

Report of Audit on Financial Statements June 30, 2015



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 City of Enid, Oklahoma
 June 30, 2015

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RSM US LLP

Independent Auditor's Report

Honorable Mayor and City Council
City of Enid
Enid, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Enid, Oklahoma, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Enid, Oklahoma, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Notes B and G to the basic financial statements, in 2015 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition of Contributions Made Subsequent to the Measurement Date—an Amendment of GASB Statement No. 68*. The City recorded the cumulative effect of adopting GASB Statements No. 68 and 71 as an adjustment of net position as of July 1, 2014 of the governmental activities, the business-type activities, the Enid Municipal Authority and Woodring Airport, which are major enterprise funds, and the Nonmajor Enterprise Funds, which is part of the aggregate remaining funds opinion unit. Our opinion is not modified with respect to this matter.

As discussed in Note G to the financial statements, the City has restated the net position / fund balances as of July 1, 2014, of the governmental activities, the business-type activities, and the nonmajor governmental funds, nonmajor enterprise funds, and the internal service fund, all of which are part of the aggregate remaining funds opinion unit. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension and other post-employment benefit schedules, and the general fund budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of debt service coverage requirements, listed in the table of contents as Other Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of debt service coverage requirements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RSM US LLP

Oklahoma City, Oklahoma
April 5, 2016

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The following discussion and analysis of the City of Enid's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the City's financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$193,588,841 (net position).

During the year, the government's total net position increased by \$11,579,308, from its restated beginning balance. This is attributed to increased landfill fees collected from one-time construction projects and airport grants for runway 17-35 extension project.

Governmental activities accounted for an increase of \$4,785,980. Business-type activities increased overall net position by \$6,793,328. Beginning net position was restated by (\$25,328,790) and (\$5,955,429) for governmental and business-type activities, respectively, as a result of implementation of GASB Statement No. 68 on pensions. Other restatements were the result of reclassifications between activity types and offset each other and the removal of the deferred outflow of resources related to the TIF.

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$31,022,265, an increase of \$2,278,908 in comparison with the prior year. Fund balance of \$1,996,732 is considered nonspendable, consisting of inventories, prepaid expenses and assets held for sale. A total of \$2,764,845 is restricted by contractual agreements, State Statutes, or enabling legislation. Fund balance of \$26,260,688 is available for spending at the government's discretion, although \$19,305,303 of that balance has been committed and \$358,774 assigned by the governing board.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,596,611, or 16% of total general fund expenditures and transfers out.

The City's total long term obligations increased \$13,067,193 during the current fiscal year. The key factors in this increase were the recognition of a net pension liability totaling \$27,377,312, offset by payments on revenue bonds and notes of \$10,399,840.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad view of the City of Enid's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, deferred inflows/outflows, with the net difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Enid is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include the Enid Municipal Authority which includes the City's water, wastewater, landfill, and sanitation utility operations.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation of the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances with the governmental-wide statements of net position and activities provides a comparison between governmental funds and governmental activities.

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, police fund, and fire fund, all of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, police fund, and fire fund. A budgetary comparison statement has been provided, as required supplementary information, for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16-18 of this report.

Proprietary funds - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the entity's various functions. The City of Enid uses an internal service fund to account for its health care plan. Because this service predominately services governmental functions, it is included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Enid Municipal Authority, Enid Event Center and Convention Hall, and Woodring Airport, all of which are considered to be major funds of the City. The City maintains seven proprietary funds. Data from the other proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 19-21 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains two different types of fiduciary funds. The pension trust fund is used to report resources held in trust for retirees and beneficiaries covered by the Employee Retirement System of Enid, Oklahoma. The agency funds report sources held by the City in a custodial capacity for individuals, private organizations, and other governments.

The basic fiduciary fund financial statements can be found on pages 22-23 of this report.

Notes to the financial statements: The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-69 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations to provide pension benefits to its employees, and actual revenues and expenditures on a budgetary basis compared with the original and final budgets for the general fund, police fund, and fire fund.

Required supplementary information can be found on pages 70-80 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor proprietary funds are presented immediately following the required supplementary information on pensions and budgetary comparisons.

Combining statements and schedules can be found on pages 81-87 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City's governmental activities, assets and deferred outflows exceeded liabilities and deferred inflows by \$65,009,808 at the close of the most recent fiscal year. The business-type activities assets and deferred outflows exceeded liabilities and deferred inflows by \$128,579,033.

CITY OF ENID, OKLAHOMA
Management's Discussion and Analysis
June 30, 2015

City of Enid
Net Position
June 30, 2015 and 2014

	Governmental		Business-Type		Totals	
	Activities		Activities		June 30	
	June 30		June 30			
	2015	2014	2015	2014	2015	2014
Current assets	\$ 37,131,696	\$ 31,621,835	\$ 16,099,411	\$ 26,223,205	\$ 53,231,107	\$ 57,845,040
Capital and other noncurrent assets	67,420,576	60,239,424	176,143,635	178,241,488	243,564,211	238,480,912
Total assets	104,552,272	91,861,259	192,243,046	204,464,693	296,795,318	296,325,952
Deferred outflows	6,537,635	-	834,860	4,178,546	7,372,495	4,178,546
Current liabilities	6,741,225	3,284,125	8,792,807	9,125,184	15,534,032	12,409,309
Long-term liabilities	30,677,216	3,024,516	55,706,066	71,776,921	86,383,282	74,801,437
Total liabilities	37,418,441	6,308,641	64,498,873	80,902,105	101,917,314	87,210,746
Deferred inflows	8,661,658	-	-	-	8,661,658	-
Net position:						
Net investment in capital assets	65,151,559	60,239,424	128,995,334	124,002,470	194,146,893	184,241,894
Restricted	2,764,845	1,932,720	8,426,092	20,895,909	11,190,937	22,828,629
Unrestricted	(2,906,596)	23,380,474	(8,842,393)	(17,157,245)	(11,748,989)	6,223,229
Total net position	\$ 65,009,808	\$ 85,552,618	\$ 128,579,033	\$ 127,741,134	\$ 193,588,841	\$ 213,293,752

** - Prior year amounts were not restated for MD&A purposes.

By far the largest portion of the City's net position (100%) reflects its investment in capital assets (e.g., land, buildings, improvements, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (6%) represents resources that are subject to external restrictions on how they may be used either by external groups such as creditors, grantors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation. The remaining balance is unrestricted net position of (\$11,748,989) or (-6%) of total net position.

The City's net position increased by \$11,579,308 during the current fiscal year, compared with the restated beginning net position. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental activities: Governmental activities increased the City's net position by \$4,785,980. This increase was after restating the beginning balance by (\$25,328,790) to reflect the implementation of GASB Statement No. 68 on pensions totaling \$(26,253,605), offset by a restatement of \$924,815 to reclassify the EEDA fund from business-type activities to governmental activities.

The key elements of this increase are as follows:

- Increase of transfers from the Enid Municipal Authority to the General Fund to support general fund operations.
- Reclassification of the Enid Economic Development Authority from business-type activities to governmental activities.

CITY OF ENID, OKLAHOMA
Management's Discussion and Analysis
June 30, 2015

City of Enid
Statement of Activities
Years Ended June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Totals	
	June 30		June 30		June 30	
	2015	2014	2015	2014	2015	2014
Program revenues:						
Charges for services	\$ 4,099,347	\$ 7,079,203	\$ 36,755,846	\$ 33,696,822	\$ 40,855,193	\$ 40,776,025
Grants/contributions	2,894,495	3,015,214	4,467,395	2,635,848	7,361,890	5,651,062
General revenues	39,320,852	36,900,346	1,893,926	1,409,620	41,214,778	38,309,966
Total revenues	<u>46,314,694</u>	<u>46,994,763</u>	<u>43,117,167</u>	<u>37,742,290</u>	<u>89,431,861</u>	<u>84,737,053</u>
Expenses:						
General government	11,181,311	11,557,951	-	-	11,181,311	11,557,951
Public safety	19,831,497	20,722,811	-	-	19,831,497	20,722,811
Public works	9,583,037	10,663,502	-	-	9,583,037	10,663,502
Culture and recreation	2,903,210	2,502,572	-	-	2,903,210	2,502,572
Utility operations	-	-	20,974,874	20,052,969	20,974,874	20,052,969
Airport	-	-	2,177,377	2,597,334	2,177,377	2,597,334
Economic development	977,294	-	-	1,883,011	977,294	1,883,011
Golf	-	-	675,207	656,847	-	656,847
Event center	-	-	7,114,231	5,171,952	7,114,231	5,171,952
Transit	-	-	735,446	676,897	735,446	676,897
Other	327,269	154,402	1,371,800	1,363,296	1,699,069	1,517,698
Total expenses	<u>44,803,618</u>	<u>45,601,238</u>	<u>33,048,935</u>	<u>32,402,306</u>	<u>77,852,553</u>	<u>78,003,544</u>
Increase in net position before transfers	1,511,076	1,393,525	10,068,232	5,339,984	11,579,308	6,733,509
Transfers, net	<u>3,274,904</u>	<u>(762,381)</u>	<u>(3,274,904)</u>	<u>762,381</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	4,785,980	631,144	6,793,328	6,102,365	11,579,308	6,733,509
Net position, beginning, restated	60,223,828	84,931,474	121,785,705	121,639,399	182,009,533	206,570,873
Net position, ending	<u>\$ 65,009,808</u>	<u>\$ 85,562,618</u>	<u>\$ 128,579,033</u>	<u>\$ 127,741,764</u>	<u>\$ 193,588,841</u>	<u>\$ 213,304,382</u>

** - Prior year amounts not restated for MD&A purposes.

City of Enid
Governmental Activities
Years Ended June 30, 2015 and 2014

	Program Revenues		Cost of Services	
	2015	2014	2015	2014
General government	\$ 1,130,901	\$ 4,577,663	\$ 11,181,311	\$ 11,557,951
Public safety	2,229,175	4,628,721	19,831,497	20,722,811
Public works	674,942	1,083,780	9,583,037	10,663,502
Culture and recreation	64,329	227,471	2,903,210	2,502,572
Economic development	-	-	977,294	-
Interest on long-term debt	-	-	327,269	154,402
Total governmental activities	<u>\$ 4,099,347</u>	<u>\$ 10,517,635</u>	<u>\$ 44,803,618</u>	<u>\$ 45,601,238</u>

CITY OF ENID, OKLAHOMA
 Management's Discussion and Analysis
 June 30, 2015

Business-type activities. Business-type activities increased the City's net position by \$6,793,328. This increase was after restating the beginning balance by (\$5,955,429) to reflect the implementation of GASB Statement No. 68 on pensions, and reclassification of the EEDA fund to governmental activities. The key elements in this increase are:

- Increased landfill fees from one-time construction projects.
- Airport grants for runway 17-35 extension project.

City of Enid
 Business Type Activities
Years Ended June 30, 2015 and 2014

	Program Revenues		Cost of Services	
	2015	2014	2015	2014
Utility operations	\$ 31,349,208	\$ 29,279,848	\$ 20,974,874	\$ 20,052,969
Airport	1,468,471	3,702,385	2,177,377	2,597,334
Golf	371,757	340,124	675,207	656,847
Economic development	-	-	-	1,883,011
Event center	3,446,532	2,441,318	7,114,231	5,171,952
Transit	119,878	568,995	735,446	676,897
Other	-	-	1,371,800	1,363,296
Total business-type activities	<u>\$ 36,755,846</u>	<u>\$ 36,332,670</u>	<u>\$ 33,048,935</u>	<u>\$ 32,402,306</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$31,022,265, an increase of \$2,303,979 in comparison with the prior year. Approximately 85% of this total amount (\$26,260,688) constitutes unrestricted fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable or restricted by contractual obligations, laws and regulations, or enabling legislation as approved by a vote of the citizens of Enid.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,596,611. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance represents 16% of total general fund expenditures and transfers out.

The fund balance of the City's general fund increased \$826,442 during the current fiscal year, primarily due to reimbursements from PEGASYS and a reduction in capital outlay costs.

The police fund has a total fund balance of \$4,396,212. The net decrease in fund balance during the current year was \$158,380, due primarily to increased worker's compensation reserves.

The fire fund has a total fund balance of \$1,491,514, which was all committed. The net decrease in fund balance during the current year was (\$959,751), due primarily to completion of the new fire station #4.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Enid Municipal Authority showed total net position of \$73,642,198. Unrestricted net position of the Enid Municipal Authority at the end of the year was a deficit balance of (\$10,382,974). The total increase in net position was \$3,530,966. Operating revenues showed an increase of \$2,447,082 while operating expenses increased by \$582,114.

The changes in operating revenues and expenses were due to:

- Increased water rates in January 2015.
- Increased landfill fees from one-time construction projects.

The Woodring Airport Fund showed total net position of \$21,150,461, an increase of \$5,063,839, mainly due to capital grants totaling \$3,264,550.

The Enid Event Center and Convention Hall fund showed total net position of \$33,850,968, a decrease of \$1,545,137, primarily due to depreciation expense on capital assets.

BUDGETARY HIGHLIGHTS OF MAJOR GOVERNMENTAL FUNDS

The general fund budget increased by \$525,487 for departmental expenditures and net transfers decreased \$223,000 during the year, while estimated revenues remained the same. Most departmental budgets increased including administration, safety, general government, engineering, public works management, fleet management, parks and recreation, storm water and roadway maintenance, library, and capital outlay, while legal and technical services decreased. The departmental increases were generally attributable to personnel cost increases and completion of the 2015 Envision Enid Comprehensive Plan.

Revenues received were more than budget estimates by \$330,270, and actual expenditures and transfers were less than final budget appropriations by \$1,582,999, resulting in an overall net change in fund balance of \$1,913,269. As a result, the City did not need to use a portion of its fund balance to cover expenditures and transfers.

The police fund showed an increase of \$121,553 in its budgeted expenditures during the year, while revenues remained the same as originally estimated. Actual revenues and transfers in totaled \$9,209,865, or \$26,965 less than budget estimates. Expenditures and transfers out of \$8,999,627 were less than budgeted by \$628,802 resulting in an overall net increase in fund balance of \$601,837.

The fire fund increased its expenditure budget during the year by \$1,528,702, while revenues remained the same as originally estimated. Actual revenues and transfers in totaled \$7,823,344, or less than budget estimates by \$5,986. Expenditures and transfers out of \$8,458,300, were less than the budget appropriations by \$1,380,122.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets: The City's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$241,295,188 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, equipment, and vehicles.

City of Enid							
Capital Assets							
(Net of Depreciation)							
<u>Years Ended June 30, 2015 and 2014</u>							
	Governmental		Business-Type		Totals		
	Activities		Activities		June 30		
	2015	2014	2015	2014	2015	2014	
		**		**		**	
Land	\$ 5,540,305	\$ 2,415,191	\$ 7,669,176	\$ 10,254,103	\$ 13,209,481	\$ 12,669,294	
Construction in progress	7,441,198	5,525,252	17,453,344	10,235,553	24,894,542	15,760,805	
Buildings	6,884,489	6,592,024	68,134,432	72,152,734	75,018,921	78,744,758	
Improvements	40,674,524	40,311,804	70,307,262	71,794,248	110,981,786	112,106,052	
Equipment	2,228,715	2,379,477	11,587,080	12,463,293	13,815,795	14,842,770	
Vehicles	2,382,328	3,015,676	992,341	1,341,557	3,374,669	4,357,233	
Capital assets, net	<u>\$ 65,151,559</u>	<u>\$ 60,239,424</u>	<u>\$ 176,143,635</u>	<u>\$ 178,241,488</u>	<u>\$ 241,295,194</u>	<u>\$ 238,480,912</u>	

** Prior year amounts were not restated for MD&A purposes. Net capital assets of \$3,641,022 for the Enid Economic Development Authority were reclassified from business-type to governmental activities.

Major capital asset events during the current fiscal year included the following:

- Property purchases for economic development at Cleveland & Owen K. Garriott.
- Oakwood & Willow Intersection Reconstruction.
- Local Street Program completion.
- Broadway Avenue waterline replacement.
- Garland Detention Facility improvements.
- Water rights purchases in Major County.
- Roof replacement at Enid Convention Hall.
- Twelve new SUVs added to the Police Department fleet.
- Four new Minivans added to the Enid Transit fleet.

Additional information of the City's capital assets can be found in Note C. on pages 37-39 of this report.

Long-term debt: At the end of the current fiscal year, the City had total debt outstanding of \$94,583,450. The debt secured solely by specified revenue sources (i.e., revenue bonds and notes) totaling \$55,468,246; tax apportionment bonds (TIF) of \$3,648,282; other notes payable to other governmental entities of \$768,000; capital lease obligations of \$29,331; judgments against the City for \$436,407; the long-term portion of accrued compensated absences totaling \$732,349; net other post-employment obligations of \$5,586; workers' compensation reserve liability of \$1,744,462; net pension liability of \$27,377,312; and landfill closure and post-closure liability and other long-term liabilities in the amount of \$2,944,427.

CITY OF ENID, OKLAHOMA
Management's Discussion and Analysis
June 30, 2015

City of Enid
Outstanding Long-Term Liabilities
June 30, 2015 and 2014

	Governmental		Business-Type		Totals	
	Activities		Activities		June 30	
	June 30		June 30		June 30	
	2015	2014	2015	2014	2015	2014
		**		**		**
Judgments	\$ 436,407	\$ 194,834	\$ -	\$ -	\$ 436,407	\$ 194,834
Net pension liability	25,327,727	-	2,049,585	-	27,377,312	-
Net OPEB obligation	5,586	5,681	-	-	5,586	5,681
Workers' compensation claims	1,284,909	878,618	459,553	672,062	1,744,462	1,550,680
Compensated absences	1,942,625	2,025,733	218,772	207,899	2,161,397	2,233,632
Revenue bonds	-	-	8,445,000	6,930,000	8,445,000	6,930,000
Tax apportionment bonds (TIF)	3,648,282	-	-	4,996,967	3,648,282	4,996,967
Deferred interest on bonds	-	-	-	10,563,270	-	10,563,270
Notes payable	768,000	-	47,023,246	52,495,616	47,791,246	52,495,616
Capital lease obligations	-	-	29,331	46,311	29,331	46,311
Landfill closure and post-closure and other long-term liabilities	-	-	2,944,427	2,499,266	2,944,427	2,499,266
Total outstanding debt	\$ 33,413,536	\$ 3,104,866	\$ 61,169,914	\$ 78,411,391	\$ 94,583,450	\$ 81,516,257

** Prior year amount not restated for MD&A purposes.

The City's total long term obligations increased \$13,067,193 during the current fiscal year. The key factors in this increase were the recognition of the net pension liability of \$27,377,312, due to the implementation of GASB Statement No. 68, the issuance of the Series 2015 revenues bonds in the amount of \$5,615,000, offset by payments on existing debt.

Additional information on the City's long-term debt can be found in Note C. on pages 40-47 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal-year 2015-2016 revenue and expense budgets.

When setting the fiscal year 2016 expenditure budget, city staff worked diligently to keep increases in expenditures to a minimum with most departments and funds having increases due to escalating personnel increases.

It is anticipated that sales and use taxes will remain flat in 2016 compared to the 2014-2015 projected amount. Additionally, most utility rates will automatically increase a minimum of 2% or more effective January 1, 2016. It is anticipated that water revenues may decrease a significant amount in 2016 due to an increase in the amount of non-potable water used by Koch Industries and a resulting loss in water revenue.

The City will be looking at using General Obligation Bonds, and Revenue Notes in the future to increase the funding available to build and repair infrastructure such as streets, water lines, sewer lines, storm water drains, parks and quality-of-life improvements.

CITY OF ENID, OKLAHOMA
Management's Discussion and Analysis
June 30, 2015

The City currently has three recognized unions. The City has a two year agreement with the Fraternal Order of Police (FOP), through June 2017. The FOP retained the right to re-open negotiations on compensation for the 2015-2016 fiscal year but has not at this point. The current agreement with the American Federation of State, County and Municipal Employees (AFSCME) #1136 and the International Association of Fire Fighters (IAFF) is through June 2016.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the City of Enid's Chief Financial Officer, at City of Enid, Post Office Box 1768, Enid, Oklahoma 73702-1768 or telephone (580) 616-7283. You may also visit our website at www.enid.org for more budgetary and contact information.

CITY OF ENID, OKLAHOMA
Statement of Net Position
June 30, 2015

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 2,421,073	\$ 1,709,472	\$ 4,130,545
Investments	17,035,362	63,639	17,099,001
Receivables (net of allowance for uncollectibles)	5,852,979	3,586,785	9,439,764
Receivables for property taxes - succeeding year	1,018,000	-	1,018,000
Internal balances	8,469,687	(8,469,687)	-
Inventories	179,879	107,660	287,539
Prepaid expenses	127,447	29,347	156,794
Restricted cash and investments	2,027,269	19,072,195	21,099,464
Assets Held for Sale	1,692,069	-	1,692,069
Net pension asset	576,948	-	576,948
Capital assets:			
Land and construction in progress	12,981,503	25,122,521	38,104,024
Depreciable buildings, improvements, equipment and vehicles, net	52,170,056	151,021,114	203,191,170
Total assets	<u>104,552,272</u>	<u>192,243,046</u>	<u>296,795,318</u>
Deferred outflows of resources			
Deferred amounts related to pensions	<u>6,537,635</u>	<u>834,860</u>	<u>7,372,495</u>
Liabilities			
Accounts payable and accrued liabilities	3,748,625	1,772,905	5,521,530
Payable from restricted assets:			
Accrued interest	228,107	345,100	573,207
Customer deposits	-	1,123,346	1,123,346
Unearned revenue	20,399	87,608	108,007
Due to fiduciary funds	7,774	-	7,774
Due within one year	2,736,320	5,463,848	8,200,168
Due in more than one year	30,677,216	55,706,066	86,383,282
Total liabilities	<u>37,418,441</u>	<u>64,498,873</u>	<u>101,917,314</u>
Deferred inflows of resources			
Unavailable property taxes receivable	1,018,000	-	1,018,000
Deferred amounts related to pensions	7,643,658	-	7,643,658
Total deferred inflows of resources	<u>8,661,658</u>	<u>-</u>	<u>8,661,658</u>
Net position			
Net investment in capital assets	65,151,559	128,995,334	194,146,893
Restricted:			
Debt service	1,038,979	1,360,912	2,399,891
Capital improvements	1,009,269	7,065,086	8,074,355
Public safety	579,848	-	579,848
Public works	136,749	-	136,749
Other	-	94	94
Unrestricted(deficit)	<u>(2,906,596)</u>	<u>(8,842,393)</u>	<u>(11,748,989)</u>
Total net position	<u>\$ 65,009,808</u>	<u>\$ 128,579,033</u>	<u>\$ 193,588,841</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ENID, OKLAHOMA
Statement of Activities
Year Ended June 30, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 11,181,311	\$ 1,130,901	\$ 3,907	\$ -	\$ (10,046,503)	\$ -	\$ (10,046,503)
Public safety	19,831,497	2,229,175	2,274,297	50,060	(15,277,965)	-	(15,277,965)
Public works	9,583,037	674,942	432,243	61,527	(8,414,325)	-	(8,414,325)
Culture and recreation	2,903,210	64,329	16,804	55,657	(2,766,420)	-	(2,766,420)
Economic development	977,294	-	-	-	(977,294)	-	(977,294)
Interest on long-term debt	327,269	-	-	-	(327,269)	-	(327,269)
Total governmental activities	<u>44,803,618</u>	<u>4,099,347</u>	<u>2,727,251</u>	<u>167,244</u>	<u>(37,809,776)</u>	<u>-</u>	<u>(37,809,776)</u>
Business-type activities:							
Utility operations	20,974,874	31,349,208	-	956,890	-	11,331,224	11,331,224
Airport	2,177,377	1,468,471	-	3,264,550	-	2,555,644	2,555,644
Golf	675,207	371,757	-	-	-	(303,450)	(303,450)
Event center	7,114,231	3,446,532	-	-	-	(3,667,699)	(3,667,699)
Transit and other	735,446	119,878	245,955	-	-	(369,613)	(369,613)
Sales tax remitted to schools	1,371,800	-	-	-	-	(1,371,800)	(1,371,800)
Total business-type activities	<u>33,048,935</u>	<u>36,755,846</u>	<u>245,955</u>	<u>4,221,440</u>	<u>-</u>	<u>8,174,306</u>	<u>8,174,306</u>
Total primary government	<u>\$ 77,852,553</u>	<u>\$ 40,855,193</u>	<u>\$ 2,973,206</u>	<u>\$ 4,388,684</u>	<u>(37,809,776)</u>	<u>8,174,306</u>	<u>(29,635,470)</u>
General revenues:							
Taxes:							
Sales and use					33,264,074	-	33,264,074
Property					1,059,024	1,817,978	2,877,002
Franchise					3,153,858	-	3,153,858
Other					656,579	-	656,579
Interest income					220,874	50,579	271,453
Miscellaneous					956,266	12,502	968,768
Gain on disposition of assets					10,177	12,867	23,044
Transfers – internal activity					3,274,904	(3,274,904)	-
Total general revenues and transfers					<u>42,595,756</u>	<u>(1,380,978)</u>	<u>41,214,778</u>
Change in net position					4,785,980	6,793,328	11,579,308
Net position, beginning					85,552,618	127,741,134	213,293,752
Restatement					(25,328,790)	(5,955,429)	(31,284,219)
Net position, ending					<u>\$ 65,009,808</u>	<u>\$ 128,579,033</u>	<u>\$ 193,588,841</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ENID, OKLAHOMA
Balance Sheet—Governmental Funds
June 30, 2015

	General	Police Fund	Fire Fund	Nonmajor Governmental Funds	Total
Assets					
Cash and cash equivalents	\$ 378,430	\$ 502,952	\$ 218,723	\$ 1,045,843	\$ 2,145,948
Investments	3,098,209	4,172,992	1,814,739	5,666,715	14,752,655
Receivables:					
Accounts	58,028	824	-	-	58,852
Taxes	4,392,282	147,391	147,391	248,433	4,935,497
Due from other governments	3,840	43,096	-	43,686	90,622
Accrued interest	-	-	-	8	8
Due from other funds	1,275,721	-	-	8,799,898	10,075,619
Inventories	179,878	-	-	-	179,878
Prepaid expenses	94,155	17,064	1,661	11,905	124,785
Assets Held for Sale	-	-	-	1,692,069	1,692,069
Restricted cash and investments	-	-	-	2,027,269	2,027,269
Total assets	<u>\$ 9,480,543</u>	<u>\$ 4,884,319</u>	<u>\$ 2,182,514</u>	<u>\$ 19,535,826</u>	<u>\$ 36,083,202</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 930,643	\$ 488,107	\$ 691,000	\$ 1,317,082	\$ 3,426,832
Due to other funds	1,454,794	-	-	151,138	1,605,932
Due to Fiduciary Fund	7,774	-	-	-	7,774
Unearned revenue	-	-	-	20,399	20,399
Total liabilities	<u>2,393,211</u>	<u>488,107</u>	<u>691,000</u>	<u>1,488,619</u>	<u>5,060,937</u>
Fund balances:					
Nonspendable:					
Inventories, prepaids and assets held for sale	274,033	17,064	1,661	1,703,974	1,996,732
Restricted:					
Public safety	-	-	-	579,848	579,848
Public works	-	-	-	136,749	136,749
Debt service	-	-	-	1,038,979	1,038,979
Capital improvements	-	-	-	1,009,269	1,009,269
Committed:					
Public safety	-	4,379,148	1,489,853	-	5,869,001
Public works	-	-	-	975,074	975,074
Economic development	-	-	-	26,211	26,211
Other	211,611	-	-	-	211,611
Capital improvements	-	-	-	12,223,406	12,223,406
Assigned:					
Economic development	5,077	-	-	353,697	358,774
Unassigned	6,596,611	-	-	-	6,596,611
Total fund balances	<u>7,087,332</u>	<u>4,396,212</u>	<u>1,491,514</u>	<u>18,047,207</u>	<u>31,022,265</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,480,543</u>	<u>\$ 4,884,319</u>	<u>\$ 2,182,514</u>	<u>\$ 19,535,826</u>	<u>\$ 36,083,202</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ENID, OKLAHOMA

Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds
Year Ended June 30, 2015

	General	Police Fund	Fire Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 34,043,599	\$ 1,187,167	\$ 1,187,167	\$ 1,059,024	\$ 37,476,957
Licenses and permits	327,648	-	-	-	327,648
Intergovernmental	204,166	638,021	1,518,763	2,165,654	4,526,604
Fines and forfeitures	1,281,258	-	-	-	1,281,258
Charges for services	144,042	52,412	-	229,793	426,247
Other	918,912	24,982	6,450	235,963	1,186,307
Interest	35,607	37,054	19,374	128,842	220,877
Total revenues	<u>36,955,232</u>	<u>1,939,636</u>	<u>2,731,754</u>	<u>3,819,276</u>	<u>45,445,898</u>
Expenditures:					
Current:					
General government	7,986,797	-	-	18,679	8,005,476
Public safety	335,020	8,903,928	9,302,619	1,097,994	19,639,561
Public works	4,130,009	-	-	1,046,757	5,176,766
Culture and recreation	2,459,679	-	-	-	2,459,679
Economic development	140,647	-	-	885,557	1,026,204
Debt service:					
Principal	-	-	-	1,552,035	1,552,035
Interest	-	-	-	327,269	327,269
Capital outlay	468,406	553,464	938,886	11,974,788	13,935,544
Total expenditures	<u>15,520,558</u>	<u>9,457,392</u>	<u>10,241,505</u>	<u>16,903,079</u>	<u>52,122,534</u>
Excess of revenues over (uses) expenditures	21,434,674	(7,517,756)	(7,509,751)	(13,083,803)	(6,676,636)
Other financing sources (uses):					
Proceeds from sale of assets	11,004	1,136	-	15,610	27,750
Transfers in	5,720,000	7,800,000	6,600,000	15,419,708	35,539,708
Transfers out	(26,339,236)	(125,000)	(50,000)	(72,607)	(26,586,843)
Total other financing sources (uses)	<u>(20,608,232)</u>	<u>7,676,136</u>	<u>6,550,000</u>	<u>15,362,711</u>	<u>8,980,615</u>
Net change in fund balances	826,442	158,380	(959,751)	2,278,908	2,303,979
Fund balances, beginning	6,260,890	4,237,832	2,451,265	15,347,605	28,297,592
Restatement	-	-	-	420,694	420,694
Fund balances, ending	<u>\$ 7,087,332</u>	<u>\$ 4,396,212</u>	<u>\$ 1,491,514</u>	<u>\$ 18,047,207</u>	<u>\$ 31,022,265</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ENID, OKLAHOMA
 Reconciliation of Governmental Funds and Government-Wide Financial Statements
 Year Ended June 30, 2015

Total fund balance - governmental funds:	\$ 31,022,265
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	65,151,559
Long-term assets and certain deferred outflows of resources are not available to pay for current period expenditures and therefore are not reported in the funds.	
Due from other governments	768,000
Net pension asset	576,948
Pension related deferred outflows	6,537,635
Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as health insurance, to individual funds. The assets and liabilities of the internal service fund is reported in governmental activities.	2,238,702
Long-term liabilities and certain deferred inflows of resources are not due and payable in the current period and therefore are not reported in funds:	
Accrued interest payable	(228,107)
Accrued compensated absences	(1,942,625)
Accrued liability for workers' compensation claims incurred	(1,284,909)
Net pension liability	(25,327,727)
Pension related deferred inflows	(7,643,658)
Judgments payable	(436,407)
Net other post-employment benefit obligations	(5,586)
Notes payable	(768,000)
TIF bonds payable	(3,648,282)
Net position of governmental activities in the statement of net position	<u>\$ 65,009,808</u>
Net change in fund balances – total governmental funds:	\$ 2,303,979
Adjustments for the statement of activities:	
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital outlay expenditures capitalized	7,708,781
Depreciation expense	(6,333,368)
Capital assets transferred from business type activities	197,550
Proceeds from sale of capital assets	17,692
Loss on disposal of capital assets	(205,065)
In the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures.	396,804
Some revenues in the governmental funds have already been recognized in the statement of activities:	
CDBG receipts for loan	(123,000)
Internal service fund previously recognized	(130,466)
Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain net revenues are reported in Governmental Activities on the Statement of Activities	73,932
The repayment of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.	
Principal payments on notes payable and TIF bonds payable	1,471,685
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds:	
Accrued compensated absences, net change	83,109
Accrued liability for workers' compensation claims incurred	(406,291)
Accrued interest expense, net change	81,844
Judgments payable, net change	(241,573)
Other liabilities, net change	(109,633)
Change in net position of governmental activities	<u>\$ 4,785,980</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ENID, OKLAHOMA
Statement of Net Position—Proprietary Funds
June 30, 2015

	Business-type Activities					Internal Service
	Enterprise Funds					
	Enid Municipal Authority	Enid Event Center and Convention Hall	Woodring Airport	Nonmajor Enterprise Funds	Total	
Assets						
Current assets:						
Cash and cash equivalents	\$ -	\$ 356,944	\$ 1,317,038	\$ 35,490	\$ 1,709,472	\$ 275,125
Investments	-	63,639	-	-	63,639	2,282,707
Receivables:						
Accounts (net of allowance for uncollectibles)	3,088,397	148,828	61,383	-	3,298,608	-
Accrued interest	19,753	-	-	-	19,753	-
Taxes	-	166,401	-	-	166,401	-
Due from other governments	-	-	25,023	77,000	102,023	-
Due from other funds	1,454,793	-	1,000,000	-	2,454,793	-
Inventories	-	37,795	69,865	-	107,660	-
Prepaid expenses	4,425	24,005	917	-	29,347	2,663
Restricted investments	19,072,195	-	-	-	19,072,195	-
Total current assets	<u>23,639,563</u>	<u>797,612</u>	<u>2,474,226</u>	<u>112,490</u>	<u>27,023,891</u>	<u>2,560,495</u>
Noncurrent assets:						
Capital assets (net of accumulated depreciation)	122,718,050	33,638,857	19,109,470	677,258	176,143,635	-
Total noncurrent assets	<u>122,718,050</u>	<u>33,638,857</u>	<u>19,109,470</u>	<u>677,258</u>	<u>176,143,635</u>	<u>-</u>
Total assets	<u>146,357,613</u>	<u>34,436,469</u>	<u>21,583,696</u>	<u>789,748</u>	<u>203,167,526</u>	<u>2,560,495</u>
Deferred outflows of resources						
Deferred amounts related to pensions	608,358	-	91,325	135,177	834,860	-
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	983,828	445,617	273,302	70,158	1,772,905	321,793
Payable from restricted assets:						
Accrued interest payable	345,100	-	-	-	345,100	-
Customer deposits	1,070,306	53,040	-	-	1,123,346	-
Due to other funds	-	-	-	509,794	509,794	-
Unearned revenue	-	86,844	-	764	87,608	-
Current portion of noncurrent liabilities	5,404,717	-	15,334	43,797	5,463,848	-
Total current liabilities	<u>7,803,951</u>	<u>585,501</u>	<u>288,636</u>	<u>624,513</u>	<u>9,302,601</u>	<u>321,793</u>
Noncurrent liabilities:						
Compensated absences	29,564	-	10,026	4,616	44,206	-
Capital lease obligations	-	-	-	11,811	11,811	-
Due to other funds	10,414,686	-	-	-	10,414,686	-
Bonds payable (net of unamortized discount)	7,000,000	-	-	-	7,000,000	-
Notes payable	43,243,823	-	-	-	43,243,823	-
Net pension liability	1,493,523	-	224,203	331,859	2,049,585	-
Landfill closure and post-closure obligations	2,944,427	-	-	-	2,944,427	-
Workers compensation claims	393,799	-	1,695	16,720	412,214	-
Total noncurrent liabilities	<u>65,519,822</u>	<u>-</u>	<u>235,924</u>	<u>365,006</u>	<u>66,120,752</u>	<u>-</u>
Total liabilities	<u>73,323,773</u>	<u>585,501</u>	<u>524,560</u>	<u>989,519</u>	<u>75,423,353</u>	<u>321,793</u>
Net position						
Net investment in capital assets	75,599,080	33,638,857	19,109,470	647,927	128,995,334	-
Restricted:						
Debt service	1,360,912	-	-	-	1,360,912	-
Capital improvements	7,065,086	-	-	-	7,065,086	-
Other	94	-	-	-	94	-
Unrestricted	(10,382,974)	212,111	2,040,991	(712,521)	(8,422,393)	2,238,702
Total net position	<u>\$ 73,642,198</u>	<u>\$ 33,850,968</u>	<u>\$ 21,150,461</u>	<u>\$ (64,594)</u>	<u>\$ 128,579,033</u>	<u>\$ 2,238,702</u>

CITY OF ENID, OKLAHOMA
Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds
Year Ended June 30, 2015

	Business-type Activities					Internal Service
	Enterprise Funds					
	Enid Municipal Authority	Enid Event Center and Convention Hall	Woodring Airport	Nonmajor Enterprise Funds	Total	
Operating revenues:						
Charges for services:						
Utility operations	\$ 30,116,232	\$ -	\$ -	\$ -	\$ 30,116,232	\$ -
Event center	-	3,446,532	-	-	3,446,532	-
Airport	-	-	1,468,471	-	1,468,471	-
Transit	-	-	-	119,878	119,878	-
Healthcare premiums	-	-	-	-	-	4,726,785
Other	1,080,312	-	-	371,757	1,452,069	590
Government grants	-	-	-	245,955	245,955	-
Total operating revenues	<u>31,196,544</u>	<u>3,446,532</u>	<u>1,468,471</u>	<u>737,590</u>	<u>36,849,137</u>	<u>4,727,375</u>
Operating expenses:						
Utility operations	9,697,211	-	-	-	9,697,211	-
Economic development	-	-	-	-	-	-
Event center	-	5,340,076	-	-	5,340,076	-
Airport	-	-	1,505,764	-	1,505,764	-
Transit	-	-	-	630,082	630,082	-
Insurance claims and expenses	-	-	-	-	-	4,676,026
Other	400,452	-	27,455	619,173	1,047,080	-
Depreciation	6,803,874	1,774,155	644,158	133,376	9,355,563	-
Total operating expenses	<u>16,901,537</u>	<u>7,114,231</u>	<u>2,177,377</u>	<u>1,382,631</u>	<u>27,575,776</u>	<u>4,676,026</u>
Net operating income (loss)	14,295,007	(3,667,699)	(708,906)	(645,041)	9,273,361	51,349
Nonoperating revenues (expenses):						
Taxes	-	1,817,978	-	-	1,817,978	-
Miscellaneous revenues	5,762	-	5,110	1,633	12,505	-
Interest income	47,382	24	3,085	88	50,579	22,583
Gain/(loss) on disposition of assets	682	-	-	12,185	12,867	-
Payments to schools	(1,371,800)	-	-	-	(1,371,800)	-
Interest expense and fiscal charges	(3,920,677)	-	-	(1,866)	(3,922,543)	-
Total nonoperating revenues (expenses)	<u>(5,238,651)</u>	<u>1,818,002</u>	<u>8,195</u>	<u>12,040</u>	<u>(3,400,414)</u>	<u>22,583</u>
Net income (loss) before capital contributions and transfers	9,056,356	(1,849,697)	(700,711)	(633,001)	5,872,947	73,932
Capital grants	956,890	-	3,264,550	-	4,221,440	-
Transfers in	16,735,578	304,560	2,500,000	402,817	19,942,955	-
Transfers (out)	<u>(23,217,858)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,217,858)</u>	<u>-</u>
Change in net position	3,530,966	(1,545,137)	5,063,839	(230,184)	6,819,484	73,932
Net position, beginning	70,732,130	35,396,105	16,179,830	5,406,913	127,714,978	-
Restatement	(620,898)	-	(93,208)	(5,241,323)	(5,955,429)	2,164,770
Net position, ending	<u>\$ 73,642,198</u>	<u>\$ 33,850,968</u>	<u>\$ 21,150,461</u>	<u>\$ (64,594)</u>	<u>\$ 128,579,033</u>	<u>\$ 2,238,702</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ENID, OKLAHOMA
Statement of Cash Flows—Proprietary Funds
Year Ended June 30, 2015

	Business-type Activities					Internal Service
	Enterprise Funds					
	Enid Municipal Authority	Enid Event Center and Convention Hall	Woodring Airport	Nonmajor Enterprise Funds	Total	
Cash flows from operating activities:						
Receipts from customers and grantors	\$ 31,137,497	\$ 3,525,603	\$ 1,521,428	\$ 855,868	\$ 37,040,396	\$ 4,727,375
Payments to suppliers	(2,609,881)	(5,361,844)	(1,953,464)	(231,171)	(10,156,360)	(4,513,600)
Payments to employees	(3,093,107)	-	(442,627)	(872,445)	(4,408,179)	-
Net cash provided (used) by operating activities	<u>25,434,509</u>	<u>(1,836,241)</u>	<u>(874,663)</u>	<u>(247,748)</u>	<u>22,475,857</u>	<u>213,775</u>
Cash flows from noncapital financing activities:						
Taxes	-	1,800,534	-	-	1,800,534	-
Miscellaneous revenues/(expenses)	(1,366,038)	-	5,110	1,633	(1,359,295)	-
Operating transfers in (out)	(6,482,280)	304,560	2,500,000	402,817	(3,274,903)	-
Net cash provided (used) by noncapital financing activities	<u>(7,848,318)</u>	<u>2,105,094</u>	<u>2,505,110</u>	<u>404,450</u>	<u>(2,833,664)</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Proceeds from long-term debt	5,844,805	-	-	-	5,844,805	-
Principal paid on long-term debt	(19,474,445)	-	-	(16,980)	(19,491,425)	-
Interest expense and fiscal charges	(3,941,954)	-	-	(1,866)	(3,943,820)	-
Capital grants	956,890	-	4,532,841	-	5,489,731	-
Proceeds from sale of capital assets	20,060	-	-	12,185	32,245	-
Acquisition/construction of capital assets	(5,121,263)	(333,689)	(5,039,585)	(150,041)	(10,644,578)	-
Net cash (used) by capital and related financing activities	<u>(21,715,907)</u>	<u>(333,689)</u>	<u>(506,744)</u>	<u>(156,702)</u>	<u>(22,713,042)</u>	<u>-</u>
Cash flows from investing activities:						
Purchases of investments	2,978,450	(63,639)	-	-	2,914,811	(2,282,707)
Proceeds from sale of investments	(600,851)	-	-	-	(600,851)	-
Interest income	44,525	24	3,085	88	47,722	22,583
Net cash provided by investing activities	<u>2,422,124</u>	<u>(63,615)</u>	<u>3,085</u>	<u>88</u>	<u>2,361,682</u>	<u>(2,260,124)</u>
Net increase (decrease) in cash and cash equivalents	(1,707,592)	(128,451)	1,126,788	88	(709,167)	(2,046,349)
Cash and cash equivalents, beginning	1,707,592	485,395	190,250	35,402	2,418,639	2,321,474
Cash and cash equivalents, ending	<u>\$ -</u>	<u>\$ 356,944</u>	<u>\$ 1,317,038</u>	<u>\$ 35,490</u>	<u>\$ 1,709,472</u>	<u>\$ 275,125</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Net operating income (loss)	\$ 14,295,007	\$ (3,667,699)	\$ (708,906)	\$ (645,041)	\$ 9,273,361	\$ 51,349
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	6,803,874	1,774,155	644,158	133,376	9,355,563	-
(Gain) loss on disposal of capital assets	(20,060)	-	-	-	(20,060)	-
(Increases) decrease in assets:						
Receivables	(135,927)	26,031	52,957	118,278	61,339	-
Inventories	-	(8,260)	30,297	-	22,037	-
Prepaid expenses	(1,075)	35,776	(917)	-	33,784	(2,663)
Due from other funds	-	-	(1,000,000)	-	(1,000,000)	-
Pension related deferred outflows	(608,358)	-	(91,325)	-	(699,683)	-
Increase (decrease) in liabilities:						
Accounts payable and accrued liabilities	796,171	(136,128)	253,892	42,388	956,323	165,089
Due to other funds	3,355,372	-	(185,814)	43,767	3,213,325	-
Unearned revenue	-	86,844	-	764	87,608	-
Net pension liability	872,625	-	130,995	58,720	1,062,340	-
Customer deposits	76,880	53,040	-	-	129,920	-
Total adjustments	<u>11,139,502</u>	<u>1,831,458</u>	<u>(165,757)</u>	<u>397,293</u>	<u>13,202,496</u>	<u>162,426</u>
Net cash provided (used) by operating activities	<u>\$ 25,434,509</u>	<u>\$ (1,836,241)</u>	<u>\$ (874,663)</u>	<u>\$ (247,748)</u>	<u>\$ 22,475,857</u>	<u>\$ 213,775</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ENID, OKLAHOMA
Statement of Fiduciary Net Position—Fiduciary Funds
June 30, 2015

	Agency Funds	Pension Trust Funds
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	\$ 19,040	\$ 143,729
Receivables:		
Accrued interest	-	5,901
Investments	-	34,306,490
Due from other funds	7,774	-
Participant loans	-	382,015
Total assets	<u>26,814</u>	<u>34,838,135</u>
Liabilities		
Accounts payable	<u>26,814</u>	-
Total liabilities	<u>\$ 26,814</u>	<u>-</u>
Net position - held for benefit of plan participants		<u>\$ 34,838,135</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ENID, OKLAHOMA
Statement of Changes in Fiduciary Net Position—Fiduciary Funds
June 30, 2015

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 1,262,830
Plan members	728,946
Total contributions	<u>1,991,776</u>
Investment earnings:	
Net increase (decrease) in the fair value of investments	249,765
Interest and dividends	442,345
Total investment earnings	<u>692,110</u>
Total additions	<u>2,683,886</u>
Deductions:	
Benefits and withdrawals	2,867,173
Administrative expenses	201,297
Total deductions	<u>3,068,470</u>
Change in net position restricted for pensions	(384,584)
Net position held for the benefit of plan participants, beginning	<u>35,222,719</u>
Net position held for the benefit of plan participants, ending	<u>\$ 34,838,135</u>

The accompanying notes are an integral part of these financial statements.

NOTE A--ORGANIZATION

The City of Enid, Oklahoma, (the City) operates under a Council-Manager form of government under Title 11 of the *Oklahoma Statutes*. The City provides the following services to its citizens: public safety (police and fire), streets and highways, social services, culture and recreation, sanitation and solid waste services, public improvements, water utilities, public works, planning and zoning, development and general administrative services.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity: The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Thus, blended component units are appropriately presented as funds of the primary government. The City's financial statements do not include any discretely presented component units.

Blended Component Units: The Enid Municipal Authority (EMA) serves all the citizens of the City and is governed by a board of trustees comprised of the City's elected City Commission members. The City is the sole beneficiary of the EMA and receives all trust properties upon termination. EMA operates the water, wastewater, sanitation collection, and landfill services of the City. The rates for user charges and bond issuance authorizations are approved by the City Commission and the legal liability for the general obligation portion of EMA's debt remains with the City. The City maintains all accounting records. The EMA is presented as an enterprise fund and does not issue separate financial statements.

The Vance Development Authority was established in June 1995 to promote the development of Vance Air Force Base located in Enid, Oklahoma. It is governed by the board of trustees comprised of the City Commission. The City is the sole beneficiary of the Vance Development Authority and receives all trust properties upon termination. The Vance Development Authority is reported as a department of the General Fund and does not issue separate financial statements. The Vance Development Authority's operations are managed by the management of the City and its Board of Commissioners are appointed by the City Council. Additionally, the City Council approves the budget for the Vance Development Authority.

The Enid Public Transportation Authority (EPTA) was established February 7, 1984. The EPTA provides public transportation within the city limits of Enid and North Enid. Transportation is also provided to and from Oklahoma City and Tulsa for a fee sufficient to cover costs. The City of Enid and North Enid have a combined land area of approximately 75 square miles. Estimated ridership of the EPTA is 3,400 trips per month. The type of service offered is on-demand response service. The City of Enid would receive all properties upon termination of the authority. EPTA is presented as a blended enterprise fund and does not issue separate financial statements. The EPTA's operations are managed by the management of the City. Additionally, the City Council approves the budget for the EPTA.

The Enid Economic Development Authority (EEDA) was established April 16, 1987, for economic development purposes, including industrial recruitment and assistance to new and expanding industry with relocation assistance and infrastructure construction. It is governed by a board of trustees comprised of the City's elected City Council. The City is the sole beneficiary of the EEDA and receives all trust property upon termination. The City maintains all accounting records. EEDA is presented as a governmental fund and does not issue separate financial statements.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Basis of Presentation:

Government-Wide Financial Statements - While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All other governmental revenues are reported as general. All taxes are classified as general revenue.

Fund Financial Statements - The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as Non-major funds.

Governmental Funds - The City reports the following major governmental funds:

- The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The police fund is a special revenue fund which accounts for the resources accumulated from a portion of sales tax revenues and payments made for police operations and capital expenditures and committed revenues from the general fund.
- The fire fund is a special revenue fund which accounts for the resources accumulated from a portion of sales tax revenues and payments made for fire operations and capital expenditures and committed revenues from the general fund.

The other governmental funds are reported as nonmajor governmental funds. The aggregate non major governmental funds include debt service funds, special revenue funds, and capital projects funds. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Proprietary Funds - The City reports the following major enterprise funds:

- The Enid Municipal Authority accounts for the City's utility operations including water, wastewater, sanitation and landfill.
- The Enid Event Center and Convention Hall accounts for the operations of the Enid Event Center and Convention Hall. It includes the hotel tax revenues and disbursements and the Enid Convention and Visitor's Bureau (ECVB) budget.
- The Woodring Airport Fund accounts for the operations of the City's municipal airport including federal and state grants received for airport improvements.

The City also reports nonmajor enterprise funds.

Additionally, the City reports the following fund types:

- The pension trust funds account for the activities of the Employee Retirement System of Enid, Oklahoma, and the City of Enid, Oklahoma 401(k) Supplement Plan which accumulate resources for pension benefit payments to qualified employees.
- The agency fund accounts for the court bond and CLEET fund deposits.
- The internal service fund accounts for the health and dental benefits administered to City employees.

Interfund Activity - During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/due from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities and business type activities are eliminated so that only the net amount is included as internal balances in the government wide financial statements.

Further, certain activity occurs during the year involving transfer of resources between funds. In the fund financial statements these amounts are reported as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between funds included in the governmental activities and business type activities are eliminated so that only the net amount is included as transfers in the government wide financial statements. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting: The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and budgeted for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, fines, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and pension benefit trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

For purposes of measuring the net pension asset/liability, deferred inflows and outflows of resources, and pension expense, information about the fiduciary net position of the Oklahoma Police Pension and Retirement System (OPPRS) and the Oklahoma Firefighters' Pension and Retirement System (OFPRS) and additions to /deductions from OPPRS and OFPRS fiduciary net position have been determined on the same basis as they are reported by OPPRS and OFPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Budgetary Information:

Budgetary Basis of Accounting - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and enterprise funds. Annual expenditures within a fund may not exceed 90% of the budget until actual revenues equal to the estimated amount have been received. No expenditure can exceed the actual amount on hand.

The appropriated budget is prepared by fund and department. The City manager may make transfers of appropriations within a department or between departments. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance:

Cash and Cash Equivalents - The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Pooled cash and investments - Certain cash funds and investments belonging to the City and its component units are placed in a pooled cash fund. This "pooled cash" concept is used to maintain the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each participating fund has equity in the pooled accounts. All pooled cash and investments are reported in the City's general fund with an interfund receivable/payable (due from/to other funds) recognized between the general fund and the other funds sharing in pooled cash.

Statement of cash flows: For purposes of the statement of cash flows for proprietary fund type funds, the City considers the pooled cash and investments to be cash equivalents as these pooled amounts have the same characteristics of demand deposits.

Investments - Investments for the City, as well as for its component units, are reported at fair value, with the exception of certificates of deposit which are reported at cost. Fair value is determined based on quoted market prices at June 30, 2015.

Receivables - All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable are reserved by aging bucket as follows:

Current	5%
0 - 30 Days	10%
31 - 60 Days	20%
61 - 90 Days	50%
Over 120 Days	80%

Inventories and Prepaid Items - Inventories are valued at cost using the lower of cost or market method and consist of warehouse supplies and fuel at the service center, landfill and airport. The cost of inventory is allocated to the user departments based upon consumption.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Restricted Assets - Certain proceeds of the general obligation bonds, revenue bonds and sales tax notes payable, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate trustee accounts, and their use is limited by applicable debt covenants. Construction accounts are used to report those proceeds of bond and note issuances that are restricted for use in construction.

Assets Held for Sale - Assets acquired with the intent of sale are reported as assets held for sale and carried at lower of cost or market.

Capital Assets - Capital assets, which include land, construction in progress, buildings, improvements, equipment and vehicles, are reported in the applicable governmental or business-type activities column in the government-wide financial statements, and the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life of more than one year. As the City acquires or constructs capital assets each year, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. For the year ended June 30, 2015, total interest expense was \$3,912,546. None of this interest was capitalized.

Land and construction in progress are not depreciated. Buildings, improvements, equipment, and vehicles of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Years
Buildings	20 - 50
Infrastructure	20 - 50
Equipment	3 - 10
Vehicles	5 - 10

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category. Deferred amounts related to pensions are reported as deferred outflows in the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental fund balance sheet includes unavailable revenue, which is reported as a deferred inflow of resources only under the modified accrual basis of accounting. Deferred amounts related to pensions are also reported as deferred inflows in the government-wide statement of net position.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Enid Retirement Plan (ERP), the Oklahoma Firefighters Pension and Retirement System (OFPRS), and the Oklahoma Police Pension and Retirement System (OPPRS) and additions to/deductions from ERP's, OFPRS', and OPPRS's fiduciary net position have been determined on the same basis as they are reported by ERP, OFPRS, and OPPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences - It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is some liability for unpaid accumulated sick leave since the City does pay full-time regular employees who have accrued 90 days of sick leave \$25 per day up to twelve accrued unused sick leave days per year, except for firemen who are paid \$50 per day up to twelve accrued unused sick leave days per year. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. For governmental fund types, the amount of accumulated unpaid vacation which is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

Long-Term Debt - All long-term debt and capital leases to be repaid from governmental and business-type resources are reported as liabilities in the government-wide and proprietary fund financial statements. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

Fund Balances and Net Position

Fund Balances - Governmental fund balances are classified as nonspendable, restricted, committed, assigned and unassigned as follows:

- a. Nonspendable - includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- b. Restricted - consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city's highest level of decision-making authority. The entity's highest level of decision-making authority is made by ordinance.
- d. Assigned - includes amounts that are constrained by the entity's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city commission's action or management decision when the city council has designated that authority.
- e. Unassigned - all amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Position - Net position is displayed in three components as follows:

- a. Net Investment in Capital Assets: consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any debt or other borrowings that are attributable to the acquisition, construction or improvement of these assets.
- b. Restricted Net Position: consists of net position with constraints placed on the use by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position: all other net position that do not meet the definitions of "net investment in capital assets" or "restricted".

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenues and Expenditures/Expenses:

Program Revenues - Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purpose, and other internally dedicated resources are reported as general revenues rather than as program revenue.

Property Taxes - Property taxes revenue recognized by the City are billed and collected by the county treasurer's office and remitted to the City in the month following the collection. Property taxes are levied annually in November 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 November. The City recognizes the tax revenue in the year it is levied by Garfield County. For the years ended June 30, 2015 and 2014, the City's net assessed valuation of taxable real and personal property aggregated \$315,364,261 and \$325,170,244 while the property taxes levied per \$1,000 had no assessed valuation for both periods.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

New Accounting Pronouncements: The GASB has issued several new accounting pronouncements, which are effective for the City of Enid in the current year or will be effective in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the City of Enid's consideration of the impact of these pronouncements are described below:

Fiscal Year Ended June 30, 2015

Statement No. 68, Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27. - GASB No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and pension expenses. GASB No. 68 also details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. Defined benefit pensions are further classified by GASB No. 68 as single employer plans, agent employer plans and cost-sharing plans, and recognition and disclosure requirements are addressed for each classification. GASB No. 68 was issued in June 2012, and the City of Enid implemented the provisions of the Statement resulting in a significant adjustment to net position, additional note disclosures, and required supplementary information schedules. See Note G for the impact of the restatements from the implementation of this new standard.

Statement No. 69, Government Combinations and Disposals of Government Operations. - GASB No. 69 was issued in January 2014 and establishes accounting and financial reporting standards related to government combinations and disposals of government operations. Government combinations can include a variety of transactions, including mergers, acquisitions and transfers of operations. A disposal of a government's operations results in the removal of specific activities of a government. The requirements of this Statement had no effect on the financial statements of the City of Enid.

Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68 - GASB No. 71 amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. The result of implementation of this Statement was the reporting of deferred outflows related to pension contributions. See Note G for the impact of the restatements from the implementation of this new standard.

Fiscal Year Ending June 30, 2016:

GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, will be effective for the City beginning with its fiscal year ending June 30, 2016. The purpose of GASB 72 is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurement. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, issued June 2015, will be effective for the City beginning with its fiscal year ending June 30, 2016. The purpose of GASB 73 is to improve the usefulness of information about pensions included in external financial reports of state and local governments for making decisions and assessing accountability. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

GASB Statement No 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued June 2015, will be effective for the City beginning with its fiscal year ending June 30, 2016. The objective of GASB 76 is to identify - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, issued December 2015, will be effective for the City beginning with its fiscal year ending June 30, 2016. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, issued December 2015, will be effective for the City beginning with its fiscal year ending June 30, 2016. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

Fiscal Year Ending June 30, 2017:

GASB Statement No 74, *Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans*, issued June 2015, will be effective for the City beginning with its fiscal year ending June 30, 2017. The purpose of GASB 74 is to improve the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures*, issued August 2015, will be effective for the City beginning with its fiscal year ending June 30, 2017. This statement requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The disclosures about the government's own tax abatement agreements includes the purpose of the tax abatement program, the tax being abated, the amount of tax being abated, the provisions of recapturing abated taxes, the types of commitments made by tax abatement recipients, and other commitments made by government in tax abatement agreements. The disclosures about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues includes the name of the government entering into the abatement agreement, the tax being abated, and the amount of the reporting government's tax being abated.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

GASB Statement No. 80, *Blending Requirements for Certain Component Units*, issued January 2016, will be effective for the City beginning with its fiscal year ending June 30, 2017. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

Fiscal Year Ending June 30, 2018:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued June 2015, will be effective for the City beginning with its fiscal year ending June 30, 2018. This statement addresses accounting and financial reporting for OPEB that is provided to employees of state and local governmental employers. GASB 75 establishes standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and expense/expenditures. For defined benefit OPEB, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB are also addressed. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

CITY OF ENID, OKLAHOMA
Notes to Financial Statements
June 30, 2015

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Cash and Investments: The City held the following deposits and investments at June 30, 2015:

Governmental and Proprietary	Fair Value	Credit Rating	Maturities in Years	
			Less than one year	More than one year
Type:				
Demand deposits	\$ 2,208,747	n/a	\$ N/A	\$ N/A
Petty cash and change funds	13,400	n/a	N/A	N/A
Time deposits (certificates of deposit)	18,599,000	n/a	N/A	N/A
Investments:				
Government money market accounts	15,407,900	n/a	15,407,900	-
U.S. Agency securities	6,099,963	Aaa	5,104,613	995,350
Total cash and cash equivalents and investments	<u>\$ 42,329,010</u>		<u>\$ 20,512,513</u>	<u>\$ 995,350</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 4,130,545			
Investments	17,099,001			
Restricted cash and investments	21,099,464			
	<u>\$ 42,329,010</u>			

Agency and Fidiuciary	Fair Value	Credit Rating	Maturities in Years	
			Less than one year	More than one year
Demand deposits	\$ 162,769	n/a	\$ N/A	\$ N/A
Investments:				
Mutual funds fixed income	34,306,490	n/a	34,306,490	-
Total cash and cash equivalents and investments	<u>\$ 34,469,259</u>		<u>\$ 34,306,490</u>	<u>\$ -</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2015, all of the City's bank balances were covered by Federal Depository Insurance or collateralized by securities pledged by the banks and held in safekeeping by another bank. These balances were held in the City's name.

Investments: The City uses a pooled investment concept for all its funds, with the exception of restricted funds in connection with debt securities, to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. State statutes limit investments to the following: a) direct obligations of the U.S. Government, its agencies or instrumentalities; b) collateralized or insured certificates of deposit within the state, and insured certificates only if out of state; c) savings accounts or savings certificates; d) fully collateralized prime banker acceptances, prime commercial paper, repurchase agreements, or SEC regulated money market funds; e) obligations to the payment of which the full faith and credit of the state is pledged; f) county, municipal, or school district and valorem tax funded debt; g) bonds, notes, or money judgments of a county, municipality, or school district; h) revenue anticipation notes of a public trust of which the municipality is beneficiary; or; i) any bond, note, or other debt of any public trust of which the municipality is sole beneficiary, or other entities whose governing boards were appointed by the municipality. The City's investment policy does not further limit its investment choices.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City discloses its exposure to interest rate risk by disclosing the maturity in years of its various investments. The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS--Continued

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations (rating agencies) as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Concentration of Credit Risk - The City places no limit on the amount it may invest in anyone issuer. More than 5 percent of the City's investments are in U.S. Agency securities. These investments consist of investments in FNMA, FHLMC, and Federal Farm Credit Bank Securities and are 7%, 17%, and 5%, respectively, of the City's total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration.

Custodial Credit Risk - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City's policy to maintain investment securities that are insured or registered in the City's name and held by the City or its agent in the City's name whenever possible. As of June 30, 2015, the City's investments were not exposed to custodial credit risk as all the City's investments were registered in the name of the City and held by a counterparty.

Restricted Cash and Investments: The amounts reported as restricted cash and investments included unexpended debt proceeds totaling \$1,009,270 from Series 2008 general obligation bonds set aside as restricted in the capital improvements fund. The Enid Municipal Authority Series 2003 Sales Tax note, 2009 OWRB note, 2010 OWRB note and 2012A OWRB note, and 2015 Revenue note, as well as the EEDA Tax Apportionment Bonds, Series 2005 include restricted cash and investments for sinking funds and reserve funds for repayment of principal and interest when due.

CITY OF ENID, OKLAHOMA
Notes to Financial Statements
June 30, 2015

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS--Continued

The following is a summary of the debt issuances that require restricted cash and investments to be maintained. The balances as of June 30, 2015 are as follows:

	Governmental Funds	Proprietary Funds	Totals
2008 General Obligation Bonds	\$ 1,009,270	\$ -	\$ 1,009,269
EMA 2003 Sales Tax Note	-	12,276,110	12,276,111
EMA 2009 OWRB Note	-	88,853	88,853
EMA 2010 OWRB Note	-	981,132	981,132
EMA 2012A OWRB Note	-	205,805	205,805
EMA 2015 Revenue Bonds	-	5,520,275	5,520,275
EEDA 2005 Tax Apportionment Bonds	1,017,999	-	1,017,999
	<u>1,017,999</u>	<u>19,072,175</u>	<u>20,090,175</u>
Total restricted cash and investments	<u>\$ 2,027,269</u>	<u>\$ 19,072,175</u>	<u>\$ 21,099,444</u>

Receivables: Receivables as of June 30, 2015, for the City of Enid's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

Investment	Receivables					
	Taxes	Accounts	Due from Other Governments	Accrued Interest	Allowance for Doubtful Accounts	Net Receivables
Fund:						
General	\$ 3,321,472	\$ 40,373	\$ 3,840	\$ -	\$ (6,054)	\$ 3,359,631
Police	726,208	13,640	43,096	-	-	782,944
Fire	639,385	10,894	-	-	-	650,279
Non-major governmental funds	248,433	-	811,686	8	-	1,060,127
Enid Municipal Authority	-	3,235,471	-	19,753	(147,076)	3,108,148
Enid Event Center and Convention Hall	166,401	182,889	-	-	(34,061)	315,229
Woodring airport	-	66,551	25,023	-	(5,168)	86,406
Non-major enterprise funds	-	-	77,000	-	-	77,000
Net total receivables	<u>\$ 5,101,899</u>	<u>\$ 3,549,818</u>	<u>\$ 960,645</u>	<u>\$ 19,761</u>	<u>\$ (192,359)</u>	<u>\$ 9,439,764</u>

CITY OF ENID, OKLAHOMA
Notes to Financial Statements
June 30, 2015

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS--Continued

Capital Assets: Capital asset balances and activities for the year ended June 30, 2015, were as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 5,540,305	\$ -	\$ -	\$ -	\$ 5,540,305
Construction in progress	5,526,322	6,921,666	(4,876,563)	(130,227)	7,441,198
Total capital assets, not being depreciated	<u>11,066,627</u>	<u>6,921,666</u>	<u>(4,876,563)</u>	<u>(130,227)</u>	<u>12,981,503</u>
Capital assets, being depreciated:					
Buildings	12,921,824	-	535,839	-	13,457,663
Infrastructure	78,750,551	-	3,595,659	-	82,346,210
Equipment	8,748,639	322,012	984,352	(107,274)	9,947,729
Vehicles	10,271,736	455,103	(261,929)	(51,706)	10,413,204
Total capital assets, being depreciated	<u>110,692,750</u>	<u>777,115</u>	<u>4,853,921</u>	<u>(158,980)</u>	<u>116,164,806</u>
Less accumulated depreciation for:					
Buildings	(5,974,588)	(564,577)	(34,009)	-	(6,573,174)
Infrastructure	(38,438,747)	(3,232,939)	-	-	(41,671,686)
Equipment	(6,369,162)	(1,490,808)	33,682	107,274	(7,719,014)
Vehicles	(7,256,057)	(1,045,044)	220,519	49,706	(8,030,876)
Total accumulated depreciation	<u>(58,038,554)</u>	<u>(6,333,368)</u>	<u>220,192</u>	<u>156,980</u>	<u>(63,994,750)</u>
Total capital assets, being depreciated, net	<u>52,654,196</u>	<u>(5,556,253)</u>	<u>5,074,113</u>	<u>(2,000)</u>	<u>52,170,056</u>
Governmental activities capital assets, net	<u>\$ 63,720,823</u>	<u>\$ 1,365,413</u>	<u>\$ 197,550</u>	<u>\$ (132,227)</u>	<u>\$ 65,151,559</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 7,175,779	\$ 493,397	\$ -	\$ -	\$ 7,669,176
Construction in progress	10,179,206	10,279,926	(2,912,011)	(93,777)	17,453,344
Total capital assets, not being depreciated	<u>17,354,985</u>	<u>10,773,323</u>	<u>(2,912,011)</u>	<u>(93,777)</u>	<u>25,122,520</u>
Capital assets, being depreciated:					
Buildings	76,611,587	41,898	119,413	-	76,772,898
Infrastructure	123,281,732	-	2,373,522	-	125,655,254
Equipment	22,782,457	107,660	157,081	(5,000)	23,042,198
Vehicles	6,022,902	119,224	284,637	(87,716)	6,339,047
Total capital assets, being depreciated	<u>228,698,678</u>	<u>268,782</u>	<u>2,934,653</u>	<u>(92,716)</u>	<u>231,809,397</u>
Less accumulated depreciation for:					
Buildings	(4,814,069)	(3,858,406)	34,009	-	(8,638,466)
Infrastructure	(51,487,484)	(3,860,508)	-	-	(55,347,992)
Equipment	(10,319,163)	(1,107,273)	(33,682)	5,000	(11,455,118)
Vehicles	(4,681,344)	(529,376)	(220,519)	84,533	(5,346,706)
Total accumulated depreciation	<u>(71,302,060)</u>	<u>(9,355,563)</u>	<u>(220,192)</u>	<u>89,533</u>	<u>(80,788,282)</u>
Total capital assets, being depreciated, net	<u>157,396,618</u>	<u>(9,086,781)</u>	<u>2,714,461</u>	<u>(3,183)</u>	<u>151,021,115</u>
Business-type activities capital assets, net	<u>\$ 174,751,603</u>	<u>\$ 1,686,542</u>	<u>\$ (197,550)</u>	<u>\$ (96,960)</u>	<u>\$ 176,143,635</u>

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS--Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

<i>Governmental activities:</i>	
General government	\$ 1,148,247
Public safety	1,355,164
Public works	3,446,540
Cultural and recreation	350,508
Economic development	32,909
Total governmental activities	<u>\$ 6,333,368</u>
 <i>Business-type activities:</i>	
Utility Operations	\$ 6,803,874
Airport	644,158
Golf	54,168
Transit	79,208
Event Center	1,774,155
Total business-type activities	<u>\$ 9,355,563</u>

Deposits Subject to Refund: Utility customers are required to make a meter deposit which is refunded upon the customer's termination of services, or upon request after twelve months of on-time payments with no cut-offs, provided there are no outstanding bills. Monies are deposited into the pooled cash account, and a liability has been recorded to represent the amount of deposits due to customers. As of June 30, 2015, the liability to customers was \$1,070,306.

Appearance bonds and other payments made to the municipal court funds reported in the agency fund financial statements are held until final disposition by the court, at which time they are refunded to the bondholder or paid over to the City general fund as fines.

CITY OF ENID, OKLAHOMA
Notes to Financial Statements
June 30, 2015

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS—Continued

Long-Term Liabilities: Long-term liabilities of the City of Enid as of June 30, 2015, are summarized as follows:

Governmental activities:

Notes payable:

Note payable in the amount of \$1,910,000 with interest in semi-annual installments and principal in 20 annual installments beginning August 1, 2000, with final installment due August 31, 2019, with interest at 1.54% for economic development.

Note guaranteed by the U.S. Department of Housing and Urban Development. 768,000

Tax apportionment bonds:

Tax Apportionment Bonds, Series 2005, dated September 22, 2005 and purchased by Advance Foods in the principal amount of \$6,250,000. Bond matures on July 1, 2023 and bears interest at 6.00% per annum. Proceeds of the bonds were used to finance economic development. The bonds will be paid by the incremental increase in Ad valorem tax revenue generated by the development within Increment District No. 1, of the City of Enid.

3,648,282

Total long-term liabilities for governmental activities

\$ 4,416,282

Business-type activities:

Revenue notes:

\$7,780,000 Sales Tax Revenue Note, Series 2003, issued May 2003 by the Enid Municipal Authority, due in annual installments through June 1, 2018, with interest at 4.10%. The proceeds were used to provide funds to seven area school districts.

2,830,000

Series 2015 Enid Municipal Authority Utility System and Sales Tax Revenue Note to Branch Banking and Trust Company, dated June 30, 2015, in the amount of \$5,615,000, payable in semi-annual installments over 5 years, every January 1 & July 1, including interest at 1.70% for the construction of Willow Road widening, Cleveland & Chestnut intersection, well field improvements and waterline relocation.

5,615,000

Total revenue bonds and note

8,445,000

Note payable:

Series 1998A note payable to the Oklahoma Water Resources Board, dated September 14, 1998, in the amount of \$1,906,000 payable in semi-annual principal installments beginning February 15, 1999 and maturing August 15, 2018, interest rate of 0.50% with an administrative fee at the rate of 0.50% for improvements.

333,550

Series 2000A note payable to the Oklahoma Water resources Board, dated December 27, 2000, in the amount of \$1,184,042 payable in semi-annual principal installments beginning February 15, 2001 and maturing August 15, 2020, interest rate of 0.50% with an administrative fee at the rate of 0.50% for sewer improvements.

325,612

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS—Continued

Series 2002A note payable to the Oklahoma Water Resources Board, dated August 14, 2002, in the amount of \$1,080,000 payable in semi-annual principal installments beginning February 15, 2003 and maturing February 15, 2022, interest rate of 0.50% with an administrative fee of 0.50% for sewer improvements.	387,692
Series 2009 drinking water SRF promissory note to Oklahoma Water Resources Board, dated November 20, 2009, in the amount of \$8,345,000, payable in semi-annual payments over twenty years (20), each March 15 and September 15, including interest at 2.73% and an administration fee of 0.50%, for the purchase and installation of automated metering infrastructure system.	4,227,413
Series 2010 clean water SRF promissory note to the Oklahoma Water Resources Board/ Oklahoma Development Finance Authority, dated May 25, 2011, in the amount of \$39,900,000 payable in semi-annual installments over twenty years (20), each March 15 and September 15, including interest at 2.31% plus an administration fee of 0.50%, for the construction of a wastewater treatment plant. Total drawdowns of funds during the year were \$229,804.	30,904,955
Series 2012 drinking water SRF promissory note to Oklahoma Water Resources Board, dated April 10, 2012, in the amount of \$5,435,000, payable in semi-annual installments over nine (9) years, including interest at 1.75%, for the construction of a new water tower. There were no drawdowns on these funds in the current year.	3,499,024
Series 2012 Enid Municipal Authority Taxable Sales Tax Revenue Note to Bank of Oklahoma, dated January 3, 2012, payable in semi-annual installments, including interest at a variable rate of interest equal to the British Banker's Association LIBOR 6-month rate plus 212 basis points, initially 2.54365% and reset each June 1 and December 1, interest rate 2.94% at June 30, 2015, to provide funds for construction of a new Events Center and renovation of Convention Hall.	7,345,000
Total notes payable	<u>47,023,246</u>
Capital lease obligations:	
John Deere Credit dated September 15, 2012 with 48 monthly payments of \$622 including interest at 4.30%, for the purchase of a zero turn mower with a remaining net book value of \$2,235.	8,484
PNC Equipment Finance dated October 10, 2012 with 48 monthly payments of \$551 including interest at 5.99%, for the purchase of an aerator with a remaining net book value of \$1,119.	7,939
De Lage Landen Public Finance LLC dated August 1, 2013 with 60 monthly payments of \$377 including interest at 4.99%, for the purchase of a relief grinder with a remaining net book value of \$6,947	12,908
Total capital lease obligations	<u>29,331</u>
Total long-term liabilities for business-type activities	<u>\$ 55,497,577</u>

CITY OF ENID, OKLAHOMA
Notes to Financial Statements
June 30, 2015

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS--Continued

Long-term liabilities transactions for the year ended June 30, 2015, were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated Absences	\$ 2,025,734	\$ -	\$ (83,109)	\$ 1,942,625	\$ 1,254,480
Other long-term liabilities:					
Net pension liability	28,170,644	2,744,510	(5,587,427)	25,327,727	-
Net OPEB obligation	5,681	-	(95)	5,586	-
Workers' compensation claims	878,618	516,850	(110,559)	1,284,909	371,537
	<u>29,054,943</u>	<u>3,261,360</u>	<u>(5,698,081)</u>	<u>26,618,222</u>	<u>371,537</u>
Judgments	194,834	321,923	(80,350)	436,407	172,520
Notes payable:					
HUD loan	891,000	-	(123,000)	768,000	131,000
Tax apportionment bonds:					
Tax apportionment bonds 2005	4,996,967	-	(1,348,685)	3,648,282	806,783
Total governmental activities	<u>\$ 37,163,478</u>	<u>3,583,283</u>	<u>(7,333,225)</u>	<u>\$ 33,413,536</u>	<u>\$ 2,736,320</u>
Business-type activities:					
Compensated absences	\$ 220,057	\$ 11,017	\$ (12,302)	\$ 218,772	\$ 174,568
Other long-term liabilities:					
Workers' compensation claims	672,061	17,916	(230,424)	459,553	47,337
Landfill closure and post-closure and other long-term liabilities	2,690,955	253,472	-	2,944,427	-
Net pension liability	1,068,074	981,511	-	2,049,585	-
	<u>4,431,090</u>	<u>1,252,899</u>	<u>(230,424)</u>	<u>5,453,565</u>	<u>47,337</u>
Revenue Bonds and Notes:					
Series 2015	-	5,615,000	-	5,615,000	540,000
Series 2003	3,700,000	-	(870,000)	2,830,000	905,000
Series 1987A	3,230,000	-	(3,230,000)	-	-
	<u>6,930,000</u>	<u>5,615,000</u>	<u>(4,100,000)</u>	<u>8,445,000</u>	<u>1,445,000</u>
Deferred interest on 1987A bonds	10,563,270	-	(10,563,270)	-	-
Notes Payable:					
OWRB1998A	428,850	-	(95,300)	333,550	95,300
OWRB 2000A	384,814	-	(59,202)	325,612	59,202
OWRB 2002A	443,077	-	(55,385)	387,692	55,385
OWRB 2009 DWSRF	4,433,921	-	(206,508)	4,227,413	212,957
OWRB/ODFA 2010 CWSRF	32,156,939	229,804	(1,481,788)	30,904,955	1,433,978
OWRB 2012 DWSRF	4,047,016	-	(547,992)	3,499,024	557,601
OWRB 2012A sales tax note	1,025,000	-	(1,025,000)	-	-
EMA sales tax note	8,685,000	-	(1,340,000)	7,345,000	1,365,000
	<u>51,604,617</u>	<u>229,804</u>	<u>(4,811,175)</u>	<u>47,023,246</u>	<u>3,779,423</u>
Capital Lease Obligations	46,311	-	(16,980)	29,331	17,520
Total business-type activities	<u>\$ 73,795,345</u>	<u>\$ 7,108,720</u>	<u>\$ (19,734,151)</u>	<u>\$ 61,169,914</u>	<u>\$ 5,463,848</u>

CITY OF ENID, OKLAHOMA
Notes to Financial Statements
June 30, 2015

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS--Continued

Annual debt service requirements to maturity for governmental and business-type activities long-term debt are as follows:

Year Ending June 30,	Governmental Activities					
	Judgments		Tax Apportionment Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 172,520	\$ 32,938	\$ 806,783	\$ 218,897	\$ 131,000	\$ 20,664
2017	156,579	-	855,190	170,490	141,000	17,348
2018	107,308	-	906,501	119,179	154,000	13,231
2019	-	-	960,892	64,788	164,000	8,432
2020	-	-	118,916	7,135	178,000	2,937
Totals	<u>\$ 436,407</u>	<u>\$ 32,938</u>	<u>\$ 3,648,282</u>	<u>\$ 580,489</u>	<u>\$ 768,000</u>	<u>\$ 62,612</u>

Year Ending June 30,	Business-Type Activities					
	Revenue Notes		Capital Lease		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,445,000	\$ 164,023	\$ 17,520	\$ 1,082	\$ 3,779,423	\$ 1,306,763
2017	2,035,000	160,610	7,049	374	3,865,420	1,244,713
2018	2,090,000	103,250	4,387	138	3,950,207	1,183,853
2019	1,130,000	44,115	375	2	3,993,980	1,121,365
2020	1,160,000	24,778	-	1	4,032,221	1,059,771
2021-2025	585,000	4,973	-	-	11,109,008	3,309,840
2026-2030	-	-	-	-	11,667,276	1,617,027
2031-2035	-	-	-	-	4,625,711	162,923
Totals	<u>\$ 8,445,000</u>	<u>\$ 501,749</u>	<u>\$ 29,331</u>	<u>\$ 1,597</u>	<u>\$ 47,023,246</u>	<u>\$ 11,006,255</u>

Extinguishment of Debt - The Enid Municipal Authority placed \$10,445,000 in escrow on June 30, 2015, with the trustee, Central National Bank, using existing resources listed below, to complete an extinguishment of debt of the Authority's Utility and Sales Tax Revenue Bonds, Series 1987A in accordance with GASB Statement 62. These bonds are deferred interest bonds with no interest paid periodically but accreting in value with payments made February 1, 2016 and February 1, 2017. The bonds yield 7.60% to maturity for the 2016 Series and 7.80% on the 2017 Series. Funds of \$6,001,488 held in the Debt Service Reserve Fund, \$2,539,242 held in the Bond Fund, \$751,907 held in the Renewal and Replacement Fund, and an additional \$1,152,363 held in the Sales Tax Fund were placed in an irrevocable escrow account with the trustee. As a result of this extinguishment, the assets used and the associated debt and deferred interest liabilities have been removed from the financial statements. The extinguishment resulted in a difference between the reacquisition price (amount paid on extinguishment including a \$10,702 trustee miscellaneous cost) of \$10,455,702 and the net carrying amount of \$10,445,000. This difference was recognized as part of the accounting loss of \$2,184,865 for the year ended June 30, 2015. As a result of the extinguishment of debt, the Authority will reduce its debt service payments by \$10,445,000 over the next two years and better position the Authority to finance future water projects.

Advance Refunding - The Enid Municipal Authority issued \$2,830,000 sales tax revenue note, Series 2012A to the Oklahoma Water Resources Board with interest at 1.09% on April 12, 2012. The proceeds were used to advance refund its Series 2003 promissory note to Oklahoma Water Resources Board, which had an interest rate of 4.217%. The net proceeds of \$2,766,409 (after payment of \$58,700 issuance costs), along with reserve funds from the Series 2003 notes and interest on issuance were placed into an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded notes. As a result, the Series 2003 OWRB notes are considered defeased and the liability for those notes has been removed from the statement of net position.

The Enid Municipal Authority advance refunded the Series 2003 promissory note to reduce total debt service payments by \$1,001,195 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$173,007. The final payment was made in September 2014, and at June 30, 2015 the account balance was \$0.

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS--Continued

Pledged Revenues - The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 1998A clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2019 and was used to finance sanitary sewer system improvements. The total principal and interest payable for the remainder of the term of the notes is \$336,931. Pledged revenue received in the current year totaled \$33,495,932. Debt service payments of \$97,351 for the current year were 0.0029% of pledged revenue.

The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2000A clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2021 and was used to finance Upper Boggy Creek Relief Line. The total principal and interest payable for the remainder of the term of the notes is \$330,564. Pledged revenue received in the current year totaled \$33,495,932. Debt service payments of \$61,076 for the current year were 0.0018% of pledged revenue.

The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2002A clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2022 and was used to finance Upper North Boggy Creek Relief Line. The total principal and interest payable for the remainder of the term of the notes is \$395,064. Pledged revenue received in the current year totaled \$33,495,932. Debt service payments of \$57,559 for the current year were 0.0017% of pledged revenue.

The City has pledged the proceeds from a 0.25% sales tax to repay the Series 2003 sales tax revenue note. The note is payable through 2020 and was used to finance school infrastructure improvements. The total principal and interest payable for the remainder of the term of the notes is \$3,065,135. Pledged revenue received in the current year totaled \$2,383,505. Debt service payments of \$1,021,700 for the current year were 43% of pledged revenue.

The City has pledged the proceeds from ad valorem tax increments within Increment District No. 1 to repay the 2005 Tax Apportionment Bonds. The bond is payable through 2020 and was used to construct manufacturing facilities at Advance Food. The total principal and interest payable for the remainder of the term of the notes is \$4,228,771. Pledged revenue received in the current year totaled \$2,701,465. Debt service payments of \$1,648,503 for the current year were 61% of pledged revenue.

The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2009 drinking water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2031 and was used to finance an automated meter infrastructure. The total principal and interest payable for the remainder of the term of the notes is \$5,425,917. Pledged revenue received in the current year totaled \$33,495,932. Debt service payments of \$350,059 for the current year were 1% of pledged revenue.

The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2010 clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2032 and was used to finance a new wastewater treatment facility. The total principal and interest payable for the remainder of the term of the notes is \$38,586,939. Pledged revenue received in the current year totaled \$33,495,932. Debt service payments of \$2,387,674 for the current year were 7% of pledged revenue.

The City has pledged the proceeds from Community Development Block Grant under section 108 of the Housing and Community Development Act, to repay HUD Note B-99-MC-40-0007, Series 2010A. The note is payable through 2020 and was used to acquire Phillips University Campus in 1998. The total principal and interest payable for the remainder of the term of the notes is \$830,612. Pledged revenue received in the current year totaled \$482,826. Debt service payments of \$146,212 for the current year were 30% of pledged revenue.

The City has pledged the proceeds from a 0.5% of the first 1% of a 2% sales tax, to repay the Enid Municipal Authority Sales Tax Revenue Note, Taxable Series 2012. The note is payable through 2021 and was used to construct the Enid Event Center & Convention Hall renovation. The total principal and interest payable for the remainder of the term of the notes is \$8,621,000. Pledged revenue received in the current year totaled \$4,411,095. Debt service payments of \$1,556,272 for the current year were 35% of pledged revenue.

CITY OF ENID, OKLAHOMA
Notes to Financial Statements
June 30, 2015

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS--Continued

The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2012 drinking water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2021 and was used to finance two water towers. The total principal and interest payable for the remainder of the term of the notes is \$3,704,399. Pledged revenue received in the current year totaled \$33,495,932. Debt service payments of \$616,928 for the current year were 2% of pledged revenue.

The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Enid Municipal Authority Sales Tax Revenue Note, Taxable Series 2015. The note is payable through 2020 and was used to make capital improvements, including street, utility line relocation, water well field improvements and replacement of wells and engineering costs associated with alternate water supply development. The total principal and interest payable for the remainder of the term of the notes is \$5,881,613. Pledged revenue received in the current year totaled \$33,495,932. There were no debt service payments made during the year.

Judgments: Judgments against the City may be paid by a property tax assessment over a three-year period.

Interfund Receivables, Payables and Transfers: The composition of interfund balances as of June 30, 2015, is as follows:

Due To/Due From Other Funds:

Receivable Fund	Payable Fund	Amount	Nature of Interfund Balances
Enid Municipal Authority	General Fund	\$ 1,454,793	Restricted sales tax payable
Capital Improvement Fund	Enid Municipal Authority	3,701,346	Negative share of pooled cash
Water Capital Improvement Fund	Enid Municipal Authority	3,427,806	Negative share of pooled cash
Street and Alley Fund	Enid Municipal Authority	1,059,920	Negative share of pooled cash
Street Improvement Fund	Enid Municipal Authority	610,826	Negative share of pooled cash
General Fund	Enid Municipal Authority	614,788	Negative share of pooled cash
Woodring Airport	Enid Municipal Authority	1,000,000	Negative share of pooled cash
		<u>10,414,686</u>	
General Fund	Enid Economic Development Authority	151,138	Payable for assets transferred
General Fund	Enid Public Transportation Authority	234,017	Negative share of pooled cash
General Fund	Meadowlake Golf Course	275,777	Negative share of pooled cash
		<u>660,932</u>	
	Totals	<u>\$ 12,530,411</u>	

	Due From Other Funds	Due To Other Funds	Net Internal Balances
Reconciliation to Statement of Net Position:			
Governmental funds	\$ 10,075,618	\$ (1,605,931)	\$ 8,469,687
Proprietary funds	2,454,793	(509,794)	1,944,999
Total	<u>\$ 12,530,411</u>	<u>\$ (2,115,725)</u>	<u>\$ 10,414,686</u>

CITY OF ENID, OKLAHOMA
Notes to Financial Statements
June 30, 2015

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS--Continued

Interfund Transfers:

Transfer In	Transfer Out	Amount	Reason for transfer
General	Enid Municipal Authority	\$ 5,720,000	Operations
Police	General	7,800,000	Committed revenues for public safety
Fire	General	6,600,000	Committed revenues for public safety
Capital Improvements	General	70,833	Capital projects
Capital Improvements	Enid Municipal Authority	4,270,329	Capital projects
Water Capital Improvements	Enid Municipal Authority	3,839,397	Water capital projects
Community Intervention Center	General	40,000	Operations
Community Intervention Center	Police	75,000	Operations
Stormwater	Capital Projects Escrow	31,197	Drainage projects
911	Police	50,000	Operations
911	Fire	50,000	Operations
Street and Alley	Enid Municipal Authority	782,117	Local street program
Stormwater	Enid Municipal Authority	1,655,567	Stormwater fees for capital projects
Street Improvement	Enid Municipal Authority	923,534	Street design and improvements
Sanitary Sewer	Enid Municipal Authority	1,650,604	Sanitary sewer fees for capital projects
Enid Municipal Authority	General	11,326,403	Sales tax transfer
Enid Municipal Authority	Governmental Activities	3,260,422	Transfer of capital assets
Enid Municipal Authority	Sanitary Sewer	713,785	Transfer of capital assets
Enid Municipal Authority	Stormwater	1,434,968	Transfer of capital assets
Enid Municipal Authority	Enid Economic Development Authority	41,410	Transfer of capital assets
Enid Event Center and Convention Hall	Governmental Activities	304,560	Transfer of capital assets
Enid Economic Development Authority	General	130,000	Operations
Enid Economic Development Authority	Enid Municipal Authority	1,851,130	Economic development project
Woodring Airport	Enid Municipal Authority	2,500,000	Runway extension project
Meadowlake Golf Course	Enid Municipal Authority	30,817	Transfer of capital assets
Meadowlake Golf Course	General	252,000	Operations
Enid Public Transportation	General	120,000	Grant match
		<u>\$ 55,524,073</u>	

	Transfer In	Transfer Out
Governmental Funds -		
General fund	\$ 5,720,000	\$ 26,339,236
Police fund	7,800,000	125,000
Fire fund	6,600,000	50,000
Nonmajor governmental	15,419,708	72,607
	<u>35,539,708</u>	<u>26,586,843</u>
Governmental activities	-	5,677,961
	<u>35,539,708</u>	<u>32,264,804</u>
	<u>(32,264,804)</u>	
Per statement of activities	<u>\$ 3,274,904</u>	
Proprietary Funds		
Enid Municipal Authority	\$ 16,735,578	\$ 23,217,859
Enid Event Center	304,560	-
Woodring airport	2,500,000	-
Nonmajor enterprise	402,817	-
	<u>19,942,955</u>	<u>23,217,859</u>
	<u>(23,217,859)</u>	
Per statement of activities	<u>\$ (3,274,904)</u>	

NOTE C--DETAILED NOTES ON ALL ACTIVITIES AND FUNDS--Continued

Landfill Closure and Post-Closure Liability: Federal and State regulations require the City to place a final cover on its landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for thirty (30) years after closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of those costs as an operating expense of the Enid Municipal Authority each fiscal year. The amount of the current period expense is based upon the amount of landfill capacity used as of each fiscal year-end as adjusted by actual usage and estimates.

The \$2,944,427 reported as other noncurrent liabilities for the accrued landfill closure cost liability as of June 30, 2015, represents the cumulative amount of such cost reported to date based on the use of approximately 65% of the estimated capacity of the landfill. The Enid Municipal Authority will recognize the remaining estimated costs of closure and post-closure care in the amount of \$1,585,460 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2015.

The City expects to close the landfill in 2039. Actual costs may be more or less at that time than are currently estimated. The estimated closure and post-closure costs and the accrued liability as of June 30, 2015, are as follows:

Estimated closure costs	\$	3,224,913
Estimated post-closure costs		1,304,974
Total estimated costs	\$	<u>4,529,887</u>
Accrued closure costs	\$	<u>2,944,427</u>
Current costs charged to expense	\$	<u>253,472</u>

The City qualified under the State of Oklahoma Department of Environmental Quality (DEQ) financial assurance test relating to these future closure and post-closure costs, whereby the City's overall financial condition and other submitted information serves as evidence of the City's ability to pay for the closure and post-closure care costs when the landfill is actually closed.

NOTE D--REVENUES, EXPENDITURES AND EXPENSES

Sales Tax: The sales tax rate in the City of Enid is 8.35%. The State of Oklahoma receives 4.5% and the City receives 3.50% and Garfield County receives .35%. The 3.50% for the City of Enid is broken down as follows:

- 2% remains in the General Fund to fund City operations.
- 1% is transferred to the Enid Municipal Authority to pay for capital infrastructure and water bond debt.
- 1/4% is restricted for the Police and Fire Fund to pay for capital items.
- 1/4% is transferred to the Enid Municipal Authority to pay for the 2003 School Bond debt.

The use tax mirrors the sales tax rate and applies to purchases by a resident or business in Enid for the use, storage or consumption of goods in Oklahoma that were purchased outside of the state.

NOTE E – RETIREMENT PLANS

Employee Retirement Systems and Pension Plans:

The City of Enid participates in five employee pension systems as follows:

Name of System	Type of System
Oklahoma Police Pension and Retirement System	Cost-Sharing Multiple Employer - Defined Benefit Plan
Oklahoma Firefighters' Pension and Retirement System	Cost-Sharing Multiple Employer - Defined Benefit Plan
The Employee Retirement System of Enid, Oklahoma	Single Employer Defined Benefit Plan
City of Enid, Oklahoma 401(K) Supplement Plan	Single Employer Defined Contribution Plan
ICMA Section 457 Deferred Compensation Plan	Single Employer Deferred Compensation Plan

Oklahoma Police and Firefighters' Pension and Retirement System

The City of Enid participates in two statewide cost-sharing multi-employer defined benefit plans on behalf of City Police and Firefighters. Both the Police and the Firefighters' systems are funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

The following table provides the eligibility factors, contribution methods, and benefit provisions for the Police and Firefighters' pension and retirement systems:

	Oklahoma Police Pension and Retirement System	Oklahoma Firefighters' Pension and Retirement System
Obtaining separately issued financial statements	Police Pension and Retirement 1001 N.W. 63rd Street, Suite 605 Oklahoma City, OK 73116-7335	Firefighters' Pension and Retirement 4545 N. Lincoln Blvd., Suite 265 Oklahoma City, OK 73105-3414
Authority establishing contribution obligations and benefits	Title 11 of the Oklahoma State Statutes. The authority to establish and amend benefit provisions and contribution requirements rests with the state legislature.	Title 11 of the Oklahoma State Statutes. The authority to establish and amend benefit provisions and contribution requirements rests with the state legislature.
Eligibility to participate	All full-time officers employed by a participating municipality; age not less than 21 nor more than 45 when accepted for membership	All full-time firefighters of participating municipalities and fire protection districts; minimum age 18, maximum age 45 when accepted for membership
Member contributions	8% of base salary.	9% of base salary.
Employer contributions	13% of eligible salary.	14% of eligible salary.
Benefit provisions	The Police System provides defined retirement benefits based on members' final average compensation, age and terms of service. In addition, the Police System provides for death and disability benefits. Title 11 of the Oklahoma Statutes, Section 50-101 defines all retirement benefits.	The Firefighters' System provides defined retirement benefits based on members' final average compensation, age and terms of service. In addition, the Firefighters' System provides for death and disability benefits. Title 11 of the Oklahoma Statutes, Section 49-101 defines all retirement benefits.

NOTE E – RETIREMENT PLANS--Continued

Oklahoma Police Pension and Retirement System

Pension liabilities, pension expense, and deferred outflow and inflows of resources related to pension: On June 30, 2015, the City reported an asset of \$576,948 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2014. The City’s proportion of the net pension asset was based on the City’s contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2014. Based upon this information, the City’s proportionate share was 1.7136 percent.

For the year ended June 30, 2015, the City recognized \$211,475 in pension expense. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Resources
Differences between expected and actual experience	\$ -	\$ 259,206
Net difference between projected and actual earnings on pension plan investments	-	2,027,880
City contributions subsequent to the measurement date	610,189	-
Total	<u>\$ 610,189</u>	<u>\$ 2,287,086</u>

Amortization of Pension Deferrals: \$610,189 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the average remaining service life of all system members of 5.83 years or 5 years (as of the beginning of the fiscal year) as follows:

Years Ended June 30,	
2016	\$ 560,636
2017	560,636
2018	560,636
2019	560,636
2020	44,542
	<u>\$ 2,287,086</u>

NOTE E – RETIREMENT PLANS--Continued

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2014 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	4.5% to 17% average, including inflation
Investment rate of return	7.5% net of pension plan investment expense
Mortality rates	Active employees (pre-retirement): RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using scale AA Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with full generational improvement using scale AA. Disabled pensioners: RP-2000 Blue Collare Healthy Combined table with age set forward 4 years.

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2014, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	2.83%
Domestic equity	6.47%
International equity	6.98%
Real estate	5.50%
Private equity	5.96%
Commodities	3.08%

The current allocation policy is that approximately 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; 25% of assets in fixed income to include investment grade bonds, high-yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

NOTE E – RETIREMENT PLANS--Continued

Discount rate: The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the City will be made at contractually required rates, determined by Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension asset/liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the plan’s net pension asset/liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City’s net pension liability (asset)	<u>\$ 3,452,751</u>	<u>\$ (576,948)</u>	<u>\$ (3,956,232)</u>

Payables to the Pension Plan: There are no payables to the pension plan for the year ended June 30, 2015.

Pension plan fiduciary net position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial report of the OPPRS; which can be located at www.ok.gov/OPPRS.

Oklahoma Firefighter’s Pension and Retirement System

Pension liabilities, pension expense, and deferred outflow and inflows of resources related to pension: On June 30, 2015, the City reported a net pension liability of \$19,596,656 for its proportionate share of the net pension asset. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The City’s proportion of the net pension liability was based on the City’s contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2014. Based upon this information, the City’s proportionate share was 1.9056 percent.

For the year ended June 30, 2015, the City recognized \$1,760,039 in pension expense. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Resources
Differences between expected and actual experience	\$ 466,918	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,996,397
City contributions subsequent to the measurement date	735,910	-
Total	<u>\$ 1,202,828</u>	<u>\$ 2,996,397</u>

NOTE E – RETIREMENT PLANS--Continued

Amortization of Pension Deferrals: \$735,910 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the average remaining service life of all system members of 6.37 years or 6 years (as of the beginning of the fiscal year) as follows:

Years Ended June 30,	
2016	\$ 654,650
2017	654,650
2018	654,650
2019	654,650
2020	(86,949)
Thereafter	(32,172)
	<u>\$ 2,499,479</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2015 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	3.5% to 9.0% average, including inflation
Investment rate of return	7.5% net of pension plan investment expense
Mortality rates	Based on RP-2000 combined healthy with blue collared adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	5.48%
Domestic equity	9.61%
International equity	9.24%
Real estate	7.76%
Other assets	6.88%

NOTE E – RETIREMENT PLANS--Continued

Discount rate: The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the City will be made at contractually required rates, determined by Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the plan’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

Payables to the Pension Plan: There are no payables to the pension plan for the year ended June 30, 2015.

Pension plan fiduciary net position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial report of the OFPRS; which can be located at www.ok.gov/FPRS.

On-Behalf Payments for Retirement: For the year ended June 30, 2015, the State of Oklahoma contributed approximately \$582,000 to the Oklahoma Police Pension and Retirement System on behalf of the City. The State of Oklahoma also contributed approximately \$1,808,000 on behalf of the City to the Oklahoma Firefighters’ Pension and Retirement System. These amounts have been recorded as both a revenue and expenditure of the Police and Fire in the financial statements.

Trend Information: City contributions required by State statute were as follows:

Fiscal Year	Oklahoma Police Pension and Retirement System		Oklahoma Firefighters' Pension and Retirement System	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
	2012	\$ 577,555	100%	\$ 612,735
2013	561,758	100%	627,580	100%
2014	602,343	100%	688,202	100%
2015	610,189	100%	735,910	100%

NOTE E – RETIREMENT PLANS--Continued

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.

Related Party Investments: As of June 30, 2015 the Systems held no related-party investments of the City of Enid or of its related entities.

Employee Retirement System of Enid, Oklahoma

General Information about the Pension Plan:

Plan description: The Employee Retirement System of Enid, Oklahoma (the Plan) is a single-employer defined benefit pension plan administered by the City of Enid's management, with assets managed by Wells Fargo. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries.

The Plan does not issue a stand-alone financial report, and is not included in the report of a public employee retirement system or a report of another entity.

The Plan is managed by a retirement committee composed of the City Manager, Chief Financial Officer, Human Resources Director, and an at-large employee. Meetings are held as needed but at least annually.

Basis of Accounting: The Plan's financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments: The Plan's investments are reported at fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have a quoted market price are reported at estimated fair value.

Membership Information: Membership in the Plan is provided for all full-time employees after one year of service except police and firemen, who are covered by their respective state retirement plans. At January 1, 2015, there were 447 plan participants. Administrative costs are financed through investment earnings.

Contributions: Benefits are entirely funded by employer contributions as determined at an actuarially determined rate. The current rate is 6.50% of annual covered payroll. Significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation. The contribution requirements are in accordance with the City ordinance. Plan provisions and contribution requirements are established and may be amended by the City Council.

Benefits: Benefits vest after five years of credited service and participation. Employees, who retire at age 65 or completion of five years of service, if later, are entitled to an annual retirement benefit, payable monthly in an amount equal to .85% of average compensation for each year (up to 35 years) that the employee participates in the plan plus .65% of average basic earnings in excess of \$6,600 for each year (up to 35 years) the employee participates in the plan. After 35 years of service, the benefit is 1.2% of average compensation. Normal retirement is at age 65, but full accrued benefits are provided at age 62 with 15 years of service, or under the Rule of 85.

NOTE E – RETIREMENT PLANS--Continued

An employee is eligible for an early retirement benefit once he has attained age 55 and has completed five years of service. The amount of benefit is determined based on normal retirement computation; then reduced ½ of 1% for each month the participant is from age 65. A late retirement benefit is computed in the same manner as a normal retirement based on average salary and credited service as of the termination of employment.

Employee contributions are returned with interest if their employment is terminated prior to completion of the years of service needed for vesting. A death benefit is payable after five years of service based on 50% of the employee’s accrued benefit. This benefit is payable for life or until remarriage of the surviving spouse.

Related Party Investments: As of June 30, 2015 the Systems held no related-party investments of the City of Enid or of its related entities.

Investments: Investments consist of the following at June 30, 2015:

Equity Securities	\$ 16,690,954
Fixed Income Securities	6,282,106
Total Investments	<u>\$ 22,973,060</u>

The money weighted rate of return for the year ended June 30, 2015 was 0.8%.

Net Pension Liability:

The City’s net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total Pension Liability	\$ 30,903,345
Plan Fiduciary Net Pension	23,122,690
Net Pension Liability	<u>\$ 7,780,655</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.82%

Actuarial Assumptions: The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Valuation Date:</u>	July 1, 2015
<u>Actuarial Cost Method</u>	Entry Age Normal
<u>Investment rate of return</u>	7.0%
<u>Inflation</u>	3.0%
<u>Projected Salary Increases</u>	4.0%
<u>Mortality rates</u>	RP2000 Fully Generational Scale BB Combined

NOTE E – RETIREMENT PLANS--Continued

Discount Rate: A blended discount rate of 6.60% was used to measure the total pension liability. This was based on the expected rate of return on pension plan investments of 7.0% and the municipal bond rate of 4.31%. The projection of cash flows used to determine the discount rate assumed that contributions from the City would be made at the current contribution policy of 6.5%.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2014	\$ 27,278,572	\$ 23,223,935	\$ 4,054,637
Changes for the year:			
Service Cost	591,646	-	591,646
Interest	1,730,996	-	1,730,996
Differences between expected and actual experience	184,832	-	184,832
Assumption changes	2,006,163	-	2,006,163
Contributions - employer	-	604,869	(604,869)
Contributions - employee	-	-	-
Net investment income	-	334,990	(334,990)
Benefit payments, including refunds of contributions	(888,864)	(888,864)	-
Administrative expenses	-	(152,240)	152,240
Net changes	3,624,773	(101,245)	3,726,018
Balance at June 30, 2015	\$ 30,903,345	\$ 23,122,690	\$ 7,780,655

NOTE E – RETIREMENT PLANS--Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the Plan’s estimated net pension liability, calculated using a single discount rate of 6.0%, as well as what the Plan’s net pension liability would be if it were calculated using a single discount rate that is 1.0% higher or lower:

City’s net pension liability (asset)	1% Decrease (5.60%)	Current Discount Rate (6.60%)	1% Increase (7.60%)
	<u>\$ 11,944,163</u>	<u>\$ 7,780,655</u>	<u>\$ 4,324,631</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$1,801,586 related to the Employee Retirement System. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Resources
Differences between expected and actual experience	\$ 132,173	\$ -
Changes of assumptions	2,014,777	-
Net difference between projected and actual earnings on pension plan investments	1,022,352	-
City contributions subsequent to the measurement date	-	-
Total	<u>\$ 3,169,302</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	
2016	\$ 939,633
2017	939,633
2018	685,588
2019	604,448
2020	-
	<u>\$ 3,169,302</u>

401(k) Supplement Plan

The City also maintains the City of Enid, Oklahoma 401(k) Supplement Plan (the Supplement), a defined contribution pension plan for other than employees covered under the OPFRS or OFPRS plans. Employees are eligible to participate in the Supplement upon employment, provided they are at least 21 years of age, with vesting in employer contributions upon contribution by the City. Participants may elect to make voluntary contributions through regular payroll deductions up to allowable IRS limits, with the City making matching contributions to those participants’ accounts at a rate of 100% of the first 10% of the employees’ compensation that is contributed by the employee. A one-time change from July 2014 until January 2015 was put in place, with the City making matching contributions to those participants’ accounts at a rate of 200% of the first 2% of the employees’ compensation that is contributed by the employee. Contributions to the 401(k) Plan, plus earnings, constitute retirement benefits from this plan.

NOTE E – RETIREMENT PLANS—Continued

Fiscal Year	City of Enid 401(k) Plan	
	Required Contribution	Percentage Contributed
2012	485,354	100%
2013	521,071	100%
2014	711,308	100%
2015	657,964	100%

ICMA Plan

The City also allows all employees to make voluntary contributions with no employer match to a Section 457 Deferred Compensation plan maintained by the ICMA Retirement Corporation.

NOTE F--OTHER INFORMATION

Risk Management: The City of Enid is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters.

The City of Enid manages these various risks of loss as follows:

- General Liability - Covered through a purchased insurance with a deductible that varies from \$0 to \$10,000, per occurrence depending on the type of liability.
- Physical Property - Covered through purchased insurance with a deductible of \$10,000 per occurrence.
- Workers' Compensation - Workers' compensation is covered through self-insurance with the City of Enid administering the claims process. The City of Enid also has a stop-loss policy which covers individual claims in excess of \$1,000,000.
- Employee's Group Medical - Covered through self-insurance using a third party administrator to process medical claims. The City of Enid uses the third party processor's estimates to record group insurance claims payable. The City of Enid also has a stop-loss policy which covers individual claims in excess of \$150,000 during any year.

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

Claims Liability Analysis

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
Medical claims	\$ 156,704	\$ 4,681,887	\$ 4,526,214	\$ 312,377
Workers' compensation claims	\$ 1,550,679	\$ 1,057,011	\$ 863,228	\$ 1,744,462

Contingent Liabilities: Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE F--OTHER INFORMATION—Continued

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s counsel the ultimate resolution of these matters will not have a significant adverse effect on the financial condition of the City.

Post-Employment Benefits Other Than Retirement

Plan Description: The City provides postemployment healthcare benefits (OPEB) for retired employees and their dependents through the City of Enid Postretirement Medical Plan (the Plan), a single-employer defined benefit healthcare plan. The benefits, coverage levels, employee contributions, and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The Plan does not issue a stand-alone financial report.

Funding Policy: The City provides postretirement healthcare benefits to its retirees. The Plan covers all current retirees who elected postretirement medical coverage through the City of Enid and future retired general employees, police officers, and firefighters.

The retired employee who participates in the health insurance plan shall pay the full cost of said health insurance plan at the rates and terms established by the City. The City offers the plan to those retired employees unless the retired employee or dependent is over sixty-five years of age and qualifies for Medicare. For the year ended June 30, 2015, retirees and dependents paid the full cost of the coverage.

Membership: At July 1, 2014, membership consisted of:

Retirees and beneficiaries currently receiving benefits	29
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	392
Total participants	<u>421</u>

Annual OPEB cost and Net OPEB obligation: The City’s annual OPEB cost, the percentage of annual OPEB contributed to the plan, and the net OPEB obligation for the year ended June 30, 2015 is as follows:

<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
\$ 190,735	\$ -	0.0%	\$ 5,586

NOTE F--OTHER INFORMATION--Continued

The net OPEB obligation (NOO) as of June 30, 2015, was calculated as followed:

Annual required contribution (ARC)	\$	188,633
Interest on net OPEB obligation		227
Adjustment to annual required contribution		(322)
Annual OPEB cost		<u>188,538</u>
OPEB contributions made		(188,633)
Net OPEB Obligation, Beginning of Year		<u>5,681</u>
Net OPEB Obligation, End of Year	\$	<u><u>5,586</u></u>

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2014, was as follows:

Actuarial accrued liability (AAL)	\$	1,894,705
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	<u><u>1,894,705</u></u>
Funded ratio (actuarial value of plan assets/AAL)		0.00%
Covered payroll (annual payroll of active employees covered by the plan)	\$	17,454,376
UAAL as a percentage of covered payroll		10.86%

Actuarial valuations for OPEB plan involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past experience and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the noted to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The ARC for the plan was determined as part of the July 1, 2014 actuarial valuation using the following methods and assumption:

Actuarial cost method	Projected Unit Cost Method
Amortization method	level percentage of payroll, open
Remaining amortization period	30 years
Discount rate	4.00%
Healthcare cost trend rate	6%, reduced to 5% for 2019 and later

NOTE F--OTHER INFORMATION--Continued

Construction and Other Significant Commitments:

Construction Commitments: The City has active construction projects as of June 30, 2015. The projects include construction of a new park concession and ride building, walking trails, sewer repairs, well field improvements, stormwater detention, fire station #4 construction, water supply development and improvements, and airport runway extension. The City's commitments with contractors as of June 30, 2015 totaled \$11,612,927.

Other Commitments: On August 1, 2006 Tiessen, Haney and Access Now sued the City in federal district court seeking affirmative injunctive relief under the Americans with Disabilities Act (ADA). The suit covers all city owned buildings, parks and sidewalks, intersections and rights of ways located in the city limits of Enid. The plaintiffs are not entitled to damages under the ADA but their attorney fees and costs are recoverable from the City. The City has insurance through OMAG (Oklahoma Municipal Assurance Group) and the fees and costs will be paid by OMAG.

The parties settled in December of 2011. The settlement agreement requires the City to transition to full compliance with ADA in building improvements and parks over a ten year period. These improvements will be budgeted for the applicable fiscal year in which they are to be completed. It is anticipated that the City will be compliant in 2021, and is required to spend at least \$300,000 per year making ADA improvements.

Oakwood Mall Tax Increment Financing District: The City Council and the EEDA created and established the Oakwood Mall Tax Increment Financing (TIF) District No. 5 on November 6, 2012. The economic development project plan provides for the prospective redevelopment of the Oakwood Mall site located within the City. The purpose of the TIF is to promote economic development by facilitating the creation of new retail and commercial development that encourages commerce, increases retail opportunities, and generates a corresponding growth in the local tax base. The project will provide up to \$4,660,000 to the developer for the cost of site improvements. These funds were provided through debt financing with a note issued from the EEDA and repaid with the incremental property and sales and use taxes generated by the project. The TIF provides for revenues from ad valorem taxes with 75% of the new incremental property taxes utilized for debt service and 25% directed to the taxing entities. It also provides approximately 42.857% of new incremental sales and use taxes would be utilized for debt service.

NOTE G—PRIOR PERIOD RESTATEMENT

Prior Period Adjustment: Adjustments were made to beginning net position in the government-wide financial statements for governmental and business-type activities and the proprietary fund financial statements to reflect a change in accounting principle as a result of implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 and GASB Statement No. 71, the removal of the investment in advance TIF, the reclassification of the Health Care Fund from a non-major governmental fund to an internal service fund, since it was determined the fund did not meet the definition of a special revenue fund, and the reclassification of the Enid Economic Development Authority fund (EEDA) from a proprietary fund to a governmental fund, since it was determined the fund did not meet the definition of a proprietary fund. In addition, adjustments were made to the governmental fund financial statements for the reclassification of EEDA and the Health Care Fund.

<i>Government-wide financial statements:</i>	Governmental Activities	Business Type Activities	Totals
Beginning Balance	\$ 85,552,618	\$ 127,741,134	\$ 213,293,752
Pension Adjustment related to the implementation of GASB 67/68	(26,253,605)	(852,068)	(27,105,673)
Reclassification of EEDA as a governmental type activity from a business type activity	924,815	(924,815)	-
Adjustment to write-off TIF deferred outflows	-	(4,178,546)	(4,178,546)
Beginning Balance, as restated	<u>\$ 60,223,828</u>	<u>\$ 121,785,705</u>	<u>\$ 182,009,533</u>

<i>Fund Financial Statements:</i>	Nonmajor Governmental Funds
Governmental funds:	
Beginning Balance	\$ 15,437,605
Reclassification of the EEDA as a governmental type activity from a business type activity	2,585,464
Reclassification of the Health Care Fund as an internal service fund from a special revenue fund within nonmajor governmental activities	(2,164,770)
Ending Balance	<u>\$ 15,858,299</u>

Proprietary funds:	Enid Municipal Authority	Woodring Airport	Nonmajor Enterprise Funds	Health Care Fund	Total
Beginning Balance	\$ 70,732,130	\$ 16,179,830	\$ 5,433,069	\$ -	\$ 92,345,029
Pension adjustment related to the implementation of GASB 67/68	(620,898)	(93,208)	(137,962)	-	(852,068)
Reclassification of the EEDA as a governmental type activity from a business type activity	-	-	(5,103,361)	-	(5,103,361)
Reclassification of the Health Care Fund as an internal service fund from a special revenue fund within nonmajor governmental activities	-	-	-	2,164,770	-
Ending Balance	<u>\$ #REF!</u>	<u>\$ 16,086,622</u>	<u>\$ 191,746</u>	<u>\$ 2,164,770</u>	<u>\$ 86,389,600</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ENID, OKLAHOMA
 Required Supplementary Information
 Schedule of Changes in Net Pension Liability and Related Ratios
 June 30, 2015

	2015	2014
Employee Retirement System of Enid Oklahoma		
Total Pension Liability:		
Service cost	\$ 591,646	\$ 734,106
Interest cost	1,730,996	1,577,043
Differences between expected and actual experience	184,832	151,414
Changes in assumptions	2,006,163	(2,970,593)
Benefit payments, including refunds of employee contributions	(888,864)	(716,211)
Net change in total pension liability	3,624,773	(1,224,241)
Total pension liability, beginning	27,278,572	28,502,813
Total pension liability, ending	\$ 30,903,345	\$ 27,278,572
Plan Fiduciary Net Position:		
Employer contributions	\$ 604,869	\$ 594,880
Employee contributions	-	-
Net investment income	334,990	3,810,457
Benefit payments, including refunds of employee contributions	(888,864)	(716,211)
Administrative expense	(152,240)	(124,792)
Net change in total pension liability	(101,245)	3,564,334
Plan fiduciary net position, beginning	23,223,935	19,659,601
Plan fiduciary net position, ending	\$ 23,122,690	\$ 23,223,935
Net pension liability, ending	\$ 7,780,655	\$ 4,054,637
Total pension liability	\$ 30,903,345	\$ 27,278,572
Plan fiduciary net position	23,122,690	23,223,935
Plan's net pension liability	\$ 7,780,655	\$ 4,054,637
Plan net fiduciary position as percentage of total pension liability	74.82%	85.14%
Covered employee payroll	\$ 9,185,300	\$ 9,477,203
Net pension liability position as percentage of covered employee payroll	84.71%	42.78%
Annual money-weighted rate of return, net of investment expense	6.59%	19.35%

Note to schedule:

Only the current and prior fiscal year are presented because 10-year data is not yet available.

CITY OF ENID, OKLAHOMA
 Required Supplemental Information
 Schedule of Employer Contributions
 June 30, 2015

Employee Retirement System of Enid Oklahoma

Measurement Year Ending Fiscal Year June 30,	Actuarially Determined Contribution	Actual Contributions	Contribution deficiency (Excess)	Annual Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2015	\$ 981,793	\$ 604,869	\$ 376,924	\$ 9,352,005	6.47%
2014	982,744	594,880	387,864	9,602,401	6.20%
2013	1,209,388	619,278	590,110	9,149,710	6.77%
2012	838,302	585,722	252,580	9,067,296	6.46%
2011	873,554	445,806	427,748	8,358,315	5.30%
2010	1,013,787	288,448	725,339	7,069,372	4.08%
2009	72,919	272,324	(199,405)	6,034,485	4.51%
2008	73,713	256,195	(182,482)	5,825,779	4.40%
2007	138,293	239,094	(100,801)	5,292,363	4.52%
2006	98,915	195,319	(96,404)	5,089,488	3.84%
2005	214,729	208,681	6,048	5,605,584	3.72%

Note to schedule:

Information for years prior to 2014 is on a calendar year basis.

CITY OF ENID, OKLAHOMA
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
 Year Ended June 30, 2015

	<u>2014*</u>
Oklahoma Police Pension & Retirement System (OPPRS):	
City's proportion of the net pension liability (asset)	1.7136%
City's proportion share of the net pension liability (asset)	\$ (576,952)
City's covered-employee payroll	\$ 4,960,906
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	-11.63%
Plan fiduciary net position as a percentage of the total pension liability	101.53%
Oklahoma Firefighters Pension and Retirement System (OFPRS)	
City's proportion of the net pension liability (asset)	1.9056%
City's proportion share of the net pension liability (asset)	\$ 19,596,197
City's covered-employee payroll	\$ 5,175,082
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	378.66%
Plan fiduciary net position as a percentage of the total pension liability	68.12%

* The amounts present for each fiscal year were determined as of the measurement date, June 30, 2014.

Note to schedule:

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

Note 1. Changes of Benefit Terms

There were no significant changes of benefit terms.

Note 2. Changes of Assumptions

There were no significant changes in assumptions.

CITY OF ENID, OKLAHOMA
 Required Supplementary Information
 Schedule of City's Contributions
 Year Ended June 30, 2015

	<u>2014</u>
Oklahoma Police Pension & Retirement System (OPPRS):	
Contractually required contribution	\$ 610,189
Actual contributions	<u>610,189</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	4,693,759
Contributions as a percentage of covered-employee payroll	13.00%
Oklahoma Firefighters Pension & Retirement System (OFPRS):	
Contractually required contribution	\$ 735,910
Actual contributions	<u>735,910</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	5,256,495
Contributions as a percentage of covered-employee payroll	14.00%

Note to schedule:

Only the prior fiscal year is presented because 10-year data is not yet available.

Note 1. Changes of Benefit Terms

There were no significant changes of benefit terms.

Note 2. Changes of Assumptions

There were no significant changes in assumptions.

CITY OF ENID, OKLAHOMA
 Required Supplemental Information
 Schedule of OPEB Funding Progress
 June 30, 2015

Other Postemployment Benefits (OPEB)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) - Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2014	\$ -	\$ 1,894,705	\$ 1,894,705	0.00%	\$ 17,454,376	10.86%
7/1/2013	-	2,073,624	\$ 2,073,624	0.00%	17,383,329	11.93%
7/1/2012	-	2,055,358	\$ 2,055,358	0.00%	17,414,814	11.80%

CITY OF ENID, OKLAHOMA
 Required Supplementary Information
 Budgetary Comparison Schedule—General Fund and Major Special Revenue Funds
 Year Ended June 30, 2015

	General Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Fund balance, beginning	\$ 734,227	\$ 734,227	\$ 5,651,225	\$ 4,916,998
Resources:				
Taxes	36,625,770	36,625,770	36,829,843	204,073
Licenses and permits	266,900	266,900	326,748	59,848
Intergovernmental	139,000	139,000	72,903	(66,097)
Fines and forfeitures	1,189,000	1,189,000	1,277,848	88,848
Charges for services	123,550	123,550	106,108	(17,442)
Miscellaneous	692,000	692,000	766,745	74,745
Interest	45,000	45,000	31,295	(13,705)
Operating transfers	5,720,000	5,720,000	5,720,000	-
Total resources	<u>44,801,220</u>	<u>44,801,220</u>	<u>45,131,490</u>	<u>330,270</u>
Amounts available for appropriation	<u>45,535,447</u>	<u>45,535,447</u>	<u>50,782,715</u>	<u>5,247,268</u>
Charges to appropriations:				
Administration	559,612	765,837	764,296	1,541
Police	-	-	-	-
Fire	-	-	-	-
Human resources	630,650	630,650	454,779	175,871
Legal	1,109,531	1,101,531	1,050,703	50,828
Safety	324,015	332,015	331,604	411
PR/Marketing	443,035	443,035	402,924	40,111
General government	777,385	792,385	736,340	56,045
Accounting	701,455	701,455	610,117	91,338
Records and receipts	338,976	338,976	335,213	3,763
Information technology	583,266	583,266	546,492	36,774
Community development	619,190	619,190	560,336	58,854
Code enforcement	697,701	697,701	590,745	106,956
Engineering	1,484,621	1,588,627	1,333,340	255,287
Public works management	1,095,711	1,108,182	1,083,743	24,439
Fleet management	715,811	746,177	745,199	978
Park & recreation	1,427,109	1,430,484	1,412,166	18,318
Stormwater & roadway maintenance	2,057,958	2,098,338	2,051,138	47,200
Technical services	833,579	804,503	769,681	34,822
Library	1,046,535	1,134,434	1,100,095	34,339
Capital outlay	587,000	641,841	554,907	86,934
Operating transfers	29,618,080	29,395,080	28,936,890	458,190
Total charges to appropriations	<u>45,651,220</u>	<u>45,953,707</u>	<u>44,370,708</u>	<u>1,582,999</u>
Fund balances, ending	<u>\$ (115,773)</u>	<u>\$ (418,260)</u>	<u>\$ 6,412,007</u>	<u>\$ 6,830,267</u>

The accompanying notes are an integral part of this schedule.

CITY OF ENID, OKLAHOMA
 Required Supplementary Information
 Budgetary Comparison Schedule—General Fund and Major Special Revenue Funds
 Year Ended June 30, 2015

	Police Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Fund balance, beginning	\$ 3,734,529	\$ 3,734,529	\$ 4,098,302	\$ 363,773
Resources:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	120,000	120,000	98,081	(21,919)
Fines and forfeitures	-	-	-	-
Charges for services	60,500	60,500	52,468	(8,032)
Miscellaneous	25,000	25,000	24,926	(74)
Interest	40,000	40,000	38,051	(1,949)
Operating transfers	8,991,330	8,991,330	8,996,339	5,009
Total resources	<u>9,236,830</u>	<u>9,236,830</u>	<u>9,209,865</u>	<u>(26,965)</u>
Amounts available for appropriation	<u>12,971,359</u>	<u>12,971,359</u>	<u>13,308,167</u>	<u>336,808</u>
Charges to appropriations:				
Administration	-	-	-	-
Police	8,927,876	8,938,779	8,321,163	617,616
Fire	-	-	-	-
Human resources	-	-	-	-
Legal	-	-	-	-
Safety	-	-	-	-
PR/Marketing	-	-	-	-
General government	-	-	-	-
Accounting	-	-	-	-
Records and receipts	-	-	-	-
Information technology	-	-	-	-
Community development	-	-	-	-
Code enforcement	-	-	-	-
Engineering	-	-	-	-
Public works management	-	-	-	-
Fleet management	-	-	-	-
Park & recreation	-	-	-	-
Stormwater & roadway maintenance	-	-	-	-
Technical services	-	-	-	-
Library	-	-	-	-
Capital outlay	454,000	564,650	553,464	11,186
Operating transfers	125,000	125,000	125,000	-
Total charges to appropriations	<u>9,506,876</u>	<u>9,628,429</u>	<u>8,999,627</u>	<u>628,802</u>
Fund balances, ending	<u>\$ 3,464,483</u>	<u>\$ 3,342,930</u>	<u>\$ 4,308,540</u>	<u>\$ 965,610</u>

The accompanying notes are an integral part of this schedule.

CITY OF ENID, OKLAHOMA
 Required Supplementary Information
 Budgetary Comparison Schedule—General Fund and Major Special Revenue Funds (Budgetary Basis)
 Year Ended June 30, 2015

	Fire Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Fund balance, beginning	\$ 2,428,772	\$ 2,428,772	\$ 2,385,804	\$ (42,968)
Resources:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	8,000	8,000	6,450	(1,550)
Interest	30,000	30,000	20,555	(9,445)
Operating transfers	7,791,330	7,791,330	7,796,339	5,009
Total resources	<u>7,829,330</u>	<u>7,829,330</u>	<u>7,823,344</u>	<u>(5,986)</u>
Amounts available for appropriation	<u>10,258,102</u>	<u>10,258,102</u>	<u>10,209,148</u>	<u>(48,954)</u>
Charges to appropriations:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	7,999,720	8,010,575	7,447,643	562,932
Human resources	-	-	-	-
Legal	-	-	-	-
Safety	-	-	-	-
PR/Marketing	-	-	-	-
General government	-	-	-	-
Accounting	-	-	-	-
Records and receipts	-	-	-	-
Information technology	-	-	-	-
Community development	-	-	-	-
Code enforcement	-	-	-	-
Engineering	-	-	-	-
Public works management	-	-	-	-
Fleet management	-	-	-	-
Park & recreation	-	-	-	-
Stormwater & roadway maintenance	-	-	-	-
Technical services	-	-	-	-
Library	-	-	-	-
Capital outlay	260,000	1,777,847	960,657	817,190
Operating transfers	50,000	50,000	50,000	-
Total charges to appropriations	<u>8,309,720</u>	<u>9,838,422</u>	<u>8,458,300</u>	<u>1,380,122</u>
Fund balances, ending	<u>\$ 1,948,382</u>	<u>\$ 419,680</u>	<u>\$ 1,750,848</u>	<u>\$ 1,331,168</u>

The accompanying notes are an integral part of this schedule.

CITY OF ENID, OKLAHOMA
 Required Supplementary Information
 Reconciliation of Budgetary Comparison Schedule on a Budgetary Basis with Fund Financial Statements on a GAAP Basis
 Year Ended June 30, 2015

	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>
Budgetary funds			
Financial statement major funds			
Revenues:			
Actual amounts (budgetary basis) "resources" from the budgetary comparison schedules	\$ 45,131,490	\$ 9,209,865	\$ 7,823,344
<u>Adjustments:</u>			
<i>Budgetary</i> general fund revenues are reported on the cash basis, rather than the modified accrual basis	(81,924)	538,943	1,517,582
Certain revenues were reclassified from the general fund to the police and fire funds	(2,374,334)	1,187,167	1,187,167
Operating transfers in are reported as "other financing sources and uses" for GAAP purposes	<u>(5,720,000)</u>	<u>(8,996,339)</u>	<u>(7,796,339)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances—governmental funds	<u>\$ 36,955,232</u>	<u>\$ 1,939,636</u>	<u>\$ 2,731,754</u>
Expenditures:			
Actual amounts (budgetary basis) "charges to appropriations" from the budgetary comparison schedules	\$ 44,370,708	\$ 8,999,627	\$ 8,458,300
<u>Adjustments:</u>			
<i>Budgetary</i> general fund expenditures are reported on the cash basis, rather than the modified accrual basis	86,740	582,765	1,833,205
Operating transfers out are reported as "other financing sources and uses" for GAAP purposes	<u>(28,936,890)</u>	<u>(125,000)</u>	<u>(50,000)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances—governmental funds	<u>\$ 15,520,558</u>	<u>\$ 9,457,392</u>	<u>\$ 10,241,505</u>

The accompanying notes are an integral part of this schedule.

CITY OF ENID, OKLAHOMA
Notes to Required Supplementary Information
Budgetary Comparison Schedule
June 30, 2015

Budgetary Accounting: The annual operating budgets are prepared and presented on the modified cash basis of accounting. Per City Ordinance, the City utilizes encumbrance accounting during the year on a limited basis for certain purchase orders and other commitments for the expenditure of funds which are recorded in order to reserve a portion of the applicable appropriation. Encumbrances lapse at year-end; therefore, encumbrances outstanding at year-end are not considered expenditures for budgetary purposes, as the City will provide for supplemental appropriations in the following budget year.

OTHER SUPPLEMENTARY INFORMATION

CITY OF ENID, OKLAHOMA
 Combining Balance Sheet—Nonmajor Governmental Funds
 June 30, 2015

	Special Revenue								
	Special Projects Fund	Water Assessment	Street and Alley Fund	Community Intervention Center	Health Care Fund	CDBG Fund	Paving Assessment	911 Fund	Enid Economic Development Authority
Assets									
Cash and cash equivalents	\$ 339,568	\$ 766	\$ -	\$ 9,196	\$ -	\$ 12,938	\$ 217	\$ 12,087	\$ 84,278
Investments	24,222	6,357	-	76,303	-	107,345	1,799	100,286	481,788
Receivables:									
Taxes	-	-	79,967	-	-	-	-	167,687	-
Due from other governments	-	-	-	18,383	-	25,303	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	8
Due from other funds	-	-	1,059,920	-	-	-	-	-	-
Prepaid expense	261	-	-	1,289	-	67	-	10,288	-
Assets held for sale	-	-	-	-	-	-	-	-	1,692,069
Restricted cash and investments	-	-	-	-	-	-	-	-	1,018,000
Total assets	<u>\$ 364,051</u>	<u>\$ 7,123</u>	<u>\$ 1,139,887</u>	<u>\$ 105,171</u>	<u>\$ -</u>	<u>\$ 145,653</u>	<u>\$ 2,016</u>	<u>\$ 290,348</u>	<u>\$ 3,276,143</u>
Liabilities									
Accounts payable and accrued liabilities	\$ -	\$ 6,665	\$ 232,377	\$ 9,095	\$ -	\$ 36,648	\$ 1,886	\$ 43,603	\$ 35,028
Due to other funds	-	-	-	-	-	-	-	-	151,138
Unearned revenue	20,399	-	-	-	-	-	-	-	-
Total liabilities	<u>20,399</u>	<u>6,665</u>	<u>232,377</u>	<u>9,095</u>	<u>-</u>	<u>36,648</u>	<u>1,886</u>	<u>43,603</u>	<u>186,166</u>
Fund balances									
Nonspendable	261	-	-	1,289	-	67	-	10,288	1,692,069
Restricted:									
Public safety	343,391	-	-	-	-	-	-	236,457	-
Public works	-	-	-	94,787	-	41,962	-	-	-
Debt service	-	-	-	-	-	-	-	-	1,018,000
Capital improvements	-	-	-	-	-	-	-	-	-
Committed:									
Public works	-	458	907,510	-	-	66,976	130	-	-
Economic development	-	-	-	-	-	-	-	-	26,211
Capital improvements	-	-	-	-	-	-	-	-	-
Assigned:									
Economic development	-	-	-	-	-	-	-	-	353,697
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>343,652</u>	<u>458</u>	<u>907,510</u>	<u>96,076</u>	<u>-</u>	<u>109,005</u>	<u>130</u>	<u>246,745</u>	<u>3,089,977</u>
Total liabilities and fund balances	<u>\$ 364,051</u>	<u>\$ 7,123</u>	<u>\$ 1,139,887</u>	<u>\$ 105,171</u>	<u>\$ -</u>	<u>\$ 145,653</u>	<u>\$ 2,016</u>	<u>\$ 290,348</u>	<u>\$ 3,276,143</u>

CITY OF ENID, OKLAHOMA
Combining Balance Sheet—Nonmajor Governmental Funds (Continued)
June 30, 2015

	Capital Projects					Debt Service		Totals
	Capital Improvement Fund	Street Improvement Fund	Sanitary Sewer Fund	Storm Water Fund	Water Capital Improvements	Capital Projects Escrow	Sinking Fund	
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ 34,599	\$ 444,639	\$ -	\$ 105,382	\$ 2,173	\$ 1,045,843
Investments	-	-	287,064	3,689,166	-	874,358	18,027	5,666,715
Receivables:								
Taxes	-	-	-	-	-	-	779	248,433
Due from other governments	-	-	-	-	-	-	-	43,686
Accrued interest	-	-	-	-	-	-	-	8
Due from other funds	3,701,346	610,826	-	-	3,427,806	-	-	8,799,898
Prepaid expense	-	-	-	-	-	-	-	11,905
Assets held for sale	-	-	-	-	-	-	-	1,692,069
Restricted cash and investments	1,009,269	-	-	-	-	-	-	2,027,269
Total assets	<u>\$ 4,710,615</u>	<u>\$ 610,826</u>	<u>\$ 321,663</u>	<u>\$ 4,133,805</u>	<u>\$ 3,427,806</u>	<u>\$ 979,740</u>	<u>\$ 20,979</u>	<u>\$ 19,535,826</u>
Liabilities								
Accounts payable and accrued liabilities	\$ 317,145	\$ 454	\$ 122,338	\$ 306,162	\$ 205,681	\$ -	\$ -	\$ 1,317,082
Due to other funds	-	-	-	-	-	-	-	151,138
Unearned revenue	-	-	-	-	-	-	-	20,399
Total liabilities	<u>317,145</u>	<u>454</u>	<u>122,338</u>	<u>306,162</u>	<u>205,681</u>	<u>-</u>	<u>-</u>	<u>1,488,619</u>
Fund balances								
Nonspendable	-	-	-	-	-	-	-	1,703,974
Restricted:								
Public safety	-	-	-	-	-	-	-	579,848
Public works	-	-	-	-	-	-	-	136,749
Debt service	-	-	-	-	-	-	20,979	1,038,979
Capital improvements	1,009,269	-	-	-	-	-	-	1,009,269
Committed:								
Public works	-	-	-	-	-	-	-	975,074
Economic development	-	-	-	-	-	-	-	26,211
Capital improvements	3,384,201	610,372	199,325	3,827,643	3,222,125	979,740	-	12,223,406
Assigned:								
Health	-	-	-	-	-	-	-	#REF!
Economic development	-	-	-	-	-	-	-	353,697
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>4,393,470</u>	<u>610,372</u>	<u>199,325</u>	<u>3,827,643</u>	<u>3,222,125</u>	<u>979,740</u>	<u>20,979</u>	<u>18,047,207</u>
Total liabilities and fund balances	<u>\$ 4,710,615</u>	<u>\$ 610,826</u>	<u>\$ 321,663</u>	<u>\$ 4,133,805</u>	<u>\$ 3,427,806</u>	<u>\$ 979,740</u>	<u>\$ 20,979</u>	<u>\$ 19,535,826</u>

CITY OF ENID, OKLAHOMA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds
Year Ended June 30, 2015

	Special Revenue								
	Special Projects Fund	Water Assessment	Street and Alley Fund	Community Intervention Center	Health Care Fund	CDBG Fund	Paving Assessment	911 Fund	Enid Economic Development Authority
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,052,962
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	18,671	-	476,977	129,000	-	492,826	-	925,180	123,000
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Other	48,525	-	-	-	-	810	-	-	35,878
Interest	1,035	61	9,729	1,211	-	-	18	1,507	16,268
Total revenues	<u>68,231</u>	<u>61</u>	<u>486,706</u>	<u>130,211</u>	<u>-</u>	<u>493,636</u>	<u>18</u>	<u>926,687</u>	<u>1,228,108</u>
Expenditures:									
Current:									
General government	18,679	-	-	-	-	-	-	-	-
Public safety	77,469	-	-	-	-	-	-	1,020,525	-
Public works	-	-	107,709	246,100	-	463,464	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	885,557
Debt service:									
Principal	-	-	-	-	-	-	-	-	1,471,685
Interest	-	-	-	-	-	-	-	-	311,977
Capital outlay	-	-	1,480,383	-	-	-	-	-	9,096
Total expenditures	<u>96,148</u>	<u>-</u>	<u>1,588,092</u>	<u>246,100</u>	<u>-</u>	<u>463,464</u>	<u>-</u>	<u>1,020,525</u>	<u>2,678,315</u>
Excess of revenues over (under) expenditures	(27,917)	61	(1,101,386)	(115,889)	-	30,172	18	(93,838)	(1,450,207)
Other financing sources (uses):									
Proceeds from sale of assets	610	-	-	-	-	-	-	-	15,000
Transfers in	-	-	782,117	115,000	-	-	-	100,000	1,981,130
Transfers (out)	-	-	-	-	-	-	-	-	(41,410)
Total other financing sources (uses)	<u>610</u>	<u>-</u>	<u>782,117</u>	<u>115,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>1,954,720</u>
Net change in fund balances	(27,307)	61	(319,269)	(889)	-	30,172	18	6,162	504,513
Fund balances, beginning	370,959	397	1,226,779	96,965	2,164,770	78,833	112	240,583	-
Restatement	-	-	-	-	(2,164,770)	-	-	-	2,585,464
Fund balances, ending	<u>\$ 343,652</u>	<u>\$ 458</u>	<u>\$ 907,510</u>	<u>\$ 96,076</u>	<u>\$ -</u>	<u>\$ 109,005</u>	<u>\$ 130</u>	<u>\$ 246,745</u>	<u>\$ 3,089,977</u>

CITY OF ENID, OKLAHOMA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds (Continued)

Year Ended June 30, 2015

	Capital Projects					Debt Service		Totals
	Capital Improvement Fund	Street Improvement Fund	Sanitary Sewer Fund	Storm Water Fund	Water Capital Improvements	Capital Projects Escrow	Sinking Fund	
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,062	\$ 1,059,024
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	2,165,654
Fines and forfeitures	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	229,793	-	229,793
Other	-	-	750	150,000	-	-	-	235,963
Interest	33,350	4,664	315	31,410	20,995	7,441	838	128,842
Total revenues	<u>33,350</u>	<u>4,664</u>	<u>1,065</u>	<u>181,410</u>	<u>20,995</u>	<u>237,234</u>	<u>6,900</u>	<u>3,819,276</u>
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	18,679
Public safety	-	-	-	-	-	-	-	1,097,994
Public works	-	-	-	229,484	-	-	-	1,046,757
Culture and recreation	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	885,557
Debt service:								
Principal	-	-	-	-	-	-	80,350	1,552,035
Interest	-	-	-	-	-	-	15,292	327,269
Capital outlay	3,643,057	1,927,720	1,533,747	1,446,068	1,934,717	-	-	11,974,788
Total expenditures	<u>3,643,057</u>	<u>1,927,720</u>	<u>1,533,747</u>	<u>1,675,552</u>	<u>1,934,717</u>	<u>-</u>	<u>95,642</u>	<u>16,903,079</u>
Excess of revenues over (under) expenditures	(3,609,707)	(1,923,056)	(1,532,682)	(1,494,142)	(1,913,722)	237,234	(88,742)	(13,083,803)
Other financing sources (uses)								
Proceeds from sale of assets	-	-	-	-	-	-	-	15,610
Transfers in	4,341,162	923,534	1,650,604	1,686,764	3,839,397	-	-	15,419,708
Transfers (out)	-	-	-	-	-	(31,197)	-	(72,607)
Total other financing sources (uses)	<u>4,341,162</u>	<u>923,534</u>	<u>1,650,604</u>	<u>1,686,764</u>	<u>3,839,397</u>	<u>(31,197)</u>	<u>-</u>	<u>15,362,711</u>
Net change in fund balances	731,455	(999,522)	117,922	192,622	1,925,675	206,037	(88,742)	2,278,908
Fund balances, beginning	3,662,015	1,609,894	81,403	3,635,021	1,296,450	773,703	109,721	15,347,605
Restatement	-	-	-	-	-	-	-	420,694
Fund balances, ending	<u>\$ 4,393,470</u>	<u>\$ 610,372</u>	<u>\$ 199,325</u>	<u>\$ 3,827,643</u>	<u>\$ 3,222,125</u>	<u>\$ 979,740</u>	<u>\$ 20,979</u>	<u>\$ 18,047,207</u>

CITY OF ENID, OKLAHOMA
Combining Statement of Net Position—Nonmajor Proprietary Funds
June 30, 2015

	Business-type Activities		
	Enterprise Funds		
	Enid Public Transportation Authority	Meadowlake Golf Course	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 35,490	\$ -	\$ 35,490
Investments	-	-	-
Receivables:			
Due from other governments	77,000	-	77,000
Due from other funds	-	-	-
Total current assets	<u>112,490</u>	<u>-</u>	<u>112,490</u>
Noncurrent assets:			
Capital assets (net of accumulated depreciation)	<u>236,573</u>	<u>440,685</u>	<u>677,258</u>
Total noncurrent assets	<u>236,573</u>	<u>440,685</u>	<u>677,258</u>
Total assets	<u>349,063</u>	<u>440,685</u>	<u>789,748</u>
Deferred outflows of resources			
Deferred amounts related to pensions	<u>58,777</u>	<u>76,400</u>	<u>135,177</u>
Total deferred outflows of resources	<u>58,777</u>	<u>76,400</u>	<u>135,177</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	34,267	35,891	70,158
Current portion of noncurrent liabilities	14,267	29,530	43,797
Due to other funds	234,017	275,777	509,794
Unearned revenue	-	764	764
Total current liabilities	<u>282,551</u>	<u>341,962</u>	<u>624,513</u>
Noncurrent liabilities:			
Compensated absences	1,364	3,252	4,616
Capital lease obligations	-	11,811	11,811
Workers compensation claims	16,656	64	16,720
Net pension liability	<u>144,298</u>	<u>187,561</u>	<u>331,859</u>
Total noncurrent liabilities	<u>162,318</u>	<u>202,688</u>	<u>365,006</u>
Total liabilities	<u>444,869</u>	<u>544,650</u>	<u>989,519</u>
Net position			
Net investment in capital assets	236,573	411,354	647,927
Restricted	-	-	-
Unrestricted	<u>(273,602)</u>	<u>(438,919)</u>	<u>(712,521)</u>
Total net position	<u>\$ (37,029)</u>	<u>\$ (27,565)</u>	<u>\$ (64,594)</u>

CITY OF ENID, OKLAHOMA

Combining Statement of Revenues, Expenses and Changes in Net Position—Nonmajor Proprietary Funds/Enterprise Funds
Year Ended June 30, 2015

	Business-type Activities			Total
	Enterprise Funds			
	Enid Public Transportation Authority	Meadowlake Golf Course	Enid Economic Development Authority	
Operating revenues:				
Charges for services - other	\$ 119,878	\$ 371,757	\$ -	\$ 491,635
Government grants	245,955	-	-	245,955
Total operating revenues	<u>365,833</u>	<u>371,757</u>	<u>-</u>	<u>737,590</u>
Operating expenses:				
Economic development	-	-	-	-
Other	630,082	619,173	-	1,249,255
Depreciation and amortization	79,208	54,168	-	133,376
Total operating expenses	<u>709,290</u>	<u>673,341</u>	<u>-</u>	<u>1,382,631</u>
Net operating income (loss)	(343,457)	(301,584)		(645,041)
Nonoperating revenues (expenses):				
Miscellaneous revenues	1,267	366	-	1,633
Interest income	88	-	-	88
Gain (loss) on disposition of assets	12,185	-	-	12,185
Interest expense and fiscal charges	-	(1,866)	-	(1,866)
Total nonoperating revenues (expenses)	<u>13,540</u>	<u>(1,500)</u>	<u>-</u>	<u>12,040</u>
Net income (loss) before contributions and transfers	(329,917)	(303,084)	-	(633,001)
Transfers in	120,000	282,817	-	402,817
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(209,917)	(20,267)	-	(230,184)
Net position, beginning	232,876	70,676	5,103,361	5,406,913
Restatement	<u>(59,988)</u>	<u>(77,974)</u>	<u>(5,103,361)</u>	<u>(5,241,323)</u>
Net position, ending	<u>\$ (37,029)</u>	<u>\$ (27,565)</u>	<u>-</u>	<u>\$ (64,594)</u>

CITY OF ENID, OKLAHOMA
Combining Statement of Cash Flows—Nonmajor Proprietary Funds/Enterprise Funds
Year Ended June 30, 2015

	Business-type Activities		
	Enterprise Funds		
	Enid Public Transportation Authority	Meadowlake Golf Course	Total
Cash flows from operating activities			
Receipts from customers and grantors	\$ 482,511	\$ 373,357	\$ 855,868
Payments to suppliers	(28,564)	(202,607)	(231,171)
Payments to employees	(468,175)	(404,270)	(872,445)
Net cash provided (used) by operating activities	<u>(14,228)</u>	<u>(233,520)</u>	<u>(247,748)</u>
Cash flows from noncapital financing activities			
Taxes	-	-	-
Miscellaneous revenues	1,267	366	1,633
Operating transfers in (out)	120,000	282,817	402,817
Net cash provided (used) by noncapital financing activities	<u>121,267</u>	<u>283,183</u>	<u>404,450</u>
Cash flows from capital and related financing activities			
Principal paid on long-term debt	-	(16,980)	(16,980)
Interest expense and fiscal charges	-	(1,866)	(1,866)
Proceeds from sale of capital assets	12,185	-	12,185
Acquisition/construction of capital assets	(119,224)	(30,817)	(150,041)
Net cash provided (used) by capital and related financing activities	<u>(107,039)</u>	<u>(49,663)</u>	<u>(156,702)</u>
Cash flows from investing activities			
Purchase of investments	-	-	-
Interest income	88	-	88
Net cash provided (used) by investing activities	<u>88</u>	<u>-</u>	<u>88</u>
Net increase (decrease) in cash and cash equivalents	88	-	88
Cash and cash equivalents, beginning	<u>35,402</u>	<u>-</u>	<u>35,402</u>
Cash and cash equivalents, ending	<u>\$ 35,490</u>	<u>\$ -</u>	<u>\$ 35,490</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Net operating income (loss)	\$ (343,457)	\$ (301,584)	\$ (645,041)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	79,208	54,168	133,376
(Increases) decrease in assets:			
Receivables	116,678	1,600	118,278
Due from other funds	-	-	-
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	27,594	14,794	42,388
Due to other funds	80,216	(36,449)	43,767
Unearned revenue	-	764	764
Net pension liability	25,533	33,187	58,720
Total adjustments	<u>329,229</u>	<u>68,064</u>	<u>397,293</u>
Net cash provided (used) by operating activities	<u>\$ (14,228)</u>	<u>\$ (233,520)</u>	<u>\$ (247,748)</u>

CITY OF ENID, OKLAHOMA
Combining Statement of Fiduciary Net Position—Fiduciary Funds
June 30, 2015

	Agency Funds		Pension Trust Funds		
	CLEET Fund	Court Bonds	Retirement Defined Benefit	Retirement 401(k)	Total
Assets					
Cash and cash equivalents	\$ 937	\$ 18,103	\$ 143,729	\$ -	\$ 143,729
Investments	-	-	22,973,060	11,333,430	34,306,490
Due from other funds	7,774				
Receivables:					
Accrued interest	-	-	5,901	-	5,901
Participant loans	-	-	-	382,015	382,015
Total assets	<u>8,711</u>	<u>18,103</u>	<u>23,122,690</u>	<u>11,715,445</u>	<u>34,838,135</u>
Liabilities					
Accounts payable	8,711	17,759	-	-	-
Due to other funds		344			
Total liabilities	<u>8,711</u>	<u>18,103</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,122,690</u>	<u>\$ 11,715,445</u>	<u>\$ 34,838,135</u>

CITY OF ENID, OKLAHOMA
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Pension Trust Funds		Totals
	Retirement Defined Benefit	Retirement 401(k)	
Additions			
Contributions:			
Employer	\$ 604,869	\$ 657,961	\$ 1,262,830
Plan members	-	728,946	728,946
Total contributions	<u>604,869</u>	<u>1,386,907</u>	<u>1,991,776</u>
Investment earnings:			
Realized gains (losses)	744,991	-	744,991
Net increase (decrease) in the fair value of investments	(852,346)	357,120	(495,226)
Interest and dividends	<u>442,345</u>	<u>-</u>	<u>442,345</u>
Total investment earnings	<u>334,990</u>	<u>357,120</u>	<u>692,110</u>
Total additions	<u>939,859</u>	<u>1,744,027</u>	<u>2,683,886</u>
Deductions			
Benefits and withdrawals	888,864	1,978,309	2,867,173
Administrative expenses	<u>152,240</u>	<u>49,057</u>	<u>201,297</u>
Total deductions	<u>1,041,104</u>	<u>2,027,366</u>	<u>3,068,470</u>
Change in net position	(101,245)	(283,339)	(384,584)
Net position restricted for pensions, beginning	<u>23,223,935</u>	<u>11,998,784</u>	<u>35,222,719</u>
Net position restricted for pensions, ending	<u>\$ 23,122,690</u>	<u>\$ 11,715,445</u>	<u>\$ 34,838,135</u>

CITY OF ENID, OKLAHOMA
Schedule of Debt Service Coverage
Year Ended June 30, 2015

	OWRB Notes	Sales Tax Revenue Refunding Bonds Series 2003
Gross revenue available for debt service:		
Charges for services:		
Water	\$ 13,397,964	\$ -
Wastewater	9,011,373	-
Stormwater	1,666,571	-
Solid waste	4,334,935	-
Landfill	1,858,054	-
Other	659,851	-
Sales tax collections pledged and transferred	8,623,256	2,385,747
Total gross revenue	39,552,004	2,385,747
Operating expenses:		
Utility services	586,538	-
Water production	2,167,763	-
Wastewater management services	3,500,822	-
Solid waste	3,154,059	-
Landfill	253,472	-
Other	275,837	-
Total operating expenses	9,938,491	-
Other expenses:		
Required transfers to other funds	5,407,837	-
Payment to schools	-	1,363,296
Total other expenses	5,407,837	1,363,296
Net revenues available for debt service	\$ 24,205,676	\$ 1,022,451
Debt service requirements	\$ 10,342,480	1,020,935
Computed coverage	234.04%	100.15%
Coverage requirement	125%	100%

Note 1: The above gross revenue and operating expenses only include the activities of the Authority related to water, wastewater, refuse services and landfill operations, excluding depreciation and amortization.

Note 2: The coverage requirements on the OWRB notes are calculated using maximum annual debt service on these notes and any subordinate debt.