



CITY OF MOORE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AS OF AND FOR THE FISCAL YEAR
ENDED JUNE 30, 2017

CITY OF MOORE, OKLAHOMA

LIST OF PRINCIPAL OFFICIALS

City Council

Glenn Lewis
Adam Webb
Danielle McKenzie
Mark Hamm
Melissa Hunt
Terry Cavnar
Jason Blair

Mayor
Ward 1
Ward 1
Ward 2
Ward 2
Ward 3
Ward 3

Brooks Mitchell

City Manager

Stan Drake
Todd Jenson

Assistant City Manager
Assistant City Manager

Betty Koehn

Finance Director

Cheryl McConnell

Assistant Finance Director

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

City Council
City of Moore
Moore, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moore, Oklahoma (the City), as of and for the year ended June 30, 2017, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 City'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 City'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, as of June 30, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and pension plan information, and the schedule of OPEB funding progress 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 other supplementary information and the statistical section as listed in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has 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 nonmajor governmental fund financial statements, the schedules of federal and state awards, and the schedule of debt service coverage information are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Accounting Standards*, we have also issued our report (under separate cover) dated November 15, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Dillon & Associates, P.C.

Midwest City, Oklahoma
November 15, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF MOORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

As management of the City of Moore, we offer readers this narrative overview and analysis of the financial activities of the City of Moore for the fiscal year ended June 30, 2017. We encourage readers to use this information in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by \$2,755,300 and the assets of the City exceeded its liabilities \$38,070,802 (net position). This amount included an unrestricted net deficit of \$47,866,727.
- At June 30, 2017, the City's governmental funds reported combined ending fund balances of \$23,739,662. Of this total amount, \$4,744,766 is available for spending at the government's discretion (unassigned fund balance).
- At the end of fiscal year 2017, unassigned fund balance for the General Fund was \$3,976,432, or approximately 11.02% of total General Fund expenditures.
- During the current fiscal year, the City's total long-term obligations decreased by \$3,290,770 (3.2%). The debt was increased by the issuance of general obligation bonds in the amount of \$7,770,000, revenue notes of \$2,090,000 and judgments assessed in the amount of \$287,118. The debt was reduced by principal payments of \$13,437,888.
- Sales and use taxes increased by \$381,140 or 1.1% over the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Moore (the "City"), the Moore Public Works Authority ("MPWA") and the Moore Economic Development Authority ("MEDA"). Included in this report are government-wide statements for each of two categories of activities - governmental and business-type.

The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type of activities separately and combined. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. These statements include all of the assets of the City (including infrastructure capital assets) as well as all liabilities (including all long-term debt), along with any inflows and outflows that are deferred.

CITY OF MOORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way determining whether the City's overall financial condition improved, declined or remained steady over the past year. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's Net Position and Changes in Net Position from the prior year. You can think of the City's Net Position - the difference between assets and deferred outflows and liabilities and deferred inflows - as one way to measure the City's financial condition, or position. Over time, increases or decreases in Net Position are one indicator of whether the financial position of the City is improving, deteriorating or remaining steady. However, you must consider other non-financial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health of the City.

The Statement of Net Position and the Statement of Activities are divided into two types of activities:

- Governmental activities - Most of the City's basic services are reported here, including the police, fire, general administration, streets and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- Business-type activities - The City's activities that charge a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, sewer, solid waste collections utilities are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

CITY OF MOORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

Governmental funds. Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

Proprietary funds. When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Enterprise funds are one type of proprietary funds and are essentially the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows. The City uses enterprise funds to account for its water and sewer operations and solid waste and disposal services.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

For the year ended June 30, 2017, net position for governmental activities and business-type activities increased \$2,755,300. The results indicate the City, as a whole, incurred an increase in its financial condition from the prior year.

CITY OF MOORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

The following is a summary comparison of changes in net position from last year for the City:

Table 1
Net Position (In Thousands)

	Governmental			Business-type			Total		
	<u>Activities</u>		<u>% Inc.</u>	<u>Activities</u>		<u>% Inc.</u>	<u>Primary Government</u>		<u>% Inc.</u>
	<u>2017</u>	<u>2016</u>	<u>(Dec.)</u>	<u>2017</u>	<u>2016</u>	<u>(Dec.)</u>	<u>2017</u>	<u>2016</u>	<u>(Dec.)</u>
Current and									
other assets	\$ 26,446	28,281	-6%	5,137	5,193	-1%	31,583	33,474	-6%
Capital assets	102,600	93,914	9%	62,149	63,289	-2%	164,749	157,203	5%
Total assets	<u>129,046</u>	<u>122,195</u>	6%	<u>67,286</u>	<u>68,482</u>	-2%	<u>196,332</u>	<u>190,677</u>	3%
Deferred outflow of resources	<u>9,908</u>	<u>5,875</u>		<u>-</u>	<u>-</u>		<u>9,908</u>	<u>5,875</u>	
Long-term debt									
outstanding	106,328	91,453	16%	41,829	42,972	-3%	148,157	134,425	10%
Other liabilities	11,440	17,278	-34%	3,687	3,655	1%	15,127	20,933	-28%
Total liabilities	<u>117,768</u>	<u>108,731</u>	8%	<u>45,516</u>	<u>46,627</u>	-2%	<u>163,284</u>	<u>155,358</u>	5%
Deferred inflow of resources	<u>3,885</u>	<u>5,879</u>		<u>-</u>	<u>-</u>		<u>3,885</u>	<u>5,879</u>	
Net assets:									
Invested in capital									
assets, net of debt	48,402	42,642	14%	18,208	18,987	-4%	66,610	61,629	8%
Restricted	17,589	15,179	16%	1,738	952	83%	19,327	16,131	20%
Unrestricted (deficit)	<u>(48,690)</u>	<u>(44,361)</u>	10%	<u>824</u>	<u>1,916</u>	-57%	<u>(47,866)</u>	<u>(42,445)</u>	13%
Total net assets	<u>\$ 17,301</u>	<u>13,460</u>	39%	<u>20,776</u>	<u>21,855</u>	-5%	<u>38,071</u>	<u>35,315</u>	8%

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, improvements, vehicles, and equipment) less any related debt used to acquire those assets that are still outstanding. 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.

A portion of the City's net position, \$19,327,783 represents resources that are subject to external restrictions on how they may be used. The remaining balance is an unrestricted net deficit of \$47,866,727.

**CITY OF MOORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017**

Change in Net Position

For the year ended June 30, 2017 net position of the primary government changed as follows:

Table 2
Changes in Net Position (In Thousands)

	Governmental			Business-type			Total		
	<u>Activities</u>		% Inc.	<u>Activities</u>		% Inc.	<u>Primary Government</u>		% Inc.
	<u>2017</u>	<u>2016</u>	<u>(Dec.)</u>	<u>2017</u>	<u>2016</u>	<u>(Dec.)</u>	<u>2017</u>	<u>2016</u>	<u>(Dec.)</u>
Revenues									
Charges for services	\$ 10,546	7,197	47%	22,027	21,810	1%	32,573	29,007	12%
Operating grants	3,807	4,086	-7%	-	-	-	3,807	4,086	-7%
Capital grants	11,054	13,889	-20%	-	-	-	11,054	13,889	-20%
Sales and use taxes	33,570	33,189	1%	-	-	-	33,570	33,189	1%
Property taxes	6,036	4,983	21%	-	-	-	6,036	4,983	21%
Franchise tax (fees)	2,750	2,821	-3%	-	-	-	2,750	2,821	-3%
Other taxes	1,546	1,131	37%	-	-	-	1,546	1,131	37%
Investment income	92	88	5%	66	27	144%	158	115	37%
Other	1,601	538	198%	72	130	-45%	1,673	668	150%
Total revenues	<u>71,002</u>	<u>67,922</u>	5%	<u>22,165</u>	<u>21,967</u>	1%	<u>93,167</u>	<u>89,889</u>	4%
Expenses									
General government	22,463	18,190	23%	-	-	-	22,463	18,190	23%
Public safety	26,399	21,439	23%	-	-	-	26,399	21,439	23%
Streets	8,874	6,649	33%	-	-	-	8,874	6,649	33%
Public works	4,046	3,005	35%	-	-	-	4,046	3,005	35%
Cultural & recreation	5,947	2,587	130%	-	-	-	5,947	2,587	130%
Community development	2,863	3,345	-14%	-	-	-	2,863	3,345	-14%
Water and sewer	-	-	-	14,936	14,267	5%	14,936	14,267	5%
Sanitation	-	-	-	3,164	1,921	65%	3,164	1,921	65%
Interest on debt	1,719	851	102%	-	-	-	1,719	851	102%
Total expenses	<u>72,311</u>	<u>56,066</u>	29%	<u>18,100</u>	<u>16,188</u>	12%	<u>90,411</u>	<u>72,254</u>	25%
Increase in net position									
before transfers	(1,309)	11,856	-111%	4,065	5,779	-30%	2,756	17,635	-84%
Transfers	5,150	3,000	72%	(5,150)	(3,000)	72%	-	-	-
Change in net position	<u>3,841</u>	<u>14,856</u>	-74%	<u>(1,085)</u>	<u>2,779</u>	-139%	<u>2,756</u>	<u>17,635</u>	-84%
Beginning net position	13,460	(1,396)	-1064%	21,855	19,076	15%	35,315	17,680	100%
Ending net position	<u>\$ 17,301</u>	<u>13,460</u>	29%	<u>20,770</u>	<u>21,855</u>	-5%	<u>38,071</u>	<u>35,315</u>	8%

The City's governmental activities capital grants and contributions received were \$10,287,397 due to the CDBG-DR grants received from HUD.

CITY OF MOORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note all taxes are classified as general revenue even if restricted for a specific purpose.

Table 3
Net Revenue (Expense) of Governmental Activities
(In Thousands)

		Total Expenses		% Inc.	Net Revenue		% Inc.
		of Services		(Dec.)	(Expense)	of Services	(Dec.)
		2017	2016		2017	2016	
General government	\$	22,463	18,190	23%	(13,460)	(11,526)	17%
Public safety		26,399	21,439	23%	(21,612)	(16,976)	27%
Streets		8,874	6,649	33%	(8,874)	(6,650)	33%
Public works		4,046	3,005	35%	(3,482)	(3,005)	16%
Cultural & recreation		5,947	2,587	130%	(5,809)	(2,586)	125%
Community development		2,863	3,345	-14%	8,052	10,700	-25%
Interest on long-term debt		1,719	851	102%	(1,719)	(851)	102%
Total	\$	72,311	56,066	29%	(46,904)	(30,894)	52%

For the year ended June 30, 2017, total expenses for governmental activities amounted to \$72,310,299 which is a 28.9% increase from the prior year.

**CITY OF MOORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017**

Business-type Activities

Table 4
Net Revenue (Expense) of Business-Type Activities
(In Thousands)

	Total Expenses of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	<u>2017</u>	<u>2016</u>		<u>2017</u>	<u>2016</u>	
Water and sewer	\$ 14,936	14,267	5%	1,093	(1,582)	169%
Sanitation	3,164	1,921	65%	1,497	2,439	-39%
General government	-	-	0%	1,337	427	213%
Total	\$ 18,100	16,188	12%	3,927	1,284	206%

The City's business-type activities include utility services for water, sewer and sanitation.

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2017 fiscal year, the governmental funds reported a combined fund balance of \$23,739,662, or 1.8% decrease from the prior year. The enterprise funds reported combined net position of \$20,769,584, or 5.2% decrease from 2016.

Other Fund Highlights Include:

- For the year ended June 30, 2017, the General Fund's total fund balance increased by \$765,170, or 23.7%, due to an increase in expenses and purchases of capital assets.
- The MEDA Fund's total fund balance decrease by \$1,011,306, due to a decrease in restricted assets held for capital projects.
- The MPWA Enterprise Fund reported a net position increase before contributions and transfers of \$4,064,606.

General Fund Budgetary Highlights

For the year ended June 30, 2017, the General Fund reported actual budgetary basis revenues over final estimates by \$449,531 or a 1.3% positive variance. General Fund actual expenditures were under final appropriations by \$4,480,030 or a 11.0% positive variance.

CITY OF MOORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2017, the City had approximately \$163.7 million invested in capital assets, net of depreciation, including land, buildings, machinery and equipment, park facilities, water, sewer and stormwater systems, roads and bridges. This represents a net increase of approximately \$6.5 million over last year.

Table 5
Capital Assets
(In Thousands)

	Governmental Activities <u>2017</u>	Business-type Activities <u>2017</u>	Total <u>2017</u>
Land and construction in progress	\$ 17,485	37	17,522
Building and improvements	50,298	1,782	52,080
Machinery and equipment	18,679	6,417	25,096
Vehicles	9,353	4,433	13,786
Infrastructure	169,598	115,818	285,416
	265,413	128,487	393,900
Less : Accumulated depreciation	162,813	67,341	230,154
Net capital assets	\$ 102,600	61,146	163,746
	Governmental Activities <u>2016</u>	Business-type Activities <u>2016</u>	Total <u>2016</u>
Land and construction in progress	\$ 14,287	-	14,287
Building and improvements	48,682	1,782	50,464
Machinery and equipment	18,102	5,989	24,091
Vehicles	10,685	4,433	15,118
Infrastructure	153,538	115,680	269,218
	245,294	127,884	373,178
Less : Accumulated depreciation	151,380	64,595	215,975
Net capital assets	\$ 93,914	63,289	157,203

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

- Construction of park and recreation facilities.
- Major street construction.
- Capital expenditures related to the Community Development Block Grant DR program.

**CITY OF MOORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017**

Long-term Debt

At year-end, the City had \$98,725,408 in long-term debt outstanding, excluding accrued compensated absences, due to depositors, liabilities for claims, OPEB obligations and net pension liability, which represents approximately a \$3,290,770 decrease from the prior year.

Table 6
Long-term Debt
(In Thousands)

	Governmental Activities <u>2017</u>	Business-type Activities <u>2017</u>	Total <u>2017</u>
General obligation bonds	\$ 38,070	-	38,070
Revenue bonds and notes	17,304	42,902	60,206
Other	449	-	449
Net long-term debt	<u>\$ 55,823</u>	<u>42,902</u>	<u>98,725</u>
	Governmental Activities <u>2016</u>	Business-type Activities <u>2016</u>	Total <u>2016</u>
General obligation bonds	\$ 34,685	-	34,685
Revenue bonds and notes	21,879	45,066	66,945
Other	383	3	386
Net long-term debt	<u>\$ 56,947</u>	<u>45,069</u>	<u>102,016</u>

ECONOMIC OUTLOOK

- The City's major source of revenue is sales and use tax revenue. Sales and use tax revenue increased 1.2% compared to the prior year.
- The unemployment rate for the Oklahoma City metropolitan area which includes Moore is currently 3.8 percent, which is a decrease of .3 percent from a year ago. This compares favorably to the state's average unemployment rate of 4.3 percent and favorably to the national average rate of 4.5 percent.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2018 fiscal year.

**CITY OF MOORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017**

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, bond rating agencies and creditors with a general overview of the City's finances reflecting the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 301 N. Broadway, Moore, Oklahoma 73160 or telephone at 405-793-5060.

Betty Koehn, CPA
Finance Director

BASIC FINANCIAL STATEMENTS

City of Moore, Oklahoma
Statement of Net Position
June 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Pooled cash and cash equivalents	\$ 5,969,013	91,426	6,060,439
Restricted cash and investments	13,508,962	2,061,925	15,570,887
Receivables (net of allowance for uncollectibles)	581,706	1,982,332	2,564,038
Receivables from other governments	6,221,332	-	6,221,332
Inventories	15,549	-	15,549
Total current assets	26,296,562	4,135,683	30,432,245
Restricted cash and investments	150,000	1,002,926	1,152,926
Capital assets:			
Land, improvements, and construction in progress	17,484,629	36,565	17,521,194
Other capital assets, net of depreciation	85,115,486	61,109,604	146,225,090
Total non-current assets	102,750,115	62,149,095	164,899,210
Total assets	129,046,677	66,284,778	195,331,455
DEFERRED OUTFLOW OF RESOURCES			
Deferred resources related to pensions	9,908,101	-	9,908,101
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	2,809,386	1,127,312	3,936,698
Accrued interest payable	417,211	328,877	746,088
Deposits subject to refund	212,742	-	212,742
Current portion of long-term debt	8,306,392	2,230,223	10,536,615
Total current liabilities	11,745,731	3,686,412	15,432,143
Non-current liabilities:			
Long-term debt and other liabilities	106,022,508	41,828,782	147,851,290
Total non-current liabilities	106,022,508	41,828,782	147,851,290
Total liabilities	117,768,239	45,515,194	163,283,433
DEFERRED INFLOW OF RESOURCES			
Deferred resources related to pensions	3,885,321	-	3,885,321
NET POSITION			
Net investment in capital assets	48,401,814	18,207,932	66,609,746
Restricted for:			
Debt service	5,435,434	783,102	6,218,536
Capital improvements	8,619,090	954,872	9,573,962
Other purposes	3,535,285	-	3,535,285
Unrestricted (deficit)	(48,690,405)	823,678	(47,866,727)
Total net position	\$ 17,301,218	20,769,584	38,070,802

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 22,462,652	8,693,011	309,345	-	(13,460,296)
Public safety	26,399,259	1,289,339	3,497,682	-	(21,612,238)
Streets	8,873,822	-	-	-	(8,873,822)
Public works administration	4,045,867	563,795	-	-	(3,482,072)
Culture and recreation	5,946,950	-	-	138,341	(5,808,609)
Community development	2,862,654	-	-	10,915,099	8,052,445
Interest on long-term debt	1,719,095	-	-	-	(1,719,095)
Total government activities	<u>72,310,299</u>	<u>10,546,145</u>	<u>3,807,027</u>	<u>11,053,440</u>	<u>(46,903,687)</u>
Business-type activities:					
Water and sewer	14,935,777	16,029,128	-	-	1,093,351
Sanitation	3,163,870	4,660,743	-	-	1,496,873
General government	-	1,336,837	-	-	1,336,837
Total business-type activities	<u>18,099,647</u>	<u>22,026,708</u>	<u>-</u>	<u>-</u>	<u>3,927,061</u>
Total primary government	<u><u>90,409,946</u></u>	<u><u>32,572,853</u></u>	<u><u>3,807,027</u></u>	<u><u>11,053,440</u></u>	<u><u>(42,976,626)</u></u>

City of Moore, Oklahoma
Statement of Activities
For the Year Ended June 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Change in net assets:			
Net (expense) revenue	\$ (46,903,687)	3,927,061	(42,976,626)
General revenues:			
Taxes:			
Sales taxes	32,219,084	-	32,219,084
Use taxes	1,350,839	-	1,350,839
Property taxes	6,035,724	-	6,035,724
Franchise taxes (fees)	2,749,495	-	2,749,495
Other taxes	1,546,084	-	1,546,084
Unrestricted investment income	92,576	65,997	158,573
Miscellaneous	1,600,579	71,548	1,672,127
Transfers	5,150,000	(5,150,000)	-
Total general revenues and transfers	50,744,381	(5,012,455)	45,731,926
Change in net position	3,840,694	(1,085,394)	2,755,300
Net position - beginning	13,460,524	21,854,978	35,315,502
Net position - ending	\$ 17,301,218	20,769,584	38,070,802

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
Balance Sheet - Governmental Funds
June 30, 2017

	General	Moore Econ. Dev. Authority	Debt Service Fund	G.O. Street Bond Fund	CDBG DR HUD Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 378,419	546,350	-	-	-	5,044,244	5,969,013
Restricted cash and investments		996,319	6,022,750	6,466,331	23,562	-	13,508,962
Investments	150,000	-	-	-	-	-	150,000
Receivables - Other, net	523,655	-	-	-	-	46,695	570,350
Due from other governments	4,859,183	378,119	24,000	-	203,792	756,238	6,221,332
Due from other funds	-	-	114,820	-	-	-	114,820
Inventories	15,549	-	-	-	-	-	15,549
Total assets	5,926,806	1,920,788	6,161,570	6,466,331	227,354	5,847,177	26,550,026
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	1,128,652	192,898	-	4,998	216,626	396,344	1,939,518
Wages and benefits payable	593,431	-	-	-	-	64,673	658,104
Police bonds outstanding	143,329	-	-	-	-	-	143,329
Deposits subject to refund	69,413	-	-	-	-	-	69,413
Total liabilities (Note 2)	1,934,825	192,898	-	4,998	216,626	461,017	2,810,364
Fund balances:							
Nonspendable	15,549	-	-	-	-	-	15,549
Restricted	-	959,556	6,161,570	6,461,333	10,728	5,386,160	18,979,347
Unrestricted	3,976,432	768,334	-	-	-	-	4,744,766
Total fund balances	3,991,981	1,727,890	6,161,570	6,461,333	10,728	5,386,160	23,739,662
Total liabilities and fund balances	\$ 5,926,806	1,920,788	6,161,570	6,466,331	227,354	5,847,177	

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 required in the governmental fund statements.	102,587,986
Internal service funds are used by management to charge the costs of certain activities to individual funds. Assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(21,079,133)
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Pension related deferred outflows	9,908,101
Certain liabilities are not due and payable in the current period from current financial resources, and therefore are not reported in the funds:	
Bonds and notes payable	(55,730,917)
Judgments payable	(446,417)
Net pension liability	(33,475,146)
Pension related deferred inflows	(3,885,321)
Accrued interest payable	(417,211)
Accrued compensated absences	(3,900,386)
Net position of governmental activities	\$ 17,301,218

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2017

	General Fund	Moore Econ. Dev. Authority	Debt Service Fund	G.O. Street Bond Fund	CDBG DR HUD Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 30,954,277	2,145,297	6,035,724	-	-	4,765,928	43,901,226
Intergovernmental	309,345	-	-	-	10,915,099	465,730	11,690,174
Licenses and permits	547,281	-	-	-	-	16,514	563,795
Charge for services	1,895,183	-	-	-	-	-	1,895,183
Fines and forfeitures	1,289,339	-	-	-	-	-	1,289,339
Investment revenue	57,443	9,337	-	-	-	25,796	92,576
Proceeds from debt issuances	-	4,864,774	-	5,138,608	-	-	10,003,382
Miscellaneous	816,488	181	-	-	-	671,468	1,488,137
Total revenues	<u>35,869,356</u>	<u>7,019,589</u>	<u>6,035,724</u>	<u>5,138,608</u>	<u>10,915,099</u>	<u>5,945,436</u>	<u>70,923,812</u>
EXPENDITURES							
Current:							
General government	5,533,820	147,478	-	-	-	-	5,681,298
Public safety	22,016,243	100,323	-	-	-	188,634	22,305,200
Streets	110,415	2,883,250	-	2,882,813	-	5,121,382	10,997,860
Public works	3,367,504	-	-	-	-	-	3,367,504
Culture and recreation	3,830,770	1,532,211	-	-	-	983,220	6,346,201
Community development	1,240,373	-	-	-	10,497,802	328,790	12,066,965
Debt service:							
Principal	-	2,177,665	4,385,000	-	-	5,500,000	12,062,665
Interest and other charges	-	907,852	761,053	92,621	-	34,438	1,795,964
Total expenditures	<u>36,099,125</u>	<u>7,748,779</u>	<u>5,146,053</u>	<u>2,975,434</u>	<u>10,497,802</u>	<u>12,156,464</u>	<u>74,623,657</u>
Excess (deficiency) of revenues over expenditures	<u>(229,769)</u>	<u>(729,190)</u>	<u>889,671</u>	<u>2,163,174</u>	<u>417,297</u>	<u>(6,211,028)</u>	<u>(3,699,845)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	29,130,307	2,505,061	-	-	-	2,787,177	34,422,545
Transfers out	(28,135,368)	(2,787,177)	(223,297)	-	-	-	(31,145,842)
Total other financing sources and uses	<u>994,939</u>	<u>(282,116)</u>	<u>(223,297)</u>	<u>-</u>	<u>-</u>	<u>2,787,177</u>	<u>3,276,703</u>
Net change in fund balances	765,170	(1,011,306)	666,374	2,163,174	417,297	(3,423,851)	(423,142)
Fund balances-beginning	3,226,811	2,739,196	5,495,196	4,298,159	(406,569)	8,810,011	24,162,804
Fund balances-ending	<u>\$ 3,991,981</u>	<u>1,727,890</u>	<u>6,161,570</u>	<u>6,461,333</u>	<u>10,728</u>	<u>5,386,160</u>	<u>23,739,662</u>

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (423,142)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	21,750,037
Capital asset retirements	(330,591)
Depreciation expense	(12,727,704)

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.	(1,948,317)
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Issuance of long-term debt is a revenue in the governmental funds, but the gross debt increases long-term liabilities in the Statement of Net Position.	(10,554,015)
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Repayment of debt principal and note issuance costs are expenditures in the governmental funds, but repayment of principal reduces long-term liabilities in the Statement of Net Position.	11,323,629
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in accrued interest payable	76,869
Change in accrued compensated absences	599,238

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	(3,925,310)
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Change in net position of governmental activities	\$ <u>3,840,694</u>
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City of Moore, Oklahoma
Statement of Position Proprietary Funds
June 30, 2017

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
			Total	Internal
	<u>MPWA</u>	<u>Sinking</u>	<u>Enterprise Funds</u>	<u>Service Fund</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 91,426	-	91,426	-
Restricted:				
Cash and investments	949,946	1,111,979	2,061,925	-
Receivables, utilities - Net of allowance for doubtful accounts of \$599,372	1,957,471	-	1,957,471	-
Receivables, other	24,861	-	24,861	11,356
Total current assets	<u>3,023,704</u>	<u>1,111,979</u>	<u>4,135,683</u>	<u>11,356</u>
Non-current assets:				
Restricted cash and investments	1,002,926	-	1,002,926	-
Land and construction in progress	36,565	-	36,565	-
Other capital assets, net	61,109,604	-	61,109,604	12,129
Total non-current assets	<u>62,149,095</u>	<u>-</u>	<u>62,149,095</u>	<u>12,129</u>
Total assets	<u>65,172,799</u>	<u>1,111,979</u>	<u>66,284,778</u>	<u>23,485</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,105,288	-	1,105,288	21,459
Accrued interest payable	-	328,877	328,877	-
Other accrued liabilities	22,024	-	22,024	190,305
Due to other funds	-	-	-	114,820
Current portion of long-term liabilities	8,620	2,221,603	2,230,223	412,991
Total current liabilities	<u>1,135,932</u>	<u>2,550,480</u>	<u>3,686,412</u>	<u>739,575</u>
Non-current liabilities:				
Deposits subject to refund	1,071,134	-	1,071,134	-
Liability for incurred claims	-	-	-	1,618,400
Other post-employment benefits	-	-	-	18,666,299
Notes payable, non-current	-	40,680,069	40,680,069	2,825
Accrued compensated absences, non-current	77,579	-	77,579	75,519
Total non-current liabilities	<u>1,148,713</u>	<u>40,680,069</u>	<u>41,828,782</u>	<u>20,363,043</u>
Total liabilities	<u>2,284,645</u>	<u>43,230,549</u>	<u>45,515,194</u>	<u>21,102,618</u>
NET POSITION				
Net investment in capital assets	61,109,604	(42,901,672)	18,207,932	12,130
Restricted for:				
Debt service	-	783,102	783,102	-
Capital improvements	954,872	-	954,872	-
Unrestricted	823,678	-	823,678	(21,091,263)
Total net position	<u>\$ 62,888,154</u>	<u>(42,118,570)</u>	<u>20,769,584</u>	<u>(21,079,133)</u>

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds			Governmental
				<u>Activities</u>
			Total	Internal
	<u>MPWA</u>	<u>MPWA</u>	<u>Enterprise</u>	<u>Service</u>
		<u>Sinking</u>	<u>Funds</u>	<u>Fund</u>
REVENUES				
Water	\$ 9,366,892	-	9,366,892	-
Sewer	6,662,236	-	6,662,236	-
Sanitation	4,660,743	-	4,660,743	-
Other services	1,336,837	-	1,336,837	-
Self insurance charges	-	-	-	6,797,828
Total operating revenues	<u>22,026,708</u>	<u>-</u>	<u>22,026,708</u>	<u>6,797,828</u>
OPERATING EXPENSES				
General government	11,050,663	-	11,050,663	835,582
Sanitation	3,163,870	-	3,163,870	-
Insurance claims and expenses	-	-	-	11,867,696
Depreciation	2,743,663	-	2,743,663	5,598
Total operating expenses	<u>16,958,196</u>	<u>-</u>	<u>16,958,196</u>	<u>12,708,876</u>
Operating income (loss)	<u>5,068,512</u>	<u>-</u>	<u>5,068,512</u>	<u>(5,911,048)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment revenue	63,340	2,657	65,997	-
Other nonoperating revenue (expenses)	71,548	-	71,548	112,441
Interest expense	-	(1,141,451)	(1,141,451)	-
Total nonoperating revenues (expenses)	<u>134,888</u>	<u>(1,138,794)</u>	<u>(1,003,906)</u>	<u>112,441</u>
OPERATING TRANSFERS AND CAPITAL ITEMS				
Transfers in	25,630,307	3,322,796	28,953,103	1,873,297
Transfers out	(34,103,103)	-	(34,103,103)	-
Total operating transfers	<u>(8,472,796)</u>	<u>3,322,796</u>	<u>(5,150,000)</u>	<u>1,873,297</u>
Change in net position	(3,269,396)	2,184,002	(1,085,394)	(3,925,310)
Net position - beginning	<u>66,157,550</u>	<u>(44,302,572)</u>	<u>21,854,978</u>	<u>(17,153,823)</u>
Net position - ending	<u>\$ 62,888,154</u>	<u>(42,118,570)</u>	<u>20,769,584</u>	<u>(21,079,133)</u>

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2017

	<u>Business-type Activities - Enterprise Funds</u>			Governmental <u>Activities</u>
			Total Enterprise	Internal Service
	<u>MPWA</u>	<u>Sinking</u>	<u>Funds</u>	<u>Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 21,842,181	-	21,842,181	5,644,963
Payments to suppliers	(12,340,255)	(16,616)	(12,356,871)	(6,507,839)
Payments to employees	(739,977)	-	(739,977)	(428,760)
Net cash provided (used) by operating activities	<u>8,761,949</u>	<u>(16,616)</u>	<u>8,745,333</u>	<u>(1,291,636)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating transfers in (out)	(8,472,796)	3,322,796	(5,150,000)	1,873,297
Net cash provided (used) by noncapital financing activities	<u>(8,472,796)</u>	<u>3,322,796</u>	<u>(5,150,000)</u>	<u>1,873,297</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on long-term debt	-	(2,164,730)	(2,164,730)	-
Interest expense and fiscal charges	-	(1,141,451)	(1,141,451)	-
(Acquisition) of capital assets	(600,732)	-	(600,732)	-
Net cash provided (used) by capital and related financing activities	<u>(600,732)</u>	<u>(3,306,181)</u>	<u>(3,906,913)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	63,340	2,657	65,997	-
Net cash provided (used) by investing activities	<u>63,340</u>	<u>2,657</u>	<u>65,997</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(248,239)	2,656	(245,583)	581,661
Cash and cash equivalents - beginning of the year	2,292,537	1,109,323	3,401,860	(581,661)
Cash and cash equivalents - end of the year	<u>\$ 2,044,298</u>	<u>1,111,979</u>	<u>3,156,277</u>	<u>-</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	91,426	-	91,426	-
Restricted cash and cash equivalents	1,952,872	1,111,979	3,064,851	-
Total cash and cash equivalents, end of year	<u>\$ 2,044,298</u>	<u>1,111,979</u>	<u>3,156,277</u>	<u>-</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	5,068,512	-	5,068,512	(5,911,048)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Cash flows reported in other categories:				
Depreciation expense	2,743,663	-	2,743,663	5,598
Miscellaneous revenues	71,548	-	71,548	112,441
Change in assets and liabilities:				
Receivable, net	(191,020)	-	(191,020)	(11,356)
Accounts payable	1,017,861	-	1,017,861	26,804
Due from other funds	-	-	-	423,239
Accrued compensated absences	(8,331)	-	(8,331)	(33,566)
Other current liabilities	22,024	(16,616)	5,408	222,660
Deposits subject to refund	37,692	-	37,692	-
Liabilities for incurred claims	-	-	-	3,873,592
Net cash provided by (used in) operating activities	<u>\$ 8,761,949</u>	<u>(16,616)</u>	<u>8,745,333</u>	<u>(1,291,636)</u>

See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Moore, Oklahoma (the “City”) conform to accounting principles generally accepted in the United States of America for state and local governments. Generally accepted accounting principles for municipalities are defined as those principles promulgated by the Governmental Accounting Standards Board (“GASB”). The following represent the more significant accounting and reporting policies and practices of the City.

Financial Reporting Entity - The accompanying financial statements present the government 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 and therefore data from these units are combined with the data of the City. Each blended component unit has a June 30 year end.

Blended Component Units - The Moore Public Works Authority (MPWA) was created pursuant to a Trust Indenture, for the benefit of the City of Moore. MPWA was established to acquire, construct, develop, equip, operate and maintain the City’s water, sanitary sewer and solid waste disposal systems. The water, sanitary sewer and solid waste disposal systems owned by the City have been leased to MPWA, including long-term financing and capital development. Council members serve as Trustees and the City Manager is General Manager. The Authority is reported as an enterprise fund.

On December 10, 1993, the City through the MPWA entered into an agreement with Veolia Water to manage, operate and maintain the wastewater treatment plant, water facilities, sanitation services and other Public Works services as directed by the City/MPWA. All facilities managed by Veolia Water remain the property of the City of Moore. On September 2, 1997, the City amended the contract to include the maintenance, operation and management of the waste water treatment plant and water facilities only.

The Moore Economic Development Authority (MEDA) was created pursuant to a Trust Indenture, for the benefit of the City of Moore. MEDA was created to finance projects and development of the City’s municipal infrastructure. City Council members serve as Trustees and the City Manager is General Manager. The Authority is reported as a governmental fund.

Separate financial statements have not been prepared for the blended component units.

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, and GASB Statement 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, and includes all component units for which the City is financially accountable.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Each component unit is a Public Trust established pursuant to Title 60 of the Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through the issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. In accordance with state law, all debt obligations incurred by public trusts require 2/3 approval by the City Council. In addition, the City has leased certain existing assets at the creation for the Authority to the Trustees on a long-term basis. The City, as beneficiary of the Public Trust, receives title to any residual assets when a Public Trust is dissolved.

Basis of presentation:

The City follows Governmental Accounting Standards Board ("GASB") statements in the preparation of its financial statements. Additional information regarding the basis of accounting and the differences in presentation are contained in the Management's Discussion and Analysis, which proceed the financial statements.

Government-wide and fund 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 and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and nonexchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement focus, basis of accounting, and financial statement presentation - The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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. Grant and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 *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 and claims, and judgments are recorded only when payment is due.

Sales taxes, excise taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditures driven grants are recognized as revenues when qualifying expenditures have been incurred and all eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

The following are the City's major governmental funds:

General Fund - is the general operating fund of the City. It accounts and reports for all financial resources not required to be reported in another fund.

Moore Economic Development Authority (MEDA) - accounts for finance projects and development of the City's municipal infrastructure.

Debt Service Sinking Fund - accounts for the accumulation of financial resources for the payment of principal and interest on the general long-term debt of the City, other than debt service payments made by enterprise funds. Ad Valorem taxes and interest earned on investments of the Debt Service Fund are used for the payment of principal, interest and commissions to fiscal agents on the City's general obligation bonds.

Street Project Fund - accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for the construction and repair of streets.

CDBG Fund - accounts for and reports financial resources that are restricted, committed, or assigned to expenditure related to the Community Development Block Grant program.

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The following are the City's non-major governmental funds:

Special Revenue Fund - accounts for the proceeds of government grants or specific revenue sources (other than grants applicable to enterprise fund activities, expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

Cemetery Perpetual Care Fund - accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for the maintenance and care of the cemetery.

Park Improvement Fund - accounts for and reports resources that are restricted, committed, or assigned to expenditure for the construction and improvements of the City parks.

Street Sales Tax Fund - accounts for and report financial resources that are restricted, committed, or assigned to expenditure for the construction and repair of streets as approved by a special sales tax ordinance.

The following are the City's major proprietary funds:

Moore Public Works Authority (MPWA) - accounts for the revenues from operations of water, sanitary sewer and solid waste operations.

Risk Management Internal Service Fund - accounts for property, health, worker's compensation liability insurance and other risk management functions provided to various funds of the City.

Accounting Policies -

Assets, Liabilities, and Fund Equity

- a. *Cash and Cash Equivalents* - The City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.
- b. *Pooled Cash and Investments* - The City Charter requires all cash belonging to the City to be placed in the custody of the Financial Services Department of the City. A "Pooled Cash" concept is used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has an equity in the pooled amounts. Investments are allocated to the individual participating funds based upon a percentage determined by the Financial Services Department of the City. An interfund receivable/payable is recognized if the allocation of investments to a particular fund exceeds the fund's pooled cash amount before the allocation of the pooled investments.

Purchases and maturities of the pooled investments, as reported in the fund's statement of cash flow, are allocated to the participating proprietary funds based on their portion of total pooled investments.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- c. *Investments* - Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The City considers quoted market price at June 30, 2017, to be the fair value of its investments.

Oklahoma Statutes authorize the City to invest in obligations of the United States government, its agencies and instrumentalities; collateralized or insured certificates of deposit and other evidences of deposit at banks, savings banks, savings and loan associations and credit unions located in this state, or fully insured certificates of deposit at banks, savings bank, savings and loan associations and credit unions located out of state; negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings bank, a savings and loan association or a state-licensed branch of a foreign bank; prime banker's acceptances which are eligible for purchases by the Federal Reserve System and which do not exceed 270 days' maturity; prime commercial paper which shall not have a maturity that exceeds 180 days nor represent more than 10% of the outstanding paper of an issuing corporation; repurchase agreements that have underlying collateral consisting of those items specified above; and money market funds regulated by the Securities and Exchange Commission and which investments consist of those items noted above.

- d. *Receivables* - In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

In the governmental fund financial statements, receivables are recorded when they are both measurable and available. Proprietary fund receivables consist of all revenues earned at year-end and not yet received.

- e. *Interfund Receivable and Payables* - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / due from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."
- f. *Restricted Assets* - Restricted assets include cash and investments of both governmental activities and business-type activities that are legally restricted as to their use. The restricted assets are primarily related to debt trustee accounts and guaranty deposits.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- g. *Capital Assets* - Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with initial, individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, the majority of which generally consists of donated land and infrastructure which is recorded in the governmental funds and donated water and sewer distribution systems which are recorded in the proprietary funds, are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 - 65 years
Infrastructure	25 - 50 years
Improvements other than buildings & infrastructure	10 - 20 years
Machinery and equipment	3 - 20 years
Vehicles	3 - 7 years

- h. *Inventory* - The City records parts and fuel inventory within the General Fund. Parts inventory is recorded using actual cost.
- i. *Long-term Debt* - Accounting treatment of long-term debt varies depending upon the source of repayment and the measurement focus applied, and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental activities, business-type activities and proprietary funds are reported as liabilities as incurred. The long-term debt presently is primarily comprised of revenue bonds payable, net pension liability, and accrued compensated absences. This long-term debt is reported net of unamortized discounts and premiums.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- j. *Liability for Incurred Claims* - The liability for incurred claims represents estimated claims (including future claim adjustment expenses) incurred but unpaid for worker's compensation, group medical and dental, unemployment claims and post-retirement obligations as of the fiscal year end. The estimate includes claims reported as of June 30, 2017, as well as an estimated amount representing claims incurred but not reported. The City utilizes the services of an actuary in computation of the incurred but unpaid worker's compensation portion of the liability.
- k. *Claims and Judgments Payable* - Under state law, judgments against the City can be paid over three years or can be paid immediately. The Risk Management Fund pays all claims and judgments. A liability has been recorded within the government-wide, proprietary and fiduciary fund financial statements for claims and judgments payable. A liability for these amounts is reported in governmental funds only if they will be paid from current financial resources.
- l. *Compensated Absences* - Under the terms of union contracts and City personnel policies, City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for vacation leave accumulated and vested accumulated sick leave. Vesting of sick leave by employees and maximum number of hours that can be accumulated for vacation and sick leave are dependent upon an employees' service as contained in the City's personnel manual. Upon retirement, one-half of accumulated sick leave is converted to cash, subject to the above limitation for maximum compensation for unused compensated absences.
- m. *Pensions* - For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions and pension expense, information about the fiduciary net position of the City's multiemployer pension plans and additions to/deductions from the multiemployer pension plans have been determined on the same basis as they are reported by the plans. 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.
- n. *Fund Equity* - In the government-wide financial statements, equity is classified as net position and displayed in three components:
 - 1. *Net investment in capital assets* - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings attributable to those assets.
 - 2. *Restricted net position* - Consists of net position with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. *Unrestricted net position* - All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted net positions are available for use, generally it is the City’s policy to use restricted resources first. For projects funded with tax-exempt debt proceeds and other sources, the debt proceeds are used first.

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows and based on the nature of any limitations requiring the use of resources for specific purposes.

- a) *Nonspendable* - Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.
- b) *Restricted* - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- c) *Committed* - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action of the highest level of decision making authority. The City Council is the highest level of decision making authority that can, by adoption of an Ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by ordinance remains in place until a similar action by City Council is taken (the adoption of another ordinance) to remove or revise the limitation.
- d) *Assigned* - Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- e) *Unassigned* - Includes the residual balance of the General Fund that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes with the General Fund.

When both restricted and unrestricted sources (the total of committed, assigned, and unassigned fund balance) are available for use, generally it is the City’s policy to use restricted resources first. 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.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cost Sharing Defined Benefit Pension Plans

The City participates in two cost-sharing multiple-employer defined benefit pension plans, the Oklahoma Firefighters Pension & Retirement System (OFPRS) and the Oklahoma Police Pension & Retirement System (OPPRS) (the Plans). For purposes of measuring the net pension asset, liability, deferred outflows of resources and deferred inflows of resources related to the pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

Deferred Outflows/inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has deferred outflows related to pensions, with one being the amount of contributions made to pension plans after the measurement date, and the other the difference in investment experience between actual earnings and projected earnings on pension plan investments and the difference in assumption changes. Deferred outflows related to contributions made after the measurement date will be recognized as a reduction of pension liability in the following year. The remaining amounts will be amortized to pension expense over future periods. See Note 4 for additional information.

Deferred inflows of resources represent 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 City has deferred inflows related to pensions. This consists of the difference between expected and actual experience related to pension plans as well as the difference in assumption changes. These amounts are amortized over future periods to pension expense.

Revenues, Expenditures and Expenses

- a. *Property Tax Revenue* - Property taxes attach an enforceable lien on property as of January 1. Taxes are levied annually on November 1 and are due one-half by December 31 and one-half by March 31. The Tax Assessor's office bills and collects the property taxes and remits to the City its portion. Property taxes not paid prior to April are considered delinquent. Such delinquent tax payments have not historically been material. Delinquent tax payments are received throughout the year and are recognized as revenue in the year received, except those received within 60 days of year end, which are recognized as revenues as of June 30, 2017 in both the government-wide and fund financial statements.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- b. *Sales Taxes* - Sales taxes are collected by vendors and required to be remitted to the State of Oklahoma by the 20th of the month following collection. The tax is then paid to the City by the 10th of the next month. A two-month lag exists between collection by the vendor and payment to the City by the State. Revenue received in July and August from sales made in May and June, respectively, is available for prior year expenses and is accrued in both the government-wide and fund financial statements.
- c. *Charges for Services* - Charges for service consist primarily of charges made by the MPWA for utility charges to customers and the Risk Management Fund for services such as self-insurance and other benefits provided to the other funds of the City.
- d. *Intergovernmental Revenues/Capital Grants Earned* - Revenues from Federal and State operating grants are recognized when expenditures are made. Similarly, capital grants are considered earned when the expenditures are made. The earned portion of capital grants in Proprietary Funds is treated as a capital contribution within the statement of revenues, expenses and changes in fund net position.
- e. *Investment Earnings* - Investment earnings on pooled cash and investments are allocated on a pro-rata basis to the City's funds based on the percentage of each fund's average month-end pooled cash balance.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Compliance

The City prepares its annual operating budget under the provisions of the Oklahoma Municipal Budget Act of 1979 (the "Budget Act"). In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing is held no later than 15 days prior to the beginning of the budget year.
- c. Subsequent to the public hearings but no later than seven days prior to July 1, the budget is legally enacted through the passage of a resolution by the City Council.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

- d. Subsequent to City Council enactment, the adopted budget is filed with the office of the State Auditor and Inspector.

The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund.

All fund decreases of appropriation and supplemental appropriations require City Council approval. The City Manager may transfer appropriations between departments within a fund without City Council approval. Supplemental appropriations must also be filed with the Office of the State Auditor and Inspector.

In accordance with Title 60 of the Oklahoma State Statutes, the Moore Public Works Authority and the Moore Economic Development Authority are required to prepare an annual budget and submit a copy to the City as beneficiary. However, there are no further requirements such as form of budget, approval of budget or definition of a legal level of control; and, therefore, no budget and actual financial presentation for the MPWA and the MEDA funds are included in this report.

Deposits and Investment Laws and Regulations

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at no more than market value. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, surety bonds or certain letters of credit. As required by 12 U.S.C.A., Section 1823f, all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or the loan committee. As reflected in Note 3, the City's uninsured deposited were sufficiently collateralized in accordance with these provisions for the year ended in June 30, 2017.

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017**

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

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

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

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

Debt Restrictions and Covenants

General Obligation Debt

Article 10, Sections 26 and 27 of the Oklahoma Constitution limits the amount of certain outstanding general obligation bonded debt of the municipality for non-utility or non-street purposes to no more than 10% of the net assessed valuation. For the year ended June 30, 2017, the City complied with this restriction.

Other Long-term Debt

As required by the Oklahoma State Constitution, the City (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without first obtaining voter approval.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

Revenue Bond Debt

The bond indentures relating to the revenue bond issues of the Moore Public Works Authority and Moore Economic Development Authority contain a number of restrictions or covenants that are financial related. These include covenants such as a required flow of funds through special accounts, debt service coverage requirements and required reserve account balances.

The following schedule presents a brief summary of the most significant requirements and the Authorities' level of compliance, thereon, as of June 30, 2017:

<u>Requirement</u>	<u>Level of Compliance</u>
<i>Moore Public Works Authority</i>	
a. Flow of Funds	
1. 2009 OWRB Revenue Note	The Authority maintained all required accounts and made the required payments into such accounts.
- Construction Fund	
- Note Fund	
2. 2010 OWRB Revenue Note	Authority maintained all required accounts and made the required payments into such accounts.
- Construction Fund	
- Note Fund	
3. 2010B OWRB Revenue Note	Authority maintained all required accounts and made the required payments into such accounts.
- Construction Fund	
- Note Fund	
b. Revenue Note Coverage	
Net operating revenue plus transferred Sales tax must equal 1.25 times annual debt service on the 2009, 2010 and 2010B Revenue Notes	Net revenue available amounted to \$33,442,467. The annual required debt service is \$6,040,959. Actual coverage was 5.54 times.

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017**

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

<u>Requirement</u>	<u>Level of Compliance</u>
<i>Moore Economic Development Authority</i>	
c. Flow of Funds	
2. 2009 Revenue Note:	
- Revenue Fund	The Authority maintained all required accounts and made the required payments into such accounts.
- Construction Fund	
- Note Fund	
2. 2014 Revenue Note	
- Revenue Fund	Authority maintained all required accounts and made the required payments into such accounts.
- Construction Fund	
- Note Fund	
3. 2016 Revenue Note	
- Revenue Fund	Authority maintained all required accounts and made the required payments into such accounts.
- Construction Fund	
- Note Fund	
d. Revenue Note Coverage	
Transferred sales tax must equal 1.25 times annual debt service on the 2009, 2014 and 2016 Revenue Notes.	Net revenue available amounted to \$33,442,467. The annual required debt service is \$6,040,959. Actual coverage was 5.54 times.

Fund Equity/Net Position Restrictions

Restricted Net Position

Restricted net position at the government-wide financial statements are required to restrict funds in accordance with various laws and regulations, specifically those laws and regulations dealing with debt service and the use of restricted revenues. See Note 3 for details of restricted net position.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS

The following notes present detailed information to support the amounts reported in the basic financial statements for the City's various assets, liabilities, equity, revenues and expenditures/expenses.

Deposits and Investment Risks

The City of Moore, including its blended component units, held the following deposits and investments at June 30, 2017:

Type	Maturities	Credit Rating	Carrying Value
Deposits:			
Demand deposits			\$ 16,939,933
Cash on hand			9,280
Time deposits	Due within 1 year		1,002,926
Time deposits	Due in 1 - 5 years		150,000
			<u>18,102,139</u>
Investments:			
Trustee money market account		AAAm	<u>4,682,113</u>
Total deposits and investments			<u><u>\$ 22,784,252</u></u>
Reconciliation to Statement of Net Position:			
Pooled cash and cash equivalents			\$ 6,060,439
Restricted cash and investments - Current			15,570,887
Restricted cash and investments - Noncurrent			<u>1,152,926</u>
			<u><u>\$ 22,784,252</u></u>

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2017:

- U.S. Treasury securities of \$4,682,113 are valued using quoted market prices (Level 1 inputs)

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS

Custodial Credit Risk

Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized, collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name, or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exist when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 110% of the uninsured deposits and accrued interest thereon. The investment policy also limits acceptable collateral to U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the state of Oklahoma. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2017, the City was not exposed to custodial credit risk as defined above.

Investment Interest Credit 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 dates of its investments.

As noted in the schedule of deposits and investments above, at June 30, 2017, the investments held by the City mature at various times.

Concentration of Investment Credit Risk

Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). 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.

At June 30, 2017, the City had no concentration of credit risk as defined above.

Restricted Assets

The amounts reported as restricted assets on the Statement of Net Position are comprised of cash and investments held by the trustee bank on behalf of the public trusts (Authorities) related to its required revenue bond accounts as described in Note 2 and amounts due to depositors related to utility deposits.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

The restricted assets as of June 30, 2017 were as follows:

<u>Type of Restricted Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Utility deposits and other accounts	\$ 173,562	1,002,926	1,176,488
Construction funds	7,185,510	949,946	8,135,456
Debt service sinking funds	6,299,890	1,111,979	7,411,869
Total Restricted Assets	<u>\$ 13,658,962</u>	<u>3,064,851</u>	<u>16,723,813</u>

Receivables and Uncollectible Accounts

Accounts receivable of governmental and business-type activities consist of sales tax, franchise tax and fees, property tax, grants funds due, customer utilities services provided, both billed and unbilled, all reported net of allowance for uncollectible amounts are as follows:

	<u>General Fund</u>	<u>MEDA Fund</u>	<u>Debt Serv. Fund</u>	<u>CDBG DR HUD Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Moore Public Works Authority</u>
Receivables:						
Taxes	\$ 4,859,183	378,119	24,000	-	756,238	-
Accounts/Other	523,655	-	-	203,792	46,695	2,581,704
Gross receivables	<u>5,382,838</u>	<u>378,119</u>	<u>24,000</u>	<u>203,792</u>	<u>802,933</u>	<u>2,581,704</u>
Less: Allowance for uncollectibles	-	-	-	-	-	599,372
Net receivables	<u>\$ 5,382,838</u>	<u>378,119</u>	<u>24,000</u>	<u>203,792</u>	<u>802,933</u>	<u>1,982,332</u>

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Capital Assets

Capital asset balances and activities for the year ended June 30, 2017, were as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Ending</u>
<i>Governmental activities</i>					
Capital assets not being depreciated :					
Land	\$ 7,746,076	2,295,111	(11,125)	-	10,030,062
Construction in progress	6,541,023	8,877,501	(7,963,957)	-	7,454,567
Total capital assets not being depreciated	<u>14,287,099</u>	<u>11,172,612</u>	<u>(7,975,082)</u>	<u>-</u>	<u>17,484,629</u>
Capital assets being depreciated :					
Buildings and improvements	48,681,987	1,615,469	-	-	50,297,456
Machinery and equipment	18,101,865	1,989,070	(1,354,181)	57,271	18,679,483
Vehicles	10,684,954	1,163,038	(996,907)	1,497,690	9,353,395
Infrastructure	<u>153,538,110</u>	<u>5,809,047</u>	<u>10,326,170</u>	<u>75,477</u>	<u>169,597,850</u>
Total capital assets being depreciated	231,006,916	10,576,624	7,975,082	1,630,438	247,928,184
Less : Accumulated depreciation	<u>151,380,043</u>	<u>12,733,302</u>	<u>-</u>	<u>1,300,647</u>	<u>162,812,698</u>
Governmental activities capital assets \$	<u><u>93,913,972</u></u>	<u><u>9,015,934</u></u>	<u><u>-</u></u>	<u><u>329,791</u></u>	<u><u>102,600,115</u></u>

Depreciation expense for governmental activities is charged to functions as follows:

Governmental activities:

General government	\$ 3,477,939
Public safety	1,751,879
Streets	3,707,978
Public works administration	696,741
Cultural and recreation	2,815,664
Community development	<u>283,101</u>
Total depreciation expense - governmental activities	<u><u>\$ 12,733,302</u></u>

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Capital asset activity for business-type activities for the year ended June 30, 2017 was as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Ending</u>
<i>Business-type activities</i>					
Capital assets not being depreciated :					
Land	\$ -	-	-	-	-
Construction in progress	-	36,565	-	-	36,565
Total capital assets not being depreciated	-	36,565	-	-	36,565
Capital assets being depreciated :					
Buildings and improvements	1,782,000	-	-	-	1,782,000
Machinery and equipment	5,989,379	430,810	-	2,999	6,417,190
Vehicles	4,432,625	-	-	-	4,432,625
Infrastructure	115,679,929	107,771	-	-	115,787,700
Total capital assets being depreciated	127,883,933	538,581	-	2,999	128,419,515
Less : Accumulated depreciation	64,594,832	2,746,662	-	-	67,341,494
Business-type activities capital assets, net	63,289,101	(2,171,516)	-	2,999	61,114,586

Depreciation expense for business-type activities is charged to functions as follows:

Business-type activities:

Water	\$ 229,981
Sewer	2,029,286
Sanitation	449,089
General government	38,306
Total depreciation expense - business-type activities	<u>\$ 2,746,662</u>

Deposits Subject to Refund

Utility customers are required to make a meter deposit, which is refunded upon the customer's termination of services, provided there are no outstanding bills. Monies are deposited in separate accounts, and a liability has been recorded to represent the amount of deposits due to customers. As of June 30, 2017, cash and investments included \$998,000 available for refund of customer deposits, while the liability to customers was \$1,071,134.

Appearance bonds and other payments made to the municipal court funds 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. As of June 30, 2017, \$143,329 in court bonds were being held that was subject to refund along with miscellaneous deposits subject to refund of \$69,413.

Long-term Debt

The reporting entity's long-term debt is segregated by the amounts involving governmental activities and business activities.

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017**

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Governmental Activities:

At June 30, 2017, the governmental activities long-term debt consisted of the following:

General Obligation Bonds

General obligation bonds have been approved by the voters and issued by the City for various municipal improvements. These bonds are required to be fully paid within 25 years from the date of issue and are backed by the full faith and credit of the City.

\$7,400,000 General Obligation Bonds of 2009 due in annual principal installments through July 1, 2018, interest rates ranging from 3.75% to 5.25%	\$ 2,000,000
\$6,925,000 General Obligation Bonds of 2010 due in annual principal installments through July 1, 2018, interest rates ranging from 2.00% to 2.80%	2,000,000
\$3,675,000 General Obligation Bonds of 2013 due in annual principal installments through January 1, 2020, interest rates ranging from 0.90% to 1.30%	1,845,000
\$6,325,000 General Obligation Bonds of 2013B due in annual principal installments through March 1, 2025, interest rates ranging from 0.90% to 2.00%	4,600,000
\$9,075,000 General Obligation Bonds of 2014 due in annual principal installments through January 1, 2026, interest rates ranging from 1.40% to 2.95%	7,425,000
\$4,125,000 General Obligation Bonds of 2015 due in annual principal installments through January 1, 2027, interest rates ranging from 1.00% to 2.50%	3,750,000
\$5,875,000 General Obligation Bonds of 2015B due in annual principal installments through August 1, 2027, interest rates ranging from 2.00% to 2.75%	5,875,000
\$2,805,000 General Obligation Bonds of 2016 due in annual principal installments through February 1, 2028, interest rates ranging from 2.00% to 2.25%	2,805,000
\$5,000,000 General Obligation Bonds of 2016B due in annual principal installments through October 1, 2028, interest rates ranging from 1.50% to 2.00%	5,000,000
\$2,770,000 General Obligation Bonds of 2017 due in annual principal installments through March 1, 2029, interest rates ranging from 2.00% to 2.55%	<u>2,770,000</u>
Total General Obligation Bonds	<u>\$ 38,070,000</u>
Current portion	5,165,000
Non-current portion	<u>32,905,000</u>
Total General Obligation Bonds	<u>\$ 38,070,000</u>

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Revenue Notes

Revenue notes outstanding consist of debt issued by the Moore Economic Development Authority. The notes are not the indebtedness of the State of Oklahoma or the City, but are obligations payable solely from the resources of the Moore Economic Development Authority.

\$16,400,000 Public Safety Revenue Note, Series 2009 due in monthly principal and interest installments of \$99,813 through March 1, 2031, interest rate of 4.05% \$ 12,669,492

\$5,000,000 Sales Tax Revenue Note, Taxable Series 2014 due in annual principal installments of \$1,215,000 to \$1,285,000 through June 1, 2019, interest rate of 1.78% 2,545,000

\$2,090,000 Sales Tax Revenue Note, Series 2016 due in annual principal installments of \$105,000 to \$275,000 through October 1, 2021, interest rate of 1.24% 2,090,000

Total Revenue Notes	\$	<u>17,304,492</u>
Current portion	\$	2,232,499
Non-current portion		<u>15,071,993</u>
Total Revenue Notes	\$	<u><u>17,304,492</u></u>

Judgments Payable

Judgments payable:

Worker compensation and property judgments payable in three annual installments including principal and interest; final payment due in fiscal years 2017-2019. \$ 446,419

Structured Settlement Payable

\$75,000 settlement in favor of an individual, payable in \$5,000 installments every three years with a final payment due October, 2036; recorded at net present value of the remaining payments assuming a 9% interest rate. \$ 2,825

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017**

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Accrued Compensated Absences

Accrued compensated absences reported in the governmental activities are comprised of accrued vacation leave, sick leave and compensatory time.

Current portion	\$ 395,018
Non-current portion	<u>3,555,161</u>
Total Accrued Compensated Absences	<u>\$ 3,950,179</u>

Business-type Activities Long-term Debt:

At June 30, 2017, the long-term debt payable from enterprise fund resources consisted of the following:

Revenue Notes Payable

\$3,943,482 Clean Water SRF loan payable to the Oklahoma Water Resource Board (OWRB) dated May 28, 2009, payable in annual principal installments of \$62,400 to \$158,300, final payment due Sept. 15, 2029; interest rate of 2.85% and administrative fee of 0.5%. \$ 1,648,922

\$42,837,500 Clean Water SRF loan payable to the OWRB dated Sept. 24, 2010, payable in annual principal installments of varying amounts, beginning when construction is complete, maturing March 15, 2033. The loan has an interest rate of 2.06% and administrative fee of 0.5%. 35,782,587

\$6,637,000 Clean Water SRF loan payable to the OWRB dated October 26, 2010, payable in annual principal installments of varying amounts, beginning when construction is complete, maturing March 15, 2033. The loan has an interest rate of 2.56% and administrative fee of 0.5%. 5,470,163

Total Revenue Notes Payable	<u>\$ 42,901,672</u>
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Current portion	\$ 2,221,603
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Non-current portion	<u>40,680,069</u>
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	<u>\$ 42,901,672</u>
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City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Due to Depositors

Outstanding deposits for utility services, refundable only upon termination of services, amounted to the following:

Current portion	\$ -
Non-current portion	<u>1,071,134</u>
Total Due to Depositors	<u><u>\$ 1,071,134</u></u>

Accrued Compensated Absences

Accrued compensated absences reported in the business-type activities are comprised of accrued vacation leave, sick leave and compensatory time.

Current portion	\$ 8,620
Non-current portion	<u>77,579</u>
Total Accrued Compensated Absences	<u><u>\$ 86,199</u></u>

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2017:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>	Amounts Due Within <u>One Year</u>
Governmental activities					
General Long-term debt:					
General obligation bonds	\$ 34,685,000	7,770,000	4,385,000	38,070,000	5,165,000
MEDA notes payable	19,124,352	2,090,000	3,909,860	17,304,492	2,232,499
MEDA lease purchase financing	2,755,000	-	2,755,000	-	-
Judgments payable	382,599	287,118	223,298	446,419	109,275
Structured settlement payable	2,825	-	-	2,825	-
Accrued compensated absences	4,583,534	-	633,355	3,950,179	395,018
Liability for incurred claims	2,122,000	6,715,548	6,814,548	2,023,000	404,600
Net OPEB obligation	14,693,707	3,972,592	-	18,666,299	-
Net pension liability	25,499,812	7,975,334	-	33,475,146	-
Total Governmental Activities	<u>103,848,829</u>	<u>28,810,592</u>	<u>18,721,061</u>	113,938,360	<u>8,306,392</u>
Unamortized bond premiums/discounts				<u>356,425</u>	
Net Long-term Debt				<u><u>114,294,785</u></u>	

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

	Beginning			Ending	Amounts
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Due Within</u>
					<u>One Year</u>
Business-type activities					
Proprietary Fund debt					
Revenue notes payable	\$ 45,066,402	-	2,164,730	42,901,672	2,221,603
Due on utility deposits	1,033,442	37,692	-	1,071,134	-
Accrued compensated absences	94,531	-	8,332	86,199	8,620
Total Business-type Activities	<u>46,194,375</u>	<u>37,692</u>	<u>2,173,062</u>	<u>44,059,005</u>	<u>2,230,223</u>

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt, with interest rates applicable at June 30, 2017, excluding accrued compensated absences, due to depositors, estimated claims liability, net pension liability and net OPEB obligation are as follows:

Year Ending June 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 7,506,774	1,326,121	2,221,603	1,104,158
2019	8,241,305	1,105,553	2,279,972	1,045,789
2020	5,206,245	1,073,168	2,337,216	988,546
2021	4,437,450	912,008	2,401,284	924,478
2022	4,294,638	815,756	2,464,376	861,385
2023-2027	19,090,948	2,499,295	13,325,764	3,303,043
2028-2032	6,756,434	416,230	14,764,609	1,468,861
2033-2037	-	-	3,106,848	60,778
Totals	<u>\$ 55,533,794</u>	<u>8,148,131</u>	<u>42,901,672</u>	<u>9,757,038</u>

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Applicability of Federal Arbitrage Regulations

Debt issuances of the City and Authorities issued after the Tax Reform Act of 1986 are subject to the federal arbitrage regulations. The arbitrage rebate regulations require that all earnings from investment of gross proceeds of a bond issue in excess of the amount that could have been earned had the yield on the investment been equal to the yield on the bonds be remitted to the federal government. These carry strict penalties for noncompliance including taxability of interest retroactive to the date of the issue. The City's management believes the City is in compliance with these rules and regulations.

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged three cents (or 80%) of future sales tax revenues to repay \$33,700,000 of the Series 2009, 2014 and 2016 Moore Economic Development Authority Revenue Notes which are payable through 2031. Proceeds from the notes provided financing for construction of designated capital improvements. The total principal and interest payable for the remainder of the life of the notes is \$21,330,838. Pledged sales taxes received in the current year was \$25,630,292. Debt service payments on the 2009, 2014 and 2016 Revenue Notes of \$4,810,735 for the current fiscal year were 18.8% of pledged sales tax. Other sources of revenues such as water, sewer and sanitation are also pledged.

Utility Revenue Pledge - The City has also pledged future net water, sewer and sanitation revenues to repay \$42,901,672 of 2009 and 2010 Oklahoma Water Resource Board notes which are payable through 2033. Proceeds from the notes provided funding for utility system capital assets. The total principal and interest payable for the remainder of the life of the notes is \$52,658,711. The notes are payable from the above-mentioned utility net revenues and are additionally secured with the above mentioned three cents (or 80%) of future sales tax revenues. If the net utility revenues are sufficient to service the debt, the pledged sales tax revenues are transferred back to the General Fund. The total pledged sales taxes for the current year of \$25,630,307 was returned to the General Fund. The debt service payments on the notes this year were \$3,327,953 which was 42.6% of pledged net utility revenues of \$7,812,175 and 9.9% of both pledged utility revenues and pledged sales taxes.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Interfund Receivables, Payables, and Transfers

The City's policy is to eliminate interfund transfers and balances in the statement of activities and net position to avoid grossing up balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and internal balances and then offset in the total column in the government-wide statements. Interfund transfers and balances between funds are not eliminated in the fund financial statements.

Transfers:

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	Moore Economic Dev. Auth.	2,505,061	Debt service payments
General Fund	Moore Public Works Auth.	25,630,307	Sales tax transfer
Moore Public Works Auth.	General Fund	3,500,000	Operating subsidy
Moore Public Works Auth.	Risk Management Fund	1,650,000	Operating subsidy
Moore Public Works Auth.	General Fund	25,630,307	Sales tax transfer
Moore Public Works Auth.	MPWA Sinking Fund	3,322,796	Debt service payments
Moore Economic Dev. Auth.	Park Improvement Fund	2,787,177	Debt service payments
Debt Service Fund	Risk Management Fund	223,297	Judgment transfer
		<u>65,248,945</u>	

Reconciliation to Fund Financial Statements:

	Transfers In	Transfers Out	Net Transfers
Governmental Funds	34,422,545	(31,145,842)	3,276,703
Proprietary Funds	30,826,400	(34,103,103)	(3,276,703)
	<u>65,248,945</u>	<u>(65,248,945)</u>	<u>-</u>

Reconciliation to Statement of Activities:

Net Transfers	<u>-</u>
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City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Interfund Balances:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>
Risk Management Fund	Debt Service Fund	114,820	Judgment transfer
		<u>114,820</u>	
Reconciliation to Fund Financial Statements:			
	<u>Due To</u>	<u>Due From</u>	<u>Net Interfund Balance</u>
Governmental Funds	114,820	-	114,820
Proprietary Funds	-	(114,820)	(114,820)
	<u>114,820</u>	<u>(114,820)</u>	<u>-</u>

Fund Balances and Net Position

Fund Balances

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	<u>General Fund</u>	<u>Moore Econ Dev Authority</u>	<u>Debt Service Fund</u>	<u>G.O. Street Bond Fund</u>	<u>CDBG-DR HUD Fund</u>	<u>Other Governmental Funds</u>
Fund Balances:						
Nonspendable:						
Inventory	15,549	-	-	-	-	-
Subtotal Nonspendable	15,549	-	-	-	-	-
Restricted for:						
Special projects	-	-	-	-	-	3,450,734
Grants	-	-	-	-	10,728	-
Debt service	-	959,556	6,161,570	-	-	-
Street	-	-	-	6,461,333	-	1,815,186
Parks	-	-	-	-	-	51,238
Cemetery	-	-	-	-	-	69,002
Subtotal Restricted	-	959,556	6,161,570	6,461,333	10,728	5,386,160
Unassigned (deficit):	3,976,432	768,334	-	-	-	-
TOTAL FUND BALANCES	<u>3,991,981</u>	<u>1,727,890</u>	<u>6,161,570</u>	<u>6,461,333</u>	<u>10,728</u>	<u>5,386,160</u>

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION

Risk Management

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

- General Liability - Covered through self-insurance with stop loss insurance carried up to a maximum aggregate of \$3,000,000 per occurrence for excess public officials and employment practices liability. City retains risk of loss for first \$250,000 of damages per occurrence. Fire trucks are covered through purchased insurance.
- Physical Property - Covered through purchased insurance with a \$5,000 deductible for all other physical property, per occurrence. Wind and hail damage carries a \$500,000 deductible.
- Workers' Compensation - Workers' compensation is covered through self-insurance with claims processed through a third-party administrator. The City carries stop-loss insurance with a self-insured retention of \$600,000 for police and fire employees and \$500,000 for all other employees.
- Employee's Group Medical - Covered through self-insurance using a third-party administrator to process medical claims. The City uses the third-party processor's estimates to record group insurance claims payable. The City also has a stop-loss policy which covers individual claims in excess of \$125,000 during the year, after \$36,500 aggregate specific.

The City administers the claims process on all types of coverage with the Moore Risk Management Program Manager monitoring reserves. All settlements are approved by the Moore Risk Management Board and the MPWA Trustees. All activity is accounted for within the MPWA Risk Management Internal Service Fund. Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

Claims Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained are to be determined in accordance with Statement of Financial Accounting Standards No. 5, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For the Internal Service MPWA Risk Management Fund, changes in the claims liability for the City from July 1, 2015 to June 30, 2017, are as follows:

	Workers'	Health	General	
	Compensation	Care	Liability	Total
Claims liability, June 30, 2014	\$ 1,525,000	491,000	171,000	2,187,000
Claims incurred and change in estimate	559,637	4,090,706	161,382	4,811,725
Claim payments	617,637	4,175,706	25,382	4,818,725
Claims liability, June 30, 2015	1,467,000	406,000	307,000	2,180,000
Claims incurred and change in estimate	603,570	4,654,659	40,683	5,298,912
Claim payments	915,570	4,427,659	13,683	5,356,912
Claims liability, June 30, 2016	1,155,000	633,000	334,000	2,122,000
Claims incurred and change in estimate	303,204	6,220,814	191,530	6,715,548
Claim payments	437,204	6,189,814	187,530	6,814,548
Claims liability, June 30, 2017	\$ 1,021,000	664,000	338,000	2,023,000

An amount has been recorded for the liability for incurred but not reported claims at June 30, 2017. These amounts were obtained from actuarial calculations performed by an outside actuarial service.

Assets available to pay all claims at June 30, 2017 was \$23,485.

Sales Tax

Sales tax revenue represents a 3.75 cents tax on each dollar of taxable sales of which is recorded as follows:

- 3 cents are recorded in the General Fund for general operational purposes,
- 1/2 cent is recorded in the Street Half-Cent Sales Tax Fund for street and public safety expenditures. The sales tax expires after four years, on March 31, 2019.
- 1/4 cent is recorded in the Moore Economic Development Park Improvement Fund for expenditures related to existing park and recreation facilities and construction of a fire station and training facility. The sales tax expires after four years, on March 31, 2021.

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017**

NOTE 4 - OTHER INFORMATION - Continued

Property Taxes

Property taxes levied by the City are billed and collected by the county treasurer's office and remitted to the City in the month following collection. Property taxes are levied annually in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on the property in the following October. The City recognizes the tax in the year it is collected, which is not considered to be materially different from the year earned. For years ended June 30, 2017 and 2016, the City's net assessed valuation of taxable real and personal property aggregated \$425,193,319 and \$408,766,349 while the property taxes levied per \$1,000 of net assessed valuation were \$15.51 and \$14.67, respectively.

COMMITMENTS AND CONTINGENCIES

Commitments

Privatization of Public Works Authority Services

On December 10, 1993, the City through the MPWA entered into an agreement with Veolia Water to manage, operate and maintain the wastewater treatment plant, water facilities, sanitation services and other Public Works services as directed by the City/MPWA. All facilities managed by Veolia Water remain the property of the City of Moore. On September 2, 1997, the City amended the contract to include the maintenance, operation and management of the waste water treatment plant and water facilities only.

MPWA pays an annual contract fee for all Veolia Water services. This fee includes maintenance and repairs of \$108,000. Any maintenance and repairs incurred over this amount are reimbursed by MPWA. The annual fee is paid in monthly installments and is adjusted each contract year based upon the consumer price index for urban consumers. For the year ended June 30, 2017, MPWA paid \$2,960,521 for the annual fee and \$1,821,095 in maintenance and repair costs.

Sales Tax Rebate Agreement

The City enters into sales tax rebate agreements with local businesses as allowed in the Oklahoma State Constitution, Article 10, Section 14. Under this law, the City may establish economic development programs and provide sales tax rebates for development as part of its economic development plan.

The sales tax rebate program allows a business or developer to receive rebated sales tax in varying amounts. To be eligible for this program, the project area should be occupied by occupants operating a retail, theater, or restaurant of a requisite quality which are new businesses. The sales tax rebate period varies with each agreement.

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017**

NOTE 4 - OTHER INFORMATION - Continued

Due to confidentiality laws in Oklahoma statutes Title 68, Section 1354.11, the amounts of sales taxes rebated will not be disclosed. The following businesses had rebate agreements with the City as of June 30, 2017:

A retail sporting goods store received rebated sales taxes during 2017. The sales tax rebated is equal to \$200,000 annually assuming \$6,675,000 in annual sales. If the project fails to generate \$6,675,000 in annual sales, the rebate will be equal to 2.5% of actual sales for that period. This sales tax rebate period is for five years after the beginning date of the first reported sales tax and shall not extend beyond December 31, 2017. This agreement was entered into on May 8, 2012 and was completed in fiscal year 2017.

A local theater company entered into a sales tax rebate agreement on March 7, 2011, for a IMAX theater project located within the City limits of Moore. The theater was then sold, and the agreement was assigned to another theater company on May 18, 2017. The agreement includes the theater project and the full-service restaurant located on the theater property. This sales tax rebate is for 100% of the sales tax generated during the rebate period not to exceed \$2,000,000, excluding the 2012 sales tax restricted for streets/public safety and any future sales tax restricted for public safety. The agreement begins with the calendar quarter ending March 31, 2012 and terminates on December 31, 2019.

CDBG Program

On December 16, 2013, the City of Moore received a Community Development Block Grant for Disaster Recovery (CDBG-DR) from the Office of Housing and Urban Development (HUD) in the amount of \$26.3 million to assist with the long-term recovery needs within the City to include housing, infrastructure, resiliency, economic development, and other public needs. On June 3, 2014 the City was awarded an additional \$25.9 million in CDBG-DR funds to assist with the recovery. The City has expended a cumulative amount of \$27,416,269 through June 30, 2017.

Construction in Progress

Construction in progress is authorized by actions of the City Council (governing body). A summary of construction in progress as of June 30, 2017 is as follows:

	Total Construction <u>In Progress</u>	Total Project	Remaining To Complete
Governmental activities	7,454,567	10,976,283	3,521,716
Business type activities	36,565	37,435	870
General Government	\$ 7,491,132	11,013,718	3,522,586

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017**

NOTE 4 - OTHER INFORMATION - Continued

Contingent Liabilities

General Litigation

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

While the outcome of the above noted proceedings cannot be predicted, due to the self-insurance reserves maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance reserves would not have a material adverse effect on the financial condition of the City.

Grant Program Involvement

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

EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

The City of Moore participates in the Oklahoma State Police Pension and Retirement System and the Oklahoma State Firefighters' Pension and Retirement System, both of which are cost sharing multiple-employer defined benefit plans administered by the State of Oklahoma. Additionally, for other City employees not covered by the other plans, the City maintains the City of Moore Deferred Compensation Plan, an eligible deferred compensation plan within the meaning of Section 457(b) of the Internal Revenue Code.

Oklahoma Police Pension and Retirement System (OPPRS)

Plan Description - The City of Moore, as the employer, participates in the Police Pension & Retirement - a cost-sharing multi-employer defined benefit pension plan administered by the Oklahoma Police Pension & Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at www.ok.gov/pprs.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

Benefits Provided - OPPRS provides retirement, disability, and death benefits to members of the Plan.

The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participant's contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment had continued uninterrupted, whichever is later.

Monthly retirement benefits are calculated based on two and a half percent (2.5%) of final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participant's final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

Contributions - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute eight percent (8%) of their annual pay. Participating cities are required to contribute thirteen percent (13%) of the employees' annual pay. Contributions to the pension plan from the City were \$1,008,695. In the government-wide Statement of Activities, revenue is recognized for the State of Oklahoma's on-behalf contributions on an accrual basis of \$935,629. These on-behalf payments did not meet the criteria of a special funding situation.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

Pension Liabilities/Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2017, the City reported a liability of \$4,029,298 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2016. Based upon this information, the City's proportion was 2.6311%.

For the year ended June 30, 2017, the City recognized pension expense of \$1,442,983. At June 30, 2017, 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 of Resources
Differences between expected and actual experience	\$ 12,926	\$ 452,611
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	3,871,470	-
Changes in proportion and differences between City contributions and proportionate share of contributions	125,828	25,501
City contributions during measurement period	28,124	60,513
City contributions subsequent to the measurement date	<u>1,070,115</u>	<u>-</u>
Total	<u>\$ 5,108,463</u>	<u>\$ 538,625</u>

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

\$1,070,115 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	578,863
2019		578,863
2020		1,371,271
2021		968,464
2022		2,262
	\$	<u>3,499,723</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	4.5% to 17.0% averages, 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 fully generational improvement using Scale AA.
	Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4years with fully generational improvement using Scale AA.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2012.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

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, 2016, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.27%
Domestic equity	5.16%
International equity	8.61%
Real estate	4.97%
Private equity	8.32%
Commodities	2.42%

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; approximately 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.

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 employers will be made at contractually required rates, determined by State 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.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the net position liability (asset) of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability(asset) would be if it were calculated using a discount rate that is one percentage point lower - (6.5%) or one percentage point higher - (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability(asset) \$	10,571,568	\$ 4,029,298	\$ (1,494,648)

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 Firefighters' Pension and Retirement System (OFPRS)

Plan Description - The City of Moore, as the employer, participates in the Firefighters Pension & Retirement - a cost-sharing multi-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension & Retirement System (FPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the FPRS. FPRS issues a publicly available financial report that can be obtained at www.ok.gov/fprs.

Benefits Provided - FPRS provides retirement, disability, and death benefits to members of the Plan. Benefits for members hired prior to November 1, 2013 are determined as 2.5% of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more of service.

Benefits for members hired after November 1, 2013 are determined as 2.5% of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 22 years of service, whichever is later. Benefits vest with 11 years or more of service.

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty benefit is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not in-the-line-of-duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not in-the-line-of-duty disability is also limited to only those with less than 20 years of services, or \$7.53 per year of service, with a maximum of 30 years.

A \$5,000 lump sum, death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$5,000 death benefit does not apply to members electing the vested benefit.

Contributions - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$990,667. In the government-wide Statement of Activities, revenue is recognized for the State of Oklahoma's on-behalf contributions on an accrual basis of \$2,225,351. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2017, the City reported a liability of \$29,445,848 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2016. Based upon this information, the City's proportion was 2.4102%.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

For the year ended June 30, 2017, the City recognized pension expense of \$3,040,691. At June 30, 2017, 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 of Resources
Differences between expected and actual experience	\$ 789,362	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,801,633	-
Changes in proportion and differences between City contributions and proportionate share of contributions	422,810	-
City contributions during measurement date	29,699	-
City contributions subsequent to the measurement date	<u>990,667</u>	<u>-</u>
Total	<u>\$ 4,034,171</u>	<u>\$ -</u>

\$990,667 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 325,134
2019	325,134
2020	1,263,088
2021	967,082
2022	133,458
Thereafter	<u>29,608</u>
	<u>\$ 3,043,504</u>

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	3.5% to 9.0% averages, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the RP2000 combined healthy with blue collar 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, 2016, valuation was 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, 2016, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	5.18%
Domestic equity	37%	8.70%
International equity	20%	10.87%
Real estate	10%	7.23%
Other assets	13%	6.24%

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 employers will be made at contractually required rates, determined by State Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing thirty-six percent (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

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

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 position liability of the employers 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 one percentage point lower - (6.5%) or one percentage point higher - (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	\$ 37,251,901	\$ 29,445,848	\$ 22,880,949

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 FPRS; which can be located at www.ok.gov/fprs.

City of Moore Deferred Compensation Plan

City employees may participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available to employees until termination, retirement, death or in case of an unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income that is attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

It is the City's opinion that it has no liability for losses under the plan but does have the duty of due care that would be required on an ordinary prudent investor. The City believes that it is unlikely that it will use the assets of the plan to satisfy the claims of general creditors in the future.

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017**

NOTE 4 - OTHER INFORMATION - Continued

An expendable trust fund is established to account for these deferred amounts as prescribed by GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". As of June 30, 2017, the market value of the amount on deposit with the plan was \$18,200,691.

Other Post-Employment Benefits

Plan Description - The City sponsors Medical, Rx, and Dental insurance to qualifying retirees. Coverage is provided through self-insurance that collectively operates as a substantive single-employer defined benefit plan. Qualifying retirees are those employees who are eligible for immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighters' Pension and Retirement Systems, or the City of Moore Retirement Plan. Retirees may continue coverage with the City paying the determined rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amended benefit provisions rest with the City Council. Retirees may continue coverage with the City by paying the premium rate. Benefits are paid from general operating assets of the City as assessed by the Risk Management Fund.

Benefits Provided - The City provides postretirement healthcare benefits to its retirees. The Plan covers all current retirees who elect postretirement medical coverage through the City and future retired general employees, police officers and firefighters.

All healthcare benefits are provided through the City's self-insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services and prescriptions. General employees are eligible for membership in the Plan if they retire from the City with eight years of service and with age and service totaling 70 points. Police officers and firefighters are eligible for benefits under the Plan if they retire from the City with 20 years of service. Coverage for dependents can continue upon death of the retiree. Spouses of employees who die in active service eligible for benefits can receive coverage.

Membership - At July 1, 2017, membership consisted of:

Inactive participants	23
Terminated employees entitled to benefits but not yet receiving them	-
Active participants	<u>303</u>
 Total	 <u><u>326</u></u>

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

Funding Policy - The contribution requirements of plan members and the City are established by the City Council. Annual health insurance premium amounts are established by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2017, the actuarially expected City contribution in the form of net age adjustment was \$4,800,028 to the Plan. Plan members receiving benefits contributed total premiums of \$976,916 for employees and \$266,164 for retirees, through their payment of the full determined premium in FY 2017.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The following table shows the components of the City's annual OPEB cost, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year ended June 30, 2017:

Amortization of Acturial Accrued Liabilities (AAL)	\$ 4,800,028
Normal Cost	-
Interest on Net OPEB Obligations	661,217
Amortization of Net OPEB Obligations	(902,069)
Annual OPEB cost (expense)	<u>4,559,176</u>
Expected net benefits during the year	<u>(586,584)</u>
Increase in net OPEB Obligation	3,972,592
Net OPEB Obligation - Beginning of year	14,693,707
Net OPEB Obligation - End of year	<u><u>\$ 18,666,299</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/17	\$ 4,559,176	12.9%	\$ 18,666,299
06/30/16	\$ 3,293,435	16.4%	\$ 14,693,707
06/30/15	\$ 2,559,489	15.1%	\$ 11,940,285

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

Funded Status and Funding Progress - As of July 1, 2016, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability (AAL) for benefits was \$36,862,302, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$36,862,302. The covered payroll (annual payroll of active employees covered by the Plan) was \$18.9 million, and the ratio of the UAAL to the covered payroll was 195.2 percent. Because the Plan is a substantive plan there are no plan assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends.

Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about 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 report purposes are based on the substantive plan (the plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2016 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on Plan assets and on the employer's own investments calculated based on the funded level of the Plan at the valuation date, and an annual healthcare cost trend rate of 10 percent initially, reduce by decrements to an ultimate rate of 5 percent in 2023. The UAAL is being amortized over 30 years based on a level dollar basis. The remaining amortization period at July 1, 2016 was 23 years. As of the date of this valuation, there are no plan assets. Retiree premiums are paid as they come due from general operating assets of the City.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

NEW ACCOUNTING PRONOUNCEMENTS

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

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local government employers. GASB Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. For defined benefit OPEB, GASB Statement No. 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 also are addressed. This standard is effective for financial reporting periods beginning after June 15, 2017. Earlier application is encouraged. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement provides recognition and measurement guidance for situations in which the government is a beneficiary of an irrevocable split-interest agreement. This standard is effective for financial reporting periods beginning after December 15, 2016 and should be applied retroactively. The City does not currently have any irrevocable split-interest agreements and, therefore, does not believe that this statement will have any potential impact on its financial statements.

GASB Statement No. 82, *Pensions Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selections of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes and classification of payment made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective for periods beginning after June 15, 2017, except the application date to the first reporting period in which the measurement date of the pension liability is on or after June 15, 2018. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). And ARO is a legally enforceable liability associated with the retirement of a tangible asset. A government that has legal obligations to perform future asset retirement activities related to its tangible assets should recognize a liability based on the guidance in the Statement. This Statement is effective for periods beginning after June 15, 2018. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 4 - OTHER INFORMATION - Continued

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for periods beginning after December 15, 2018. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

GASB Statement No. 85, *Omnibus*. This Statement addresses accounting practice issues that have been identified during implementation and application of certain GASB Statements. The Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits related to pensions and other postemployment benefits. This Statement is effective for periods beginning after June 15, 2017. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Moore, Oklahoma
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary <u>Basis</u>	Variance With Final Budget Over <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales tax	\$ 25,850,000	25,850,000	25,783,231	(66,769)
Use tax	940,000	940,000	1,350,839	410,839
Franchise tax	3,075,000	3,075,000	2,306,809	(768,191)
Other tax	394,000	1,084,000	1,513,398	429,398
Intergovernmental	1,000,000	310,000	309,345	(655)
Licenses and permits	357,200	535,200	547,281	12,081
Charge for services	2,418,425	2,404,175	1,895,183	(508,992)
Fines and forfeitures	1,125,400	1,126,150	1,289,339	163,189
Investment revenue	34,000	34,000	57,443	23,443
Miscellaneous	225,800	61,300	816,488	755,188
Total revenues	<u>35,419,825</u>	<u>35,419,825</u>	<u>35,869,356</u>	<u>449,531</u>
EXPENDITURES				
General government	4,125,700	4,813,360	1,848,066	2,965,294
Managerial	813,118	823,118	811,317	11,801
City attorney	220,630	221,110	192,298	28,812
Central purchasing	-	747	(2,690)	3,437
Finance	1,314,306	1,364,476	1,341,083	23,393
Municipal court	566,740	617,631	586,916	30,715
Information services	1,397,980	1,453,965	1,343,746	110,219
Police	10,830,976	11,201,419	11,014,956	186,463
Communications	922,806	822,806	805,952	16,854
Emergency management	340,305	342,074	304,574	37,500
Fire	8,600,430	8,984,908	8,842,181	142,727
Public works administration	1,854,625	1,917,034	1,881,274	35,760
Animal adoption center	412,302	491,887	461,665	30,222
Fleet maintenance	958,944	1,023,452	1,006,991	16,461
Street improvements	1,494,897	144,045	110,415	33,630
Building maintenance	486,847	487,433	479,239	8,194
Planning	469,007	469,007	410,075	58,932
Inspections	506,739	506,938	478,147	28,791
Code enforcement	346,352	347,599	256,672	90,927
Capital planning & resiliency	48,000	181,627	95,479	86,148
Parks and recreation	819,868	851,240	774,186	77,054
Senior citizen services	155,061	165,061	151,560	13,501
Landscape & beautification	131,666	132,841	129,510	3,331
Parks and recreation activities	157,149	158,222	141,119	17,103
Park and cemetery maintenance	736,516	881,053	834,553	46,500
Recreation center	1,449,953	1,585,928	1,323,296	262,632
Aquatic center	559,663	567,094	459,558	107,536
Library	22,980	22,980	16,894	6,086
Moore/Smith cemetery	-	100	93	7
Total expenditures	<u>39,743,560</u>	<u>40,579,155</u>	<u>36,099,125</u>	<u>4,480,030</u>
Excess (deficiency) of revenues over (under) expenditures	(4,323,735)	(5,159,330)	(229,769)	4,929,561
OTHER FINANCING SOURCES (USES)				
Transfers	2,828,838	3,328,838	994,939	(2,333,899)
Net change in fund balances	(1,494,897)	(1,830,492)	765,170	2,595,662
Fund balances - beginning	1,494,897	18,030,492	3,226,811	(14,803,681)
Fund balances - ending	<u>\$ -</u>	<u>16,200,000</u>	<u>3,991,981</u>	<u>(12,208,019)</u>

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
Notes to Required Supplemental Information
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

Budget Reconciliations - Items required to adjust actual revenues, expenditures, and fund balances reported on the budgetary basis to those reported within the fund financial statements as of and for the year ended June 30, 2017, are as follows:

	General Fund
	<hr/>
Budgetary funds	
Financial statement major funds	
Revenues:	
Actual amounts (budgetary basis) "resources" from the budgetary comparison schedules	\$ 35,629,708
<u>Adjustments:</u>	
<i>Budgetary</i> general fund revenues, sales, use and other taxes, are reported on the cash basis, rather than the modified accrual basis:	
Current year revenue accruals	5,368,812
Prior year revenue accruals	<u>(5,129,164)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ <u>35,869,356</u>
Expenditures:	
Actual amounts (budgetary basis) "resources" from the budgetary comparison schedules	\$ 36,099,125
<u>Adjustments:</u>	
<i>Budgetary</i> general fund expenditures are reported on the cash basis, rather than the modified accrual basis:	
Current year revenue accruals	-
Prior year revenue accruals	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ <u>36,099,125</u>

City of Moore, Oklahoma
Notes to Required Supplemental Information
On Budgetary Accounting and Control
For the Year Ended June 30, 2017

Budgetary Accounting

The annual operating budgets are prepared and presented on a modified accrual basis of accounting.

The City utilizes encumbrance accounting under which purchase orders, contracts, and other commitments for expenditure of funds are recorded in order to reserve a portion of the applicable appropriation. Encumbrances outstanding at year-end are not considered expenditures for budgetary purposes since the City intends to honor the commitments and provide for supplemental appropriations in the following budget year. All appropriations lapse at year-end.

City of Moore, Oklahoma
OPEB Actuarial Valuation Funding Schedules
For the Year Ended June 30, 2017

The funded status and funding progress of the City's defined benefit OPEB plan for the last three years is as follows:

	<u>July 1, 2014</u>	<u>July 1, 2015</u>	<u>July 1, 2016</u>
Actuarial accrued liability - AAL (a)	\$ 22,158,548	28,799,920	36,862,302
Actuarial value of plan assets (b)	-	-	-
Unfunded actuarial accrued liability --			
UAAL (funding excess) (a) - (b)	\$ 22,158,548	28,799,920	36,862,302
Funded ratio (b) / (a)	0.0%	0.0%	0.0%
Covered payroll (c)	\$ 18,343,188	18,893,484	18,883,514
UAAL (funding excess) as a % of covered payroll [UAAL / (c)]	120.8%	152.4%	195.2%

City of Moore, Oklahoma
Schedule of Employer's Share of Net Pension Liability
Oklahoma Police Pension and Retirement System
Last 10 Fiscal Years*

	2014	2015	2016
1. Employer's proportion of the net pension liability (asset)	2.511200%	2.704200%	2.631050%
2. Employer's proportionate share of the net pension liability (asset)	\$ (845,502)	\$ 110,262	\$ 4,029,298
3. Employer's covered-employee payroll	\$ 7,025,373	\$ 7,643,723	\$ 7,759,192
4. Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-12.03%	1.44%	51.93%
5. Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%

* Complete data for this schedule is not available prior to 2014.

Data is reported is measured as of July 1, 2016.

City of Moore, Oklahoma
Schedule of Employer Contributions
Oklahoma Police Pension and Retirement System
Last 10 Fiscal Years*

	2014	2015	2016
Statutorily required contribution	\$ 913,298	\$ 993,684	\$ 1,008,695
Contributions in relation to the statutorily required contribution	\$ (913,298)	\$ (993,684)	\$ (1,008,695)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 7,025,373	\$ 7,643,723	\$ 7,759,192
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%

* Complete data for this schedule is not available prior to 2014.

Data is reported is measured as of July 1, 2016.

City of Moore, Oklahoma
Schedule of Employer's Share of Net Pension Liability
Oklahoma Firefighters' Pension and Retirement System
Last 10 Fiscal Years*

	2014	2015	2016
1. Employer's proportion of the net pension liability (asset)	2.360200%	2.392100%	2.410200%
2. Employer's proportionate share of the net pension liability (asset)	\$ 24,271,350	\$ 25,369,550	\$ 29,445,848
3. Employer's covered-employee payroll	\$ 6,477,449	\$ 6,535,686	\$ 6,741,843
4. Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	374.71%	388.17%	436.76%
5. Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%

* Complete data for this schedule is not available prior to 2014.

Data is reported is measured as of July 1, 2016.

City of Moore, Oklahoma
Schedule of Employer Contributions
Oklahoma Firefighters' Pension and Retirement System
Last 10 Fiscal Years*

	2014	2015	2016
Statutorily required contribution	\$ 882,133	\$ 914,996	\$ 943,858
Contributions in relation to the statutorily required contribution	\$ (882,133)	\$ (914,996)	\$ (943,858)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 6,477,449	\$ 6,535,686	\$ 6,741,843
Contributions as a percentage of covered-employee payroll	13.62%	14.00%	14.00%

* Complete data for this schedule is not available prior to 2014.

Data is reported is measured as of July 1, 2016.

OTHER SUPPLEMENTARY INFORMATION

City of Moore, Oklahoma
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2017

	Special Revenue	Permanent	Capital Projects		Total
	Special	Cemetery	2012 Park	Street 1/2 Cent	Nonmajor
	Revenue	Perpetual	Improvement	Sales Tax	Governmental
ASSETS	<u>Funds</u>	<u>Care</u>	<u>Fund</u>	<u>Sales Tax</u>	<u>Funds</u>
Cash and cash equivalents	\$ 3,489,045	69,002	49,896	1,436,301	5,044,244
Receivables, net	45,353	-	1,342	-	46,695
Due from other governments	-	-	-	756,238	756,238
TOTAL	<u>3,534,398</u>	<u>69,002</u>	<u>51,238</u>	<u>2,192,539</u>	<u>5,847,177</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	18,991	-	-	377,353	396,344
Accrued expenses	64,673	-	-	-	64,673
Total liabilities	<u>83,664</u>	<u>-</u>	<u>-</u>	<u>377,353</u>	<u>461,017</u>
Fund balances:					
Reserved for:					
Restricted	3,450,734	69,002	51,238	1,815,186	5,386,160
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>3,450,734</u>	<u>69,002</u>	<u>51,238</u>	<u>1,815,186</u>	<u>5,386,160</u>
TOTAL	<u>\$ 3,534,398</u>	<u>69,002</u>	<u>51,238</u>	<u>2,192,539</u>	<u>5,847,177</u>

See accompanying notes to the basic financial statement.

City of Moore, Oklahoma
Combining Statement of Revenues, Expenses and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue	Permanent	Capital Projects		Total
	Special	Cemetery	2012 Park	Street 1/2 Cent	Nonmajor
	Revenue	Perpetual	Improvement		Governmental
	<u>Funds</u>	<u>Care</u>	<u>Fund</u>	<u>Sales Tax</u>	<u>Funds</u>
REVENUES					
Taxes	\$ 475,372	-	-	4,290,556	4,765,928
Intergovernmental	465,730	-	-	-	465,730
Licenses and permits	16,514	-	-	-	16,514
Interest	2,864	16,195	3,555	3,182	25,796
Miscellaneous	638,227	-	-	-	638,227
Donations	33,241	-	-	-	33,241
Total revenues	<u>1,631,948</u>	<u>16,195</u>	<u>3,555</u>	<u>4,293,738</u>	<u>5,945,436</u>
EXPENDITURES					
Current:					
Public safety	188,634	-	-	-	188,634
Streets	40,568	-	-	5,080,814	5,121,382
Culture and recreational	974,665	385	8,170	-	983,220
Community development	328,790	-	-	-	328,790
Debt service:					
Principal	-	-	5,500,000	-	5,500,000
Interest and other charges	-	-	34,438	-	34,438
Total expenditures	<u>1,532,657</u>	<u>385</u>	<u>5,542,608</u>	<u>5,080,814</u>	<u>12,156,464</u>
Excess (deficiency) of revenues over expenditures	<u>99,291</u>	<u>15,810</u>	<u>(5,539,053)</u>	<u>(787,076)</u>	<u>(6,211,028)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	2,787,177	-	2,787,177
Transfers out	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>2,787,177</u>	<u>-</u>	<u>2,787,177</u>
Net change in fund balances	99,291	15,810	(2,751,876)	(787,076)	(3,423,851)
Fund balances-beginning	3,351,443	53,192	2,803,114	2,602,262	8,810,011
Fund balances-ending	<u>\$ 3,450,734</u>	<u>69,002</u>	<u>51,238</u>	<u>1,815,186</u>	<u>5,386,160</u>

See accompanying notes to the basic financial statement.

City of Moore, Oklahoma
Debt Service Coverage Schedule
For the Year Ended June 30, 2017

Gross Revenue Available For Debt Service:

Pledged sales tax (3 cents)	\$ 25,630,292
System-wide gross revenues	22,026,708
Total Gross Revenues Available	<u>47,657,000</u>

System-wide operating expense - Exclusive of capital improvements, debt service and depreciation	<u>14,214,533</u>
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Net Revenues Available for Debt Service	<u><u>\$ 33,442,467</u></u>
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Debt Service Requirements:

Moore Public Works Authority

OWRB Revenue Note - Series 2009	158,135
OWRB Revenue Note - Series 2010	2,747,296
OWRB Revenue Note - Series 2010B	420,030

Moore Economic Development Authority

Public Safety Revenue Note - Series 2009	1,192,761
Sales Tax Revenue Note - Series 2014	1,307,873
Sales Tax Revenue Note - Series 2016	<u>214,864</u>

Maximum annual debt service	<u><u>\$ 6,040,959</u></u>
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Calculated Coverage Coverage	<u><u>5.54</u></u>
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Required Coverage Ratio	<u><u>1.25</u></u>
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City of Moore, Oklahoma
Schedule of Expenditures of State Awards
For the Year Ended June 30, 2017

STATE GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	STATE EXPENDITURES
<u>STATE PROGRAMS:</u>			
<u>State of Oklahoma</u>			
Oklahoma Office of Attorney General:			
Safe Oklahoma Grant		\$ 75,000	29,541
		<hr/>	<hr/>
Total State of Oklahoma		75,000	29,541
		<hr/>	<hr/>
Total State Awards		\$ 75,000	29,541
		<hr/> <hr/>	<hr/> <hr/>

Footnotes to Schedule of Expenditures of State Awards:

1. The Schedule of Expenditures of State Awards is prepared on an accrual basis of accounting. The expenditures are recorded when the liability is incurred regardless of when the award proceeds are received.
2. The City has not been notified of any noncompliance with state award requirements. Any liability for reimbursement which may arise as a result of these audits can not be reasonably determined at this time, although it is believed the amount, if any, would not be material.

STATISTICAL SECTION

City of Moore, Oklahoma
General Governmental Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Streets	Public Works	Culture & Recreation	Community Development	Debt Service	Total
2016-17	\$ 5,681,298	22,305,200	10,997,860	3,367,504	6,346,201	12,066,965	13,858,629	74,623,657
2015-16	8,795,785	21,979,272	10,885,891	3,168,846	16,560,174	15,267,944	4,970,820	81,628,732
2014-15	8,038,255	21,480,245	9,409,345	4,569,504	14,867,469	5,420,066	10,068,980	73,853,864
2013-14	5,603,380	25,521,926	4,766,583	3,402,481	5,128,735	15,766,810	3,745,308	63,935,223
2012-13	4,903,459	25,443,472	5,022,789	2,700,991	4,080,289	6,053,433	6,046,097	54,250,530
2011-12	4,612,723	20,523,549	6,163,814	3,035,615	1,917,110	1,941,878	7,995,114	46,189,803
2010-11	4,459,664	22,048,504	5,066,274	4,072,063	1,748,320	2,592,390	6,795,333	46,782,548
2009-10	3,981,058	24,428,550	1,384,743	4,825,618	1,363,175	1,901,430	5,954,990	43,839,564
2008-09	5,135,081	16,121,287	3,365,180	1,108,727	1,627,435	5,398,905	6,339,424	39,096,039
2007-08	5,263,788	14,127,569	3,685,829	1,127,403	1,901,216	4,832,966	5,027,933	35,966,704

City of Moore, Oklahoma
General Governmental Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Taxes	Intergov- ernmental	Licenses & Permits	Charges for Services	Fines & Forfeitures	Investment Income	Misc. Revenues	Total
2016-17	\$ 43,901,226	11,690,174	563,795	1,895,183	1,289,339	92,576	1,488,137	60,920,430
2015-16	42,123,448	14,832,903	489,555	854,922	1,175,854	88,339	419,674	59,984,695
2014-15	40,496,622	5,600,216	457,930	160,338	1,192,282	127,732	1,338,514	49,373,634
2013-14	39,708,090	11,914,793	605,056	372,710	1,175,947	107,361	4,034,364	57,918,321
2012-13	33,668,136	5,842,358	410,334	147,271	1,160,538	84,256	923,644	42,236,537
2011-12	32,680,281	1,552,422	336,798	133,198	1,328,758	58,325	582,211	36,671,993
2010-11	31,877,193	1,986,225	332,003	294,787	1,531,732	65,094	404,928	36,491,962
2009-10	29,523,775	1,199,115	305,683	189,607	1,572,460	86,752	430,303	33,307,695
2008-09	27,843,448	1,194,204	292,896	140,188	1,581,093	176,795	429,536	31,658,160
2007-08	25,783,364	1,410,969	354,903	120,882	1,637,630	418,188	549,358	30,275,294

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

Fiscal Year	Total Tax Levy	Current Tax Collections and Adjustments	Percent of Current Taxes Collected
2016-17	\$ 5,997,003	6,029,537	100.54%
2015-16	4,998,901	4,982,696	99.68%
2014-15	4,871,215	4,834,036	99.24%
2013-14	3,620,799	3,588,737	99.11%
2012-13	2,563,319	2,609,771	101.81%
2011-12	3,375,415	3,351,025	99.28%
2010-11	4,229,686	4,305,008	101.78%
2009-10	3,154,797	3,124,966	99.05%
2008-09	1,889,552	1,880,998	99.55%
2007-08	1,977,696	1,985,186	100.38%

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

Fiscal Year	Real Property	Personal Property	Public Service Property	Homestead Exemption	Total Actual		Ratio of Total Assessed Value to Total Estimated Actual Value
					Assessed Value	Estimated Actual Value	
2017	398,284,439	32,251,947	10,240,398	15,583,465	425,193,319	3,543,277,658	12%
2016	381,453,816	32,543,726	9,474,414	14,705,607	408,766,349	3,406,386,242	12%
2015	357,788,931	31,087,505	9,544,468	14,071,488	384,349,416	3,202,911,800	12%
2014	332,968,675	29,824,793	9,031,644	13,378,929	358,446,183	2,987,051,525	12%
2013	321,026,652	29,923,023	9,346,852	13,542,912	346,753,615	2,889,613,458	12%
2012	320,289,735	24,344,522	10,678,424	13,344,584	341,968,097	2,849,734,142	12%
2011	311,129,395	20,693,247	11,368,615	13,203,721	329,987,536	2,749,896,133	12%
2010	298,541,732	22,175,312	10,488,183	12,761,653	318,443,574	2,653,696,450	12%
2009	283,949,448	20,534,706	9,657,283	11,978,511	302,162,926	2,518,024,383	12%
2008	260,396,812	17,355,935	9,939,380	11,476,843	276,215,284	2,301,794,033	12%

City of Moore, Oklahoma
Property Tax Rates- All Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Years

<u>Year</u>	<u>City Sinking Fund</u>	<u>Cleveland County</u>	<u>Moore Schools</u>	<u>Total Moore Resident</u>
2017	15.51	23.07 *	90.48 *	129.06
2016	14.67	23.07	90.48	128.22
2015	13.01	23.07	79.92	116.00
2014	13.59	23.07	82.09	118.75
2013	10.44	23.07	84.77	118.28
2012	7.43	23.07	80.61	111.11
2011	10.23	23.07	80.62	113.92
2010	13.68	23.07	82.24	118.99
2009	10.54	23.07	81.49	115.10
2008	6.84	23.07	82.57	112.48

The Moore School district's tax rate (mill levy) includes an amount for the area technical/vocational school.

*Estimated

City of Moore, Oklahoma
Ratio of Net General Obligation Bonded Debt
To Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Assessed Value* (2)</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2016-17	62,418	425,193,319	38,070,000	8.95%	610
2015-16	61,421	408,766,349	34,685,000	8.49%	565
2014-15	60,000	384,349,416	30,015,000	7.81%	500
2013-14	59,407	358,446,183	29,075,000	8.11%	489
2012-13	58,819	346,753,615	22,000,000	6.34%	374
2011-12	57,704	341,968,097	14,925,000	4.36%	259
2010-11	55,081	329,987,536	16,525,000	5.01%	300
2009-10	53,898	318,443,574	18,525,000	5.82%	354
2008-09	52,361	302,162,926	13,200,000	4.37%	252
2007-08	51,277	276,215,284	7,400,000	2.68%	144

(1) From table Demographics

(2) From table Assessed Value of Property

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (1)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (2)</u>	<u>Ratio of Debt Service to Government Expenditures</u>
2016-17	4,385,000	759,928	5,144,928	74,623,657	6.89%
2015-16	4,010,000	869,390	4,879,390	81,628,732	5.98%
2014-15	3,185,000	512,210	3,697,210	73,853,864	5.01%
2013-14	2,000,000	493,800	2,493,800	63,935,223	3.90%
2012-13	2,925,000	480,375	3,405,375	54,250,530	6.28%
2011-12	2,000,000	680,729	2,680,729	46,189,803	5.80%
2010-11	1,600,000	850,525	2,450,525	46,782,548	5.24%
2009-10	1,600,000	224,775	1,824,775	43,839,564	4.16%
2008-09	1,600,000	292,150	1,892,150	39,096,039	4.84%
2007-08	1,600,000	354,500	1,954,500	35,966,704	5.43%

(1) Excludes bond issuance and other costs

(2) Totals from General Governmental Expenditures by Function table

City of Moore, Oklahoma
Revenue Bond and Note Coverage
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Direct Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Maximum Annual Debt Service</u>	<u>Debt Service Coverage</u>
2017	47,657,000	14,214,533	33,442,467	6,040,959	5.54
2016	47,743,892	12,120,203	35,623,689	5,826,095	6.11
2015	43,334,537	13,875,809	29,458,728	3,330,177	8.85
2014	42,305,541	11,848,135	30,457,406	3,766,716	8.09
2013	39,300,845	11,821,428	27,479,417	3,797,552	7.24
2012	38,123,098	10,545,660	27,577,438	2,943,979	9.37
2011	36,964,609	8,543,165	28,421,444	1,675,226	16.97
2010	34,783,342	8,692,884	26,090,458	1,340,667	19.46
2009	33,259,597	9,313,844	23,945,753	1,340,667	17.86
2008	29,495,190	9,851,332	19,643,858	1,289,839	15.23

**City of Moore, Oklahoma
Demographic Statistics**

<u>Year</u>	<u>Estimated Population</u>	<u>Per Capita Income (1)</u>	<u>Moore Public School District Enrollment</u>	<u>Unemployment Rate as a Percentage(2)</u>
2017	62,418	43,721	24,355	3.8
2016	61,415	42,760	22,899	3.2
2015	20,299	41,820	23,000	3.5
2014	59,973	40,850	23,000	3.4
2013	59,407	41,288	22,818	4.6
2012	58,819	39,160	23,031	5.0
2011	57,704	36,940	22,568	6.1
2010	55,081	35,830	22,500	6.1
2009	52,361	34,920	21,650	6.5
2008	51,277	33,720	21,140	3.9

Source : City of Moore Community Development Department.

(1) Per capita income is Cleveland County portion of Oklahoma City Metro area.

(2) Unemployment rate provided by Cleveland County.

* Estimated

City of Moore, Oklahoma
Top Ten Taxpayers
June 30, 2017

Wal-Mart Real Estate	\$ 5,053,887
Oklahoma Gas & Electric	4,978,265
KRG Shops at Moore, LLC	4,124,516
Greens at Moore	3,503,497
Cameron International Corporation	3,261,488
Mission Point Apartments Limited	3,022,376
Oklahoma Warren Theatres, LLC	2,739,432
Horn Equipment	2,660,766
Thirty5 West Apartments LP	2,087,640
Oklahoma Natural Gas	1,861,481

City of Moore, Oklahoma
New Construction
Last Ten Fiscal Years

Calendar Year	Commercial Construction		Residential Construction		Total New Construction
	Number of Units	Value	Number of Units	Value	
2016	15	\$ 16,756,576	218	\$ 42,031,689	\$ 58,788,265
2015	29	41,736,688	299	57,260,327	98,997,015
2014	34	90,851,106	444	73,044,450	163,895,556
2013	34	63,257,000	663	96,226,496	159,483,496
2012	23	38,265,216	242	37,182,544	75,447,760
2011	20	29,714,436	233	38,019,773	67,734,209
2010	23	20,151,327	267	42,601,041	62,752,368
2009	24	25,676,782	343	54,402,763	80,079,545
2008	25	57,472,277	311	44,070,586	101,542,863
2007	27	23,274,880	463	63,258,762	86,533,642

The construction amounts for 2013 and 2014 were unusually high due to rebuilding after the May 20, 2013 torando.

Based upon building permits issued by the City of Moore, Community Development Department. Values are estimated construction costs.

City of Moore, Oklahoma
Miscellaneous Statistics
June 30, 2017

Date of Incorporation	1893
Form of government	Council-manager
Square miles in city limits	22
Miles of streets	463.46 Lane miles

Education

Number of primary schools	24
Number of secondary schools	5
Number of high schools	3
Number of colleges	2

Police Protection

Number of officers	89
--------------------	----

Fire Protection

Number of stations	4
Number of personnel per shift (3 shifts)	22

Public Works

Water storage capacity (millions of gallons)	7.5
Miles of water lines	223
Miles of sanitary sewer lines	218

Information obtained from various departments of the City of Moore.

City of Moore, Oklahoma
Miscellaneous Statistics, Continued
June 30, 2017

City Employees

Fiscal Year		Full Time Equivalents (1)
2016-17		369
2015-16		369
2014-15	(3)	364
2013-14		303
2012-13		294
2011-12		292
2010-11	(2)	292
2009-10		312
2008-09		318
2007-08		300

(1) FTE includes part-time and seasonal employees.

(2) Decrease in employee count is due to closing of the swimming pool.

(3) Moore Recreation Center opened.

City of Moore, Oklahoma
Miscellaneous Statistics, Continued
June 30, 2017

City Water Usage (Gallons)

<u>Fiscal Year</u>	<u>Billed Annual Usage</u>	<u>Average Daily Usage</u>
2016-17	1,779,422,632	4,875,130
2015-16	1,738,190,940	4,762,167
2014-15	1,623,844,289	4,448,888
2013-14	1,869,008,874	5,120,572
2012-13	1,858,655,515	5,092,206
2011-12	1,989,656,166	5,451,113
2010-11	1,853,339,942	5,077,643
2009-10	1,788,269,213	4,899,367
2008-09	1,764,935,829	4,835,441
2007-08	1,641,242,785	4,496,556

CITY OF MOORE, OKLAHOMA

**SINGLE AUDIT REPORTS
AND SUPPLEMENTARY SCHEDULES**

JUNE 30, 2017

THE CITY OF MOORE, OKLAHOMA

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and City Council Members
City of Moore, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moore, Oklahoma (the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 15, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However,

providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dillon & Associates, P.C.

Midwest City, Oklahoma
November 15, 2017

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE;
AND A REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY UNIFORM GUIDANCE**

The Honorable Mayor and
Members of the City Council
City of Moore, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the City of Moore, Oklahoma (the "City"), compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures that appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated November 15, 2017, which contained an unmodified opinion on those financial

statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dillon & Associates, P.C.

Midwest City, Oklahoma
November 15, 2017

City of Moore, Oklahoma

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Housing and Urban Development</u>			
CDBG Entitlement Grant	14.218	B-15-MC-40-0010	\$ 62,607
CDBG Entitlement Grant	14.218	B-16-MC-40-0010	272,496
CDBG DR Disaster Recovery Grant	14.269	B-13-MS-40-0001	10,287,397
Total U.S. Department of Housing and Urban Development			<u>10,622,500</u>
<u>U.S. Department of Justice</u>			
Cops Grant	16.710	2014UMWX0137	49,676
State and Local HIDTA Task Force Grant	16.809	HIDTA TREAS 303	7,673
Passed through District Attorney Council:			
Justice Assistance Grant - Local Law Enforcement	16.017	JAG-LLE-2016 Moore CI -0007	9,560
Total U.S. Department of Justice			<u>66,909</u>
<u>Federal Highway Administration</u>			
Passed through Oklahoma Department of Tourism and Recreation:			
Recreationa Trails Program	20.219	NRT-RT 16(100)	<u>138,341</u>
<u>U.S. Department of Treasury</u>			
OKC Economic & Identity Crimes Task Force	21.100	USSS-MOU-2008	<u>17,777</u>
<u>Federal Emergency Management Agency</u>			
Passed through Oklahoma Department of Civil Emergency Management:			
Fire Management Assistance	97.046	FEMA FM-2942	490
Emergency Management Assistance	97.042	PL 85-606	25,000
Total U.S. Federal Emergency Management Agency			<u>25,490</u>
Total Federal Assistance			<u>\$ 10,871,017</u>

**CITY OF MOORE, OKLAHOMA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the activity of the City under programs of the federal government for the year ended June 30, 2017. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - SUBRECIPIENTS

During the year ended June 30, 2017, the City did not provide any federal awards to subrecipients.

CITY OF MOORE, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements
were in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- * Material weakness(es) identified? ☐ yes ☒ no
- * Significant deficiency(ies) identified that are not considered
to be material weakness(es)? ☐ yes ☒ none reported
- Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- * Material weakness(es) identified? ☐ yes ☒ no
- * Significant deficiency(ies) identified that are not considered
to be material weakness(es)? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in
accordance with 2 CFR 200.516(a)?

☐ yes ☒ no

Identification of major programs:

<u>Program</u>	<u>CFDA Number</u>
HUD - CDBG-DR Disaster Recovery Grant	14.269
HUD - CDBG Entitlement Grant	14.218

Dollar threshold used to distinguish between type A and type B
programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

**CITY OF MOORE, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section II - Findings Required to be Reported in Accordance with *Government Auditing Standards*:

None to report for the June 30, 2017 period.

Section III - Findings Required to be Reported in Accordance with Uniform Guidance:

None to report for the June 30, 2017 period.

**CITY OF MOORE, OKLAHOMA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

No matters were reportable.