)	(2,000)	-	(63,739)
Cash flows from investing activities:				
Interest received	993	56	39	1,088
Net cash provided by (used in) investing activities	993	56	39	1,088
Net increase (decrease) in cash and cash equivalents	(60,746)	(1,944)	39	(62,651)
Cash and cash equivalents - beginning of year	60,746	2,442	1,496	64,684
Cash and cash equivalents - end of year	-	\$498	\$1,535	\$2,033

AGENCY FUND

CITY OF SHAWNEE, OKLAHOMA
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 URM/DEPCA AGENCY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

<u>URM/DEPCA FUND</u>	<u>RESTATED BALANCE 7-1-01</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE 6-30-02</u>
Assets:				
Cash	<u>\$2,715</u>	<u>\$19,352</u>	<u>\$19,008</u>	<u>\$3,059</u>
Liabilities:				
URM/DEPCA payable	<u>\$2,715</u>	<u>\$19,352</u>	<u>\$19,008</u>	<u>\$3,059</u>

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF SHAWNEE, OKLAHOMA
 SCHEDULE OF DEBT COVERAGE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	SHAWNEE MUNICIPAL AUTHORITY
Gross Revenue Available for Debt Service:	
Charges for services	\$5,337,053
Investment income	151,741
Sales tax revenue pledged	-
Total Gross Revenues Available	<u>5,488,794</u>
Operating Expenses	5,638,249
Less:	
Depreciation	981,458
Amortization	10,774
Sanitation expense	977,899
Allocation of indirect costs	<u>536,636</u>
Net Operating Expenses	<u>3,131,482</u>
Net Revenues Available for Debt Service	<u>\$2,357,312</u>
Debt Service Requirements:	
Maximum annual debt service - 1993A Revenue Note and 1997 Promissory Notes	<u>\$1,662,758</u>
Computed Coverage	<u>142%</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.

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

JUNE 30, 2002

	1993A UTILITY REVENUE NOTE RESERVE	1997B OWRB PROMISSORY NOTE RESERVE
Required Balance, June 30, 2002	<u>\$1,233,350</u>	<u>\$160,459</u>
Balance in Trustee Account, June 30, 2002	<u>1,199,460</u>	<u>167,105</u>
Amount over (under) required balance	<u><u>(\$33,890)</u> (1)</u>	<u><u>\$6,646</u></u>

(1) This deficit is a result of an error by the trustee bank in transferring interest. Correction was made by trustee bank subsequent to year end to restore balance to required level.