



CITY OF MOORE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AS OF AND FOR THE FISCAL YEAR
ENDED JUNE 30, 2016

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

Stephen O. Eddy

City Manager

Stan Drake

Assistant City Manager

Brooks Mitchell

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, as of and for the year ended June 30, 2016, 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 of Moore, Oklahoma, as of June 30, 2016, 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 and pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Moore's basic financial statements. The accompanying other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic 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 is subject 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The statistical section listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures allied 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 January 6, 2017, on our consideration of the City of Moore'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
January 6, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF MOORE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2016

Our discussion and analysis of the City of Moore's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- The City's total net position increased by \$17,635,425 and the assets of the City exceeded its liabilities \$35,315,502 (net position). This amount included an unrestricted net deficit of \$42,444,491.
- At June 30, 2016, the City's governmental funds reported combined ending fund balances of \$24,162,804. Of this total amount, \$4,316,120 is available for spending at the government's discretion (unassigned fund balance).
- At the end of fiscal year 2016, unassigned fund balance for the General Fund was \$3,226,811, or approximately 8.7% of total General Fund expenditures.
- During the current fiscal year, the City's total long-term obligations decreased by \$1,662,696 (1.6%). The debt was increased by the issuance of general obligation bonds in the amount of \$8,680,000 and judgments issued in the amount of \$150,081. The debt was reduced by principal payments of \$10,492,777.
- Sales and use taxes decreased by \$1,634,081 or 4.7% 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. This discussion and analysis focuses on the primary government, composed of the City of Moore, Moore Public Works Authority and Moore Economic Development Authority.

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 activities separately and combined. For governmental activities, these statements tell how their 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 assets of the City (including infrastructure capital assets) as well as all liabilities (including all long-term debt).

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 of Moore'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 and liabilities 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

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.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

For the year ended June 30, 2016, net position for governmental activities and business-type activities increased \$17,635,425. The results indicate the City, as a whole, incurred an increase in its financial condition from the prior year.

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

	Governmental			Business-type			Total		
	<u>Activities</u>		<u>% Inc.</u>	<u>Activities</u>		<u>% Inc.</u>	<u>Primary Government</u>		<u>% Inc.</u>
	<u>2016</u>	<u>2015</u>		<u>2016</u>	<u>2015</u>		<u>2016</u>	<u>2015</u>	
Current and									
other assets	\$ 28,281	41,877	-32%	5,193	3,647	42%	33,474	45,524	-26%
Capital assets	93,914	66,901	40%	63,289	65,941	-4%	157,203	132,842	18%
Total assets	<u>122,195</u>	<u>108,778</u>	12%	<u>68,482</u>	<u>69,588</u>	-2%	<u>190,677</u>	<u>178,366</u>	7%
Deferred outflow of resources	<u>5,875</u>	<u>1,523</u>		<u>-</u>	<u>-</u>		<u>5,875</u>	<u>1,523</u>	
Long-term debt									
outstanding	91,453	89,940	2%	42,972	45,131	-5%	134,425	135,071	0%
Other liabilities	17,278	15,111	14%	3,655	5,381	-32%	20,933	20,492	2%
Total liabilities	<u>108,731</u>	<u>105,051</u>	4%	<u>46,627</u>	<u>50,512</u>	-8%	<u>155,358</u>	<u>155,563</u>	0%
Deferred inflow of resources	<u>5,879</u>	<u>6,646</u>		<u>-</u>	<u>-</u>		<u>5,879</u>	<u>6,646</u>	
Net assets:									
Invested in capital									
assets, net of debt	42,642	25,180	69%	18,987	18,987	0%	61,629	44,167	40%
Restricted	15,179	14,326	6%	952	949	0%	16,131	15,275	6%
Unrestricted (deficit)	<u>(44,361)</u>	<u>(40,902)</u>	8%	<u>1,916</u>	<u>(860)</u>	-323%	<u>(42,445)</u>	<u>(41,762)</u>	2%
Total net assets	<u>\$ 13,460</u>	<u>(1,396)</u>	84%	<u>21,855</u>	<u>19,076</u>	15%	<u>35,315</u>	<u>17,680</u>	100%

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.

An additional portion of the City's net position, \$16,131,614 represents resources that are subject to external restrictions on how they may be used. The remaining balance is an unrestricted net deficit of \$42,444,491.

Change in Net Position

For the year ended June 30, 2016 net position of the primary government changed as follows:

Table 2
Changes in 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>2016</u>	<u>2015</u>	<u>(Dec.)</u>	<u>2016</u>	<u>2015</u>	<u>(Dec.)</u>	<u>2016</u>	<u>2015</u>	<u>(Dec.)</u>
Revenues									
Charges for services	\$ 7,197	7,560	-5%	21,810	18,905	15%	29,007	26,465	10%
Operating grants	4,086	3,031	35%	-	-	-	4,086	3,031	35%
Capital grants	13,889	3,920	254%	-	-	-	13,889	3,920	254%
Sales and use taxes	33,189	34,823	-5%	-	-	-	33,189	34,823	-5%
Property taxes	4,983	4,834	3%	-	-	-	4,983	4,834	3%
Franchise tax (fees)	2,821	2,843	-1%	-	-	-	2,821	2,843	-1%
Other taxes	1,131	971	16%	-	-	-	1,131	971	16%
Investment income	88	129	-32%	27	11	145%	115	140	-18%
Other	538	1,682	-68%	130	1,654	-92%	668	3,336	-80%
Total revenues	<u>67,922</u>	<u>59,793</u>	14%	<u>21,967</u>	<u>20,570</u>	7%	<u>89,889</u>	<u>80,363</u>	12%
Expenses									
General government	18,190	19,074	-5%	-	-	-	18,190	19,074	-5%
Public safety	21,439	24,021	-11%	-	-	-	21,439	24,021	-11%
Streets	6,649	8,914	-25%	-	-	-	6,649	8,914	-25%
Public works	3,005	1,776	69%	-	-	-	3,005	1,776	69%
Cultural & recreation	2,587	8,059	-68%	-	-	-	2,587	8,059	-68%
Community development	3,345	4,951	-32%	-	-	-	3,345	4,951	-32%
Water and sewer	-	-	-	14,267	16,066	-11%	14,267	16,066	-11%
Sanitation	-	-	-	1,921	1,555	24%	1,921	1,555	24%
Interest on debt	851	1,152	-26%	-	-	-	851	1,152	-26%
Total expenses	<u>56,066</u>	<u>67,947</u>	-17%	<u>16,188</u>	<u>17,621</u>	-8%	<u>72,254</u>	<u>85,568</u>	-16%
Increase in net position									
before transfers	11,856	(8,154)	-245%	5,779	2,949	96%	17,635	(5,205)	-439%
Transfers	3,000	3,896	-23%	(3,000)	(3,896)	-23%	-	-	-
Change in net position	<u>14,856</u>	<u>(4,258)</u>	-449%	<u>2,779</u>	<u>(947)</u>	-393%	<u>17,635</u>	<u>(5,205)</u>	-439%
Beginning net position	<u>(1,396)</u>	<u>2,862</u>	-149%	<u>19,076</u>	<u>20,023</u>	-5%	<u>17,680</u>	<u>22,885</u>	-23%
Ending net position	<u>\$ 13,460</u>	<u>(1,396)</u>	-1064%	<u>21,855</u>	<u>19,076</u>	15%	<u>35,315</u>	<u>17,680</u>	100%

The City's governmental activities capital grants and contributions received were \$13,888,960 due to the CDBG-DR grants received from HUD.

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.)
	2016	2015		2016	2015	
General government	\$ 18,190	19,074	-5%	(11,526)	(13,257)	-13%
Public safety	21,439	24,021	-11%	(16,976)	(19,816)	-14%
Streets	6,649	8,914	-25%	(6,650)	(8,363)	-20%
Public works	3,005	1,776	69%	(3,005)	(1,776)	69%
Cultural & recreation	2,586	8,059	-68%	(2,586)	(8,059)	-68%
Community development	3,346	4,951	-32%	10,700	(1,012)	-1157%
Interest on long-term debt	851	1,152	-26%	(851)	(1,152)	-26%
Total	\$ 56,066	67,947	-17%	(30,894)	(53,435)	-42%

For the year ended June 30, 2016, total expenses for governmental activities amounted to \$56,065,927 which is a 17.5% decrease from the prior year.

Business-type Activities

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

	Total Expenses		% Inc. (Dec.)	Net Revenue		% Inc. (Dec.)
	of Services			(Expense) of Services		
	2016	2015		2016	2015	
Water and sewer	\$ 14,267	16,066	-11%	2,397	(1,582)	252%
Sanitation	1,921	1,555	24%	2,678	2,439	10%
General government	-	-	0%	547	427	28%
Total	\$ 16,188	17,621	-8%	5,622	1,284	338%

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 2016 fiscal year, the governmental funds reported a combined fund balance of \$24,162,804, or 25.8% decrease from the prior year. The enterprise funds reported combined net position of \$21,854,978, or 14.6% increase from 2015.

Other Fund Highlights Include:

- For the year ended June 30, 2016, the General Fund's total fund balance decreased by \$1,653,285, or 33.9%, due to an increase in expenses and purchases of capital assets.
- The MEDA Fund's total fund balance decrease by \$1,789,325, 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 \$2,779,239.

General Fund Budgetary Highlights

For the year ended June 30, 2016, the General Fund reported actual budgetary basis revenues under final estimates by \$3,043,716 or a 8.3% negative variance. General Fund actual expenditures were under final appropriations by \$4,748,453 or a 11.3% positive variance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2016, the City had approximately \$157.2 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 \$23.5 million over last year.

Table 5
Capital Assets
(In Thousands)

	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

	Governmental Activities <u>2015</u>	Business-type Activities <u>2015</u>	Total <u>2015</u>
Land and construction in progress	\$ 14,606	8	14,614
Building and improvements	44,556	1,782	46,338
Machinery and equipment	15,286	5,953	21,239
Vehicles	10,237	4,253	14,490
Infrastructure	121,400	115,669	237,069
	206,085	127,665	333,750
Less : Accumulated depreciation	139,184	61,724	200,908
Net capital assets	\$ 66,901	65,941	132,842

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 program.

Long-term Debt

At year-end, the City had \$102.0 million in long-term debt outstanding, which represents approximately a \$1,662,796 decrease from the prior year.

Table 6
Long-term Debt
(In Thousands)

	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>

	Governmental Activities <u>2015</u>	Business-type Activities <u>2015</u>	Total <u>2015</u>
General obligation bonds	\$ 30,015	-	30,015
Revenue bonds and notes	26,483	46,649	73,132
Other	528	4	532
Net long-term debt	<u>\$ 57,026</u>	<u>46,653</u>	<u>103,679</u>

ECONOMIC OUTLOOK

- The City's major source of revenue is sales and use tax revenue. Sales and use tax revenue decreased 4.7% compared to the prior year.
- The unemployment rate for the Oklahoma City metropolitan area which includes Moore is currently 4.2 percent, which is an increase of .4 percent from a year ago. This compares favorably to the state's average unemployment rate of 4.8 percent and favorably to the national average rate of 4.9 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 2017 fiscal year.

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.

Brooks Mitchell, CPA
Finance Director

BASIC FINANCIAL STATEMENTS

City of Moore, Oklahoma
Statement of Net Position
June 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Pooled cash and cash equivalents	\$ 9,990,378	342,536	10,332,914
Restricted cash and investments	10,516,451	3,059,324	13,575,775
Receivables (net of allowance for uncollectibles)	557,541	1,791,312	2,348,853
Receivables from other governments	7,187,154	-	7,187,154
Inventories	29,930	-	29,930
Total current assets	28,281,454	5,193,172	33,474,626
Capital assets:			
Land, improvements, and construction in progress	14,287,099	-	14,287,099
Other capital assets, net of depreciation	79,626,873	63,289,101	142,915,974
Total non-current assets	93,913,972	63,289,101	157,203,073
Total assets	122,195,426	68,482,273	190,677,699
DEFERRED OUTFLOW OF RESOURCES			
Deferred resources related to pensions	5,874,833	-	5,874,833
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	4,145,677	87,427	4,233,104
Accrued interest payable	494,080	345,493	839,573
Deposits subject to refund	242,082	1,033,442	1,275,524
Current portion of long-term debt	12,396,404	2,188,363	14,584,767
Total current liabilities	17,278,243	3,654,725	20,932,968
Non-current liabilities:			
Long-term debt and other liabilities	91,452,422	42,972,570	134,424,992
Total non-current liabilities	91,452,422	42,972,570	134,424,992
Total liabilities	108,730,665	46,627,295	155,357,960
DEFERRED INFLOW OF RESOURCES			
Deferred resources related to pensions	5,879,070	-	5,879,070
NET POSITION			
Net investment in capital assets	42,641,850	18,986,529	61,628,379
Restricted for:			
Debt service	5,001,117	-	5,001,117
Capital improvements	6,743,931	952,001	7,695,932
Other purposes	3,434,565	-	3,434,565
Unrestricted (deficit)	(44,360,939)	1,916,448	(42,444,491)
Total net position	\$ 13,460,524	21,854,978	35,315,502

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Primary government:				
Governmental activities:				
General government	\$ 18,189,751	6,021,391	642,409	(11,525,951)
Public safety	21,439,078	1,175,854	3,286,967	(16,976,257)
Streets	6,649,482	-	-	(6,649,482)
Public works administration	3,004,854	-	-	(3,004,854)
Culture and recreation	2,586,330	-	-	(2,586,330)
Community development	3,345,571	-	156,694	10,700,083
Interest on long-term debt	850,861	-	-	(850,861)
Total government activities	<u>56,065,927</u>	<u>7,197,245</u>	<u>4,086,070</u>	<u>(30,893,652)</u>
Business-type activities:				
Water and sewer	14,266,878	16,663,520	-	2,396,642
Sanitation	1,921,103	4,599,311	-	2,678,208
General government	-	547,341	-	547,341
Total business-type activities	<u>16,187,981</u>	<u>21,810,172</u>	<u>-</u>	<u>5,622,191</u>
Total primary government	<u>72,253,908</u>	<u>29,007,417</u>	<u>4,086,070</u>	<u>(25,271,461)</u>

City of Moore, Oklahoma
Statement of Activities
For the Year Ended June 30, 2016

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
Change in net assets:			
Net (expense) revenue	\$ (30,893,652)	5,622,191	(25,271,461)
General revenues:			
Taxes:			
Sales taxes	32,267,363	-	32,267,363
Use taxes	921,420	-	921,420
Property taxes	4,982,696	-	4,982,696
Franchise taxes (fees)	2,821,359	-	2,821,359
Other taxes	1,130,610	-	1,130,610
Unrestricted investment income	88,339	26,611	114,950
Miscellaneous	538,051	130,437	668,488
Transfers	3,000,000	(3,000,000)	-
Total general revenues and transfers	45,749,838	(2,842,952)	42,906,886
Change in net position	14,856,186	2,779,239	17,635,425
Net position - beginning, restated (See Note 3)	(1,395,662)	19,075,739	17,680,077
Net position - ending	\$ 13,460,524	21,854,978	35,315,502

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
Balance Sheet - Governmental Funds
June 30, 2016

	General	Moore Econ. Dev. Authority	Debt Service Fund	Park Improvement Fund	CDBG DR HUD Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ (313,221)	965,301	-	-	-	9,919,959	10,572,039
Restricted cash and investments	150,000	1,649,887	5,779,615	2,804,664	108,285	-	10,492,451
Investments	-	-	-	-	-	-	-
Receivables - Other, net	524,558	-	-	-	-	32,983	557,541
Due from other governments	4,611,267	368,681	24,000	-	1,458,029	737,399	7,199,376
Inventories	29,930	-	-	-	-	-	29,930
Total assets	<u>5,002,534</u>	<u>2,983,869</u>	<u>5,803,615</u>	<u>2,804,664</u>	<u>1,566,314</u>	<u>10,690,341</u>	<u>28,851,337</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	1,131,713	244,673	-	1,550	1,972,883	385,285	3,736,104
Wages and benefits payable	401,928	-	-	-	-	-	401,928
Due to other funds	-	-	308,419	-	-	-	308,419
Deposits	242,082	-	-	-	-	-	242,082
Total liabilities (Note 2)	<u>1,775,723</u>	<u>244,673</u>	<u>308,419</u>	<u>1,550</u>	<u>1,972,883</u>	<u>385,285</u>	<u>4,688,533</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	1,649,887	5,495,196	2,803,114	(406,569)	10,305,056	19,846,684
Unrestricted	3,226,811	1,089,309	-	-	-	-	4,316,120
Total fund balances	<u>3,226,811</u>	<u>2,739,196</u>	<u>5,495,196</u>	<u>2,803,114</u>	<u>(406,569)</u>	<u>10,305,056</u>	<u>24,162,804</u>
Total liabilities and fund balances	<u>\$ 5,002,534</u>	<u>2,983,869</u>	<u>5,803,615</u>	<u>2,804,664</u>	<u>1,566,314</u>	<u>10,690,341</u>	

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.	93,896,244
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.	(17,153,823)
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Pension related deferred outflows	5,874,833
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	(58,070,196)
Net pension liability	(25,499,812)
Pension related deferred inflows	(5,879,070)
Accrued interest payable	(494,080)
Accrued compensated absences	(3,376,376)
Net position of governmental activities	<u>\$ 13,460,524</u>

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, 2016

	General Fund	Moore Econ. Dev. Authority	Debt Service Fund	Park Improvement Fund	CDBG DR HUD Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 29,937,268	2,152,273	4,982,696	-	-	5,051,211	42,123,448
Intergovernmental	1,070,338	-	-	-	13,549,344	213,221	14,832,903
Licenses and permits	473,945	-	-	-	-	15,610	489,555
Charge for services	827,870	-	-	-	-	27,052	854,922
Fines and forfeitures	1,175,854	-	-	-	-	-	1,175,854
Investment revenue	29,839	4,695	-	45,511	-	8,294	88,339
Proceeds from debt issuances	-	56,100	-	2,787,338	-	5,768,383	8,611,821
Miscellaneous	155,313	171,479	-	5,831	-	87,051	419,674
Total revenues	<u>33,670,427</u>	<u>2,384,547</u>	<u>4,982,696</u>	<u>2,838,680</u>	<u>13,549,344</u>	<u>11,170,822</u>	<u>68,596,516</u>
EXPENDITURES							
Current:							
General government	8,527,575	268,210	-	-	-	-	8,795,785
Public safety	21,567,209	-	-	-	-	412,063	21,979,272
Streets	127,955	1,319,636	-	-	-	9,438,300	10,885,891
Public works	3,168,846	-	-	-	-	-	3,168,846
Culture and recreation	2,671,596	2,549,873	-	10,264,937	-	1,073,768	16,560,174
Community development	1,171,531	-	-	-	13,888,960	207,453	15,267,944
Debt service:							
Principal	-	-	4,010,000	-	-	-	4,010,000
Interest and other charges	-	88,969	871,851	-	-	-	960,820
Total expenditures	<u>37,234,712</u>	<u>4,226,688</u>	<u>4,881,851</u>	<u>10,264,937</u>	<u>13,888,960</u>	<u>11,131,584</u>	<u>81,628,732</u>
Excess (deficiency) of revenues over expenditures	<u>(3,564,285)</u>	<u>(1,842,141)</u>	<u>100,845</u>	<u>(7,426,257)</u>	<u>(339,616)</u>	<u>39,238</u>	<u>(13,032,216)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	27,933,719	87,189	-	34,373	-	-	28,055,281
Transfers out	(26,022,719)	(34,373)	(295,306)	-	-	-	(26,352,398)
Total other financing sources and uses	<u>1,911,000</u>	<u>52,816</u>	<u>(295,306)</u>	<u>34,373</u>	<u>-</u>	<u>-</u>	<u>1,702,883</u>
Net change in fund balances	(1,653,285)	(1,789,325)	(194,461)	(7,391,884)	(339,616)	39,238	(11,329,333)
Fund balances-beginning	4,880,096	4,528,521	5,689,657	10,194,998	(66,953)	10,265,818	35,492,137
Fund balances-ending	<u>\$ 3,226,811</u>	<u>2,739,196</u>	<u>5,495,196</u>	<u>2,803,114</u>	<u>(406,569)</u>	<u>10,305,056</u>	<u>24,162,804</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, 2016

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

Net change in fund balances - total governmental funds	\$ (11,329,333)
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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	39,209,127
Depreciation expense	(12,196,417)

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.	3,070,709
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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.	(8,830,081)
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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.	8,779,692
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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	109,959
Change in accrued compensated absences	64,466

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.	(4,021,936)
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Change in net position of governmental activities	\$ <u>14,856,186</u>
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City of Moore, Oklahoma
Statement of Position Proprietary Funds
June 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>MPWA</u>	<u>MPWA Sinking</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 342,536	-	342,536	(581,661)
Restricted:				
Cash and investments	1,950,001	1,109,323	3,059,324	-
Receivables, utilities - Net of allowance for doubtful accounts of \$541,211	1,772,944	-	1,772,944	-
Receivables, other	18,368	-	18,368	11,778
Due from other funds	-	-	-	308,419
Total current assets	<u>4,083,849</u>	<u>1,109,323</u>	<u>5,193,172</u>	<u>(261,464)</u>
Non-current assets:				
Other capital assets, net	<u>63,289,101</u>	<u>-</u>	<u>63,289,101</u>	<u>17,728</u>
Total non-current assets	<u>63,289,101</u>	<u>-</u>	<u>63,289,101</u>	<u>17,728</u>
Total assets	<u><u>67,372,950</u></u>	<u><u>1,109,323</u></u>	<u><u>68,482,273</u></u>	<u><u>(243,736)</u></u>
DEFERRED OUTFLOW OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	87,427	-	87,427	6,434
Accrued interest payable	-	345,493	345,493	-
Other accrued liabilities	-	-	-	1,211
Deposits subject to refund	1,033,442	-	1,033,442	-
Current portion of long-term liabilities	<u>23,633</u>	<u>2,164,730</u>	<u>2,188,363</u>	<u>20,978</u>
Total current liabilities	<u>1,144,502</u>	<u>2,510,223</u>	<u>3,654,725</u>	<u>28,623</u>
Non-current liabilities:				
Liability for incurred claims	-	-	-	2,122,000
Other post-employment benefits	-	-	-	14,693,707
Notes payable, non-current	-	42,901,672	42,901,672	2,825
Accrued compensated absences, non-current	<u>70,898</u>	<u>-</u>	<u>70,898</u>	<u>62,932</u>
Total non-current liabilities	<u>70,898</u>	<u>42,901,672</u>	<u>42,972,570</u>	<u>16,881,464</u>
Total liabilities	<u>1,215,400</u>	<u>45,411,895</u>	<u>46,627,295</u>	<u>16,910,087</u>
DEFERRED INFLOW OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	63,289,101	(44,302,572)	18,986,529	17,728
Restricted for:				
Capital improvements	952,001	-	952,001	-
Unrestricted	<u>1,916,448</u>	<u>-</u>	<u>1,916,448</u>	<u>(17,171,551)</u>
Total net position	<u>\$ 66,157,550</u>	<u>(44,302,572)</u>	<u>21,854,978</u>	<u>(17,153,823)</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, 2016

	Business-type Activities - Enterprise Funds			Governmental Activities
			Total	Internal
	<u>MPWA</u>	<u>MPWA Sinking</u>	<u>Enterprise Funds</u>	<u>Service Fund</u>
REVENUES				
Water	\$ 9,174,069	-	9,174,069	-
Sewer	7,489,451	-	7,489,451	-
Sanitation	4,599,311	-	4,599,311	-
Other services	547,341	-	547,341	-
Self insurance charges	-	-	-	4,676,914
Total operating revenues	<u>21,810,172</u>	<u>-</u>	<u>21,810,172</u>	<u>4,676,914</u>
OPERATING EXPENSES				
General government	10,803,709	-	10,803,709	415,914
Sanitation	1,316,494	-	1,316,494	-
Insurance claims and expenses	-	-	-	9,690,554
Depreciation	<u>2,870,523</u>	<u>-</u>	<u>2,870,523</u>	<u>6,065</u>
Total operating expenses	<u>14,990,726</u>	<u>-</u>	<u>14,990,726</u>	<u>10,112,533</u>
Operating income (loss)	<u>6,819,446</u>	<u>-</u>	<u>6,819,446</u>	<u>(5,435,619)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment revenue	25,884	727	26,611	-
Other nonoperating revenue (expenses)	130,437	-	130,437	118,377
Interest expense	<u>-</u>	<u>(1,197,255)</u>	<u>(1,197,255)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>156,321</u>	<u>(1,196,528)</u>	<u>(1,040,207)</u>	<u>118,377</u>
OPERATING TRANSFERS AND CAPITAL ITEMS				
Transfers in	25,933,719	3,848,303	29,782,022	1,295,306
Transfers out	<u>(32,782,022)</u>	<u>-</u>	<u>(32,782,022)</u>	<u>-</u>
Total operating transfers	<u>(6,848,303)</u>	<u>3,848,303</u>	<u>(3,000,000)</u>	<u>1,295,306</u>
Change in net position	127,464	2,651,775	2,779,239	(4,021,936)
Net position - beginning	<u>66,030,086</u>	<u>(46,954,347)</u>	<u>19,075,739</u>	<u>(13,131,887)</u>
Net position - ending	<u>\$ 66,157,550</u>	<u>(44,302,572)</u>	<u>21,854,978</u>	<u>(17,153,823)</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, 2016

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
		<u>MPWA</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
	<u>MPWA</u>	<u>Sinking</u>		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 21,754,862	-	21,754,862	4,521,900
Payments to suppliers	(13,357,831)	(12,173)	(13,370,004)	(7,081,448)
Payments to employees	(1,011,589)	-	(1,011,589)	(410,357)
Net cash provided (used) by operating activities	<u>7,385,442</u>	<u>(12,173)</u>	<u>7,373,269</u>	<u>(2,969,905)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating transfers in (out)	<u>(6,848,303)</u>	<u>3,848,303</u>	<u>(3,000,000)</u>	<u>1,295,306</u>
Net cash provided (used) by noncapital financing activities	<u>(6,848,303)</u>	<u>3,848,303</u>	<u>(3,000,000)</u>	<u>1,295,306</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on long-term debt	-	(1,582,999)	(1,582,999)	(1,158)
Interest expense and fiscal charges	-	(1,197,255)	(1,197,255)	-
(Acquisition) of capital assets	<u>(218,431)</u>	<u>-</u>	<u>(218,431)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(218,431)</u>	<u>(2,780,254)</u>	<u>(2,998,685)</u>	<u>(1,158)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) decrease in investments	-	-	-	-
Interest received	<u>25,884</u>	<u>727</u>	<u>26,611</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>25,884</u>	<u>727</u>	<u>26,611</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	344,592	1,056,603	1,401,195	(1,675,757)
Cash and cash equivalents - beginning of the year	<u>1,947,945</u>	<u>52,720</u>	<u>2,000,665</u>	<u>1,094,096</u>
Cash and cash equivalents - end of the year	<u>\$ 2,292,537</u>	<u>1,109,323</u>	<u>3,401,860</u>	<u>(581,661)</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	342,536	-	342,536	(581,661)
Restricted cash and cash equivalents	<u>1,950,001</u>	<u>1,109,323</u>	<u>3,059,324</u>	<u>-</u>
Total cash and cash equivalents, end of year	<u>\$ 2,292,537</u>	<u>1,109,323</u>	<u>3,401,860</u>	<u>(581,661)</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	6,819,446	-	6,819,446	(5,435,619)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Cash flows reported in other categories:				
Depreciation expense	2,870,523	-	2,870,523	6,065
Miscellaneous revenues	130,437	-	130,437	118,377
Change in assets and liabilities:				
Receivable, net	(144,709)	-	(144,709)	9,929
Accounts payable	(2,331,386)	-	(2,331,386)	(73,784)
Due from other funds	-	-	-	(295,306)
Accrued compensated absences	8,621	-	8,621	3,800
Other current liabilities	(17,737)	(12,173)	(29,910)	1,211
Deposits subject to refund	50,247	-	50,247	-
Liabilities for incurred claims	-	-	-	2,695,422
Net cash provided by (used in) operating activities	<u>\$ 7,385,442</u>	<u>(12,173)</u>	<u>7,373,269</u>	<u>(2,969,905)</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, 2016

NOTE 1. ORGANIZATION

The City of Moore, Oklahoma (the City) is a municipal corporation, incorporated in 1893. The City is governed by an elected mayor and six-member council. The City operates under a Council-Manager Charter form of government under Title 11 of the *Oklahoma Statutes*. The City provides the following services to its citizens: public safety (police and fire), streets and highways, sanitation, social services, culture and recreation, public improvements, utilities, planning and zoning, and general administrative services.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Moore, Oklahoma 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.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" as amended by Statement 61, and includes all component units for which the City is financially accountable. 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 and accounting:

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 proceeded 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, 2016

NOTE 2 - 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.

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.

Aggregated Non-Major Funds (reported as Other Governmental Funds):

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.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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

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

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, Deferred Outflows, Liabilities, Deferred Inflows 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, 2016

NOTE 2 - 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, 2016, 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 and payables* - 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, 2016

NOTE 2 - 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* - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, issuance costs and losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred losses on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issues is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt services expenditures.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 2 - 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, 2016, 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. The most significant restriction as of June 30, 2016 related to three ordinances benefiting the City's wastewater system which provide funds that are being held to complete capital projects.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 2 - 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.”

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- 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. To commit these funds, formal action is required by the City Council either by resolution or ordinance that identifies the specific circumstances under which the resources may be expended.
- d) *Assigned* - Includes fund balance amount that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Intent can be stipulated by the governing body, another body (such as Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance of the classification for all governmental funds with positive balances.
- 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 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.

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.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred Outflows/inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualified for reporting in this line. Certain contributions and assumptions made to the Plans by the City and State of Oklahoma that were received by the Plan subsequent to the measurement date and will be recognized as a reduction of the net pension liability (or an increase in the cases of a net pension asset) in future years. See Note 4 for additional information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualified for reporting in this line item. The net difference between estimated and actual assumptions used in the calculation of net pension liabilities and assets occur subsequent to the measurement date and will be recognized as an increase in the net pension liability (or a reduction in the case of a net pension asset).

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, 2016 in both the government-wide and fund financial statements.
- 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 Risk Management Fund for services such as self-insurance and other benefits provided to the other funds of the City.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

- 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 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, Net Position/fund balances, revenues and expenditures/expenses.

Cash and Investments

A summary of cash and investments shown in the Statement of Net Position is as follows:

Cash and equivalents	\$ 10,332,914
Restricted cash and investments	<u>13,575,775</u>
Total	<u>\$ 23,908,689</u>

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

The local government had the following deposits and investments at June 30, 2016:

	Credit rating	Fair value	Maturities in Years		
			On demand	Less than 1	1-5
Demand deposits and cash on hand	█ (1)	\$ 18,464,263	18,464,263	-	-
Money market mutual funds	AAA	-	-	-	-
U.S. Obligations		4,296,426	-	4,296,426	-
Time deposits	█ (1)	1,148,000	-	900,000	248,000
Total		\$ 23,908,689	18,464,263	5,196,426	248,000

(1) Not subject to rating

Standard and Poor's (S&P) was the source for all credit ratings reported above.

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, 2016:

- U.S. Treasury securities of \$4,296,426 are valued using quoted market prices (Level 1 inputs)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for collateralization is that pledged securities will have a market value of at least 110% of the value of funds on deposit and that collateral be limited to either U.S. Treasury securities and direct debt obligations of municipalities, counties and school districts in the state of Oklahoma.

At June 30, 2016, the City was not exposed to custodial credit risk as defined above.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

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's investment policy limits investments to those with a maturity no more than three years from the date of purchase, except for reserve funds, as a means of managing exposure to fair value losses arising from increasing interest rates. 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, 2016, the investments held by the City mature between less than a year and a maximum of two years.

Concentration of Investment Credit Risk

The City places no limit on the amount it may invest in any one issuer. The City has the following of credit risk: 4.8% in certificates of deposit (\$1,148,000) and 18.0% in U.S. obligations (\$4,296,426).

Receivables and Uncollectible Accounts

Receivables as of June 30, 2016, for the City of Moore's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General <u>Fund</u>	MEDA <u>Fund</u>	Debt Serv. <u>Fund</u>	CDBG DR HUD <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Moore Public Works <u>Authority</u>
Receivables:						
Taxes	\$ 4,611,267	368,681	24,000	-	737,399	-
Accounts/Other	<u>524,558</u>	<u>-</u>	<u>-</u>	<u>1,458,029</u>	<u>32,983</u>	<u>2,332,523</u>
Gross receivables	5,135,825	368,681	24,000	1,458,029	770,382	2,332,523
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>541,211</u>
Net receivables	<u>\$ 5,135,825</u>	<u>368,681</u>	<u>24,000</u>	<u>1,458,029</u>	<u>770,382</u>	<u>1,791,312</u>

Restricted Assets

The amounts reported as restricted assets of the enterprise fund type on the combined balance sheet are comprised of amounts held for utility deposits (refunded upon termination of service or applied to account for good payment history), for construction funded through long-term debt and debt service. The restricted assets as of June 30, 2016 were as follows:

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Type of <u>Restricted Assets</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Utility deposits and other accounts	\$ 150,000	998,000	1,148,000
Construction funds	4,557,203	952,001	5,509,204
Debt service sinking funds	5,809,248	1,109,323	6,918,571
Total Restricted Assets	<u>\$ 10,516,451</u>	<u>3,059,324</u>	<u>13,575,775</u>

Capital Assets

Capital asset balances and activities for the year ended June 30, 2016, were as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u>
<i>Governmental activities</i>				
Capital assets not being depreciated :				
Land	\$ 4,142,658	3,603,418	-	7,746,076
Construction in progress	10,463,075	-	3,922,052	6,541,023
Total capital assets not being depreciated	<u>14,605,733</u>	<u>3,603,418</u>	<u>3,922,052</u>	<u>14,287,099</u>
Capital assets being depreciated :				
Buildings and improvements	44,556,230	4,125,757	-	48,681,987
Machinery and equipment	15,286,290	2,815,575	-	18,101,865
Vehicles	10,236,852	448,102	-	10,684,954
Infrastructure	121,399,783	32,138,327	-	153,538,110
Total capital assets being depreciated	191,479,155	39,527,761	-	231,006,916
Less : Accumulated depreciation	139,183,626	12,196,417	-	151,380,043
Governmental activities capital assets, net	<u>\$ 66,901,262</u>	<u>30,934,762</u>	<u>-</u>	<u>93,913,972</u>

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

Governmental activities:

General government	\$ 4,102,516
Public safety	567,241
Streets	4,512,495
Public works administration	640,519
Cultural and recreation	2,234,814
Community development	138,832
Total depreciation expense - governmental activities	<u>\$ 12,196,417</u>

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Capital asset activity for business-type activities for the year ended June 30, 2016 was as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u>
<i>Business-type activities</i>				
Capital assets not being depreciated :				
Land	\$ -	-	-	-
Construction in progress	7,980	-	7,980	-
Total capital assets not being depreciated	7,980	-	7,980	-
Capital assets being depreciated :				
Buildings and improvements	1,782,000	-	-	1,782,000
Machinery and equipment	5,953,571	35,808		5,989,379
Vehicles	4,252,550	180,075		4,432,625
Infrastructure	115,669,401	10,528	-	115,679,929
Total capital assets being depreciated	127,657,522	226,411	-	127,883,933
Less : Accumulated depreciation	61,724,309	2,870,523		64,594,832
Business-type activities capital assets, net	\$ 65,941,193	(2,644,112)	-	63,289,101

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

Business-type activities:

Water	\$ 231,418
Sewer	1,994,019
Sanitation	604,609
General government	40,477
Total depreciation expense - business-type activities	\$ 2,870,523

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, 2016, cash and investments included \$998,000 available for refund of customer deposits, while the liability to customers was \$1,033,442.

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, 2016, \$169,178 was being held that was subject to refund.

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016**

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Long-term Debt

Long-term liabilities of the City of Moore as of June 30, 2016, are as summarized as follows:

Governmental Activities:

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%	\$ 3,000,000
\$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%	3,000,000
\$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%	2,455,000
\$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%	5,175,000
\$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%	8,250,000
\$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%	4,125,000
\$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%	<u>2,805,000</u>
Total General Obligation Bonds	<u>\$ 34,685,000</u>

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

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%	\$ 13,339,352
\$2,000,000 Parks and Recreational Facilities Revenue Note, Series 2013 due in semi-annual interest installments of \$17,500, interest rate of 1.75%, with a balloon principal payment due July 1, 2015.	2,000,000
\$5,000,000 Sales Tax Revenue Note, Taxable Series 2014 due in semi-annual principal and interest installments through June 1, 2019, interest rate of 1.78%	<u>3,785,000</u>
Total Revenue Notes	<u>\$ 19,124,352</u>

Lease Purchase Financing - Lease purchase financing consists of debt issued by the Moore Economic Development Authority. The notes are not the indebtedness of the State of Oklahoma, but are obligations payable solely from the resources of the Moore Economic Development Authority.

\$9,525,000 Lease Purchase Financing Debt dated February 1, 2014 due in annual principal installments from April 1, 2015 through April 1, 2017, interest to be paid semi-annually at a rate of 1.25%.	\$ <u>2,755,000</u>
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MEDA entered into a lease/purchase agreement with the City dated February 1, 2014 to acquire, construct and equip a community/recreation center, an aquatic facility, an amphitheater/stage, a Farmers' Market facility and hiking and walking trails. The lease/agreement is secured by a ground lease with the City which shall terminate on the later of: (i) payment in full of the City's rental payments and all payments due under the terms of the lease/purchase agreement; or (ii) April 1, 2017.

The lease payments consist of semi-annual interest payments equal to an annual rate of 1.25% of the outstanding principal balance commencing on October 14, 2014 and annual principal payments commencing on April 1, 2016. Total lease payments for year ending 2017 are \$2,789,438.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Judgments Payable

Judgments payable:

Worker compensation and property judgments payable in three annual installments including principal and interest; final payment due in fiscal years 2016-2018. \$ 382,599

Business-type Activities:

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%. \$ 1,757,052

\$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%. 37,566,479

\$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%. 5,742,871

Total Notes Payable \$ 45,066,402

Structured Settlement Payable

\$75,000 settlement in favor of Verona Deer, 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, 2016

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2016:

	Beginning			Ending	Amounts
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Due Within</u>
					<u>One Year</u>
Governmental activities					
General Long-term debt:					
General Obligation Bonds	\$ 30,015,000	8,680,000	4,010,000	34,685,000	4,385,000
MEDA Notes Payable	20,982,669		1,858,317	19,124,352	3,909,860
MEDA Lease Purchase Financing	5,500,000	-	2,745,000	2,755,000	2,755,000
Judgments Payable	527,824	150,081	295,306	382,599	223,297
Total governmental activities	<u>57,025,493</u>	<u>8,830,081</u>	<u>8,908,623</u>	<u>56,946,951</u>	<u>11,273,157</u>
Business-type activities					
Proprietary Fund Debt:					
Notes Payable	46,649,401	-	1,582,999	45,066,402	2,164,730
Structured Settlements Payable	3,980	-	1,155	2,825	-
Total business-type activities	<u>\$ 46,653,381</u>	<u>-</u>	<u>1,584,154</u>	<u>45,069,227</u>	<u>2,164,730</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, 2016 are as follows:

Year Ending <u>June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 11,273,157	1,464,196	2,164,730	1,161,032
2018	7,231,774	1,173,144	2,221,603	1,104,158
2019	7,236,305	994,877	2,283,952	1,045,789
2020	3,946,245	857,634	2,337,216	988,546
2021	3,352,450	774,429	2,401,284	924,478
2022-2026	16,701,947	2,578,657	12,984,584	3,644,223
2027-2031	7,205,073	594,129	14,542,734	1,848,871
2032-2036	-	-	6,133,124	200,973
Totals	<u>\$ 56,946,951</u>	<u>8,437,066</u>	<u>45,069,227</u>	<u>10,918,070</u>

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

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016**

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

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, 2013 and 2014 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 \$23,704,830. Pledged sales taxes received in the current year was \$24,386,721. Debt service payments on the 2009, 2013 and 2014 Revenue Notes of \$2,519,261 for the current fiscal year were 10.3% of pledged sales tax. Other sources of revenues such as water and sewer are also pledged.

Utility Revenue Pledge - The City has also pledged future net water, sewer and sanitation revenues to repay \$45,066,402 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 \$55,984,472. The notes are payable from the above mentioned utility net revenues and are additionally secured with 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 \$24,386,721 was returned to the General Fund. The debt service payments on the notes this year were \$2,792,427 which was 43.6% of pledged net utility revenues of \$6,407,152 and 9.1% of both pledged utility revenues and pledged sales taxes.

Compensated Absences

Compensated absences of the City of Moore as of June 30, 2016, are as summarized as follows:

Governmental activities -	
Current portion	\$ 1,145,883
Non-current portion	3,437,649
Business-type activities -	
Current portion	23,633
Non-current portion	70,898
	<hr/>
Total compensated absences	\$ 4,678,063

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES CONCERNING THE FUNDS - Continued

Interfund Receivables, Payables, and Transfers

Interfund transactions:

Transfers <u>Out</u>	Transfers In					Total Transfers <u>Out</u>
	General <u>Fund</u>	MEDA <u>Fund</u>	Enterprise <u>Funds</u>	Nonmajor Govt <u>Funds</u>	Internal Service <u>Fund</u>	
General Fund	\$ -	87,189	25,933,719	-	-	26,020,908
Debt Service Fund	-	-	-	-	295,306	295,306
Enterprise Funds	27,933,719	-	3,848,303	-	1,000,000	32,782,022
Total Transfers In	\$ 27,933,719	87,189	29,782,022	-	1,295,306	59,098,236

Prior Period Adjustment

Beginning fund balance/net position were restated as of June 30, 2015 as follows:

	General Fund	Moore Econ. Dev. Authority	Street Sales Tax Fund	Governmental Activities
Beginning fund balance/net position, as previously stated	\$ 2,479,232	4,337,457	4,574,896	(4,369,776)
To correct sales tax accruals	2,400,864	191,064	382,186	2,974,114
Beginning fund balance/net position, as restated	\$ 4,880,096	4,528,521	4,957,082	(1,395,662)

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.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 4 - OTHER INFORMATION - Continued

- Physical Property - Covered through purchased insurance with a \$10,000 deductible for the water plant and a \$5,000 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 \$75,000 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.

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, 2013 to June 30, 2016, are as follows:

	Workers'	Health	General	
	Compensation	Care	Liability	Total
Claims liability, June 30, 2013	\$ 1,260,000	436,000	170,000	1,866,000
Claims incurred and change in estimate	724,635	4,063,591	81,253	4,869,479
Claim payments	459,635	4,008,591	80,253	4,548,479
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

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 4 - OTHER INFORMATION - Continued

An amount has been recorded for the liability for incurred but not reported claims at June 30, 2016. These amounts were obtained from actuarial calculations performed by an outside actuarial service.

Assets available to pay all claims at June 30, 2016 were a negative \$261,464.

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.

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 \$17,118,635 through June 30, 2016.

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016**

NOTE 4. OTHER INFORMATION - Continued

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, 2016, MPWA paid \$2,798,991 for the annual fee and \$2,009,447 in maintenance and repair costs.

Sales Tax Rebate Agreement

On February 8, 2010, the City entered into a sales tax rebate agreement with Target as an incentive to have the developer construct a retail shopping center. The rebate of a portion of the sales tax from the retail stores in the development area is based on a calculation set forth in the agreement. The rebate of sales tax term was equal to a maximum rebate of \$2,185,152 or the date of April 20, 2016. The City has completed the agreement and paid a cumulative total of \$2,047,407.

On March 7, 2011, the City entered into a sales tax rebate agreement with Oklahoma Warren Theatres, LLC. This agreement includes the construction of an IMAX theatre, luxury suites and a restaurant. The rebate of sales tax will continue until the earlier of either the total of the rebates equals the net present value of \$2,000,000 or the date of December 31, 2019. The City has paid and accrued cumulative rebates of \$846,762 as of June 30, 2016.

On March 5, 2013, the City entered into a sales tax rebate agreement with Dick's Sporting Goods, Inc. as an incentive to have the developer construct a retail shopping center. The rebate of a portion of the sales tax from the retail stores in the development area is based on a calculation set forth in the agreement. The maximum amount of the sales tax rebate is \$1,000,000 payable in equal annual installments over the next five years. The City has paid and accrued cumulative rebates of \$800,000 as of June 30, 2016.

The City recognizes and accrues the liability at the time of occurrence. As of June 30, 2016, the City has rebates received but unpaid at June 30, 2016 in the amount of \$79,937.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

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, 2016 is as follows:

	Total Construction <u>In Progress</u>	Total <u>Project</u>	Remaining To Complete
General Government	\$ <u>6,541,023</u>	<u>34,971,838</u>	<u>28,430,815</u>

Encumbrances

For budgetary purposes, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2016 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 835,595
Street bond improvement fund	1,104,549
Special revenue fund	646,810
Public safety sales tax fund	2,083,569
Parks improvement sales tax fund	526,102
Parks G.O. bond fund	861,075
CDBG DR grant fund	9,128,748
Moore Economic Development Authority	<u>200</u>
	<u>\$ 15,186,648</u>

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016**

NOTE 4. OTHER INFORMATION - Continued

Stewardship, Compliance, and Accountability

By its nature as a local government entity, the City and its component units are subject to various federal, state and local laws and contractual regulations. Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund of the City (excluding public trusts). At June 30, 2016, the City did not have deficits in any funds.

Oklahoma Statutes also require the City Council each year to make an ad valorem tax levy for the sinking fund (Debt Service Fund) which shall, with cash and investments in the fund, be sufficient to pay all the bonded indebtedness, interest and one-third of all outstanding judgments coming due in the following year.

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.

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.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

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 \$1,047,956. In the government-wide Statement of Activities, revenue is recognized for the State of Oklahoma's on-behalf contributions on an accrual basis of \$959,709. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities/Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the City reported a liability of \$110,262 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2015. Based upon this information, the City's proportion was 2.7042%.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

For the year ended June 30, 2016, the City recognized pension expense of \$446,215. At June 30, 2016, 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	\$ -	\$ 609,704
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,975,841	2,400,122
Changes in proportion and differences between City contributions and proportionate share of contributions	159,204	-
City contributions during measurement period	-	76,564
City contributions subsequent to the measurement date	<u>1,047,956</u>	<u>-</u>
Total	\$ <u>3,183,001</u>	\$ <u>3,086,390</u>

\$1,047,956 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, 2016. 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:	
	2016 \$ (433,265)
	2017 (433,265)
	2018 (433,265)
	2019 381,173
	2020 <u>(32,723)</u>
	\$ <u>(951,345)</u>

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016**

NOTE 4. OTHER INFORMATION - Continued

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of July 1, 2015, 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, 2015, 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, 2016

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, 2015, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	2.24%
Domestic equity	4.87%
International equity	7.68%
Real estate	5.47%
Private equity	5.80%
Commodities	2.96%

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, 2016

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) \$	6,625,314	\$ 110,262	\$ (5,382,381)

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 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.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

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 \$979,511. In the government-wide Statement of Activities, revenue is recognized for the State of Oklahoma's on-behalf contributions on an accrual basis of \$2,182,418. 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, 2016, the City reported a liability of \$25,389,550 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2015. Based upon this information, the City's proportion was 2.3921%.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

For the year ended June 30, 2016, the City recognized pension expense of \$2,215,195. At June 30, 2016, 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	\$ 501,619	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	900,071	2,792,680
Changes in proportion and differences between City contributions and proportionate share of contributions	310,631	-
City contributions during measurement date	-	-
City contributions subsequent to the measurement date	979,511	-
Total	\$ 2,691,832	\$ 2,792,680

\$979,511 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, 2016. 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:

2016	\$ (525,062)
2017	(525,062)
2018	(525,062)
2019	395,123
2020	81,080
Thereafter	18,624
	\$ (1,080,359)

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of July 1, 2015, 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, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	5.13%
Domestic equity	37%	8.02%
International equity	20%	9.94%
Real estate	10%	7.47%
Other assets	13%	6.25%

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, 2016

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	\$ 32,965,672	\$ 25,389,550	\$ 19,035,427

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, 2016

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, 2016, the market value of the amount on deposit with the plan was \$16,402,045.

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, 2015 and 2014, the City's net assessed valuation of taxable real and personal property aggregated \$384,349,416 and \$358,446,183 while the property taxes levied per \$1,000 of net assessed valuation were \$13.01 and \$13.59, respectively.

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.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

Membership - At July 1, 2015, membership consisted of:

Inactive participants	25
Terminated employees entitled to benefits but not yet receiving them	-
Active participants	<u>322</u>
 Total	 <u><u>347</u></u>

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 2016, the actuarially expected City contribution in the form of net age adjustment was \$3,489,155 to the Plan. Plan members receiving benefits contributed total premiums of \$923,774 for employees and \$239,103 for retirees, through their payment of the full determined premium in FY 2016.

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, 2016:

Amortization of Acturial Accrued Liabilities (AAL)	\$ 3,489,155
Normal Cost	-
Interest on Net OPEB Obligations	537,313
Amortization of Net OPEB Obligations	<u>(733,033)</u>
Annual OPEB cost (expense)	3,293,435
Expected net benefits during the year	<u>(540,013)</u>
Increase in net OPEB Obligation	2,753,422
Net OPEB Obligation - Beginning of year	<u>11,940,285</u>
Net OPEB Obligation - End of year	<u><u>\$ 14,693,707</u></u>

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

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
06/30/16	\$ 3,293,435	16.4%	\$ 14,693,707
06/30/15	\$ 2,559,489	15.1%	\$ 11,940,285
06/30/14	2,355,784	17.9%	\$ 9,767,364

Funded Status and Funding Progress - As of July 1, 2015, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability (AAL) for benefits was \$28,799,920, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$28,799,920. 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 152.4 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, 2015 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

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

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, 2015 was 24 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.

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. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of GASB 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. Additionally, the Statement establishes requirements for defined contribution pensions that are not within the scope of GASB 68 and amends certain provisions of GASB 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement 25*. The provisions of GASB 73 that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB 68 are effective for periods beginning after June 15, 2016, and the requirements of this Statement for pension plans that are within the scope of GASB 67 or for pensions that are within the scope of GASB 68 are 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.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement establishes accounting and financial reporting standards related to improving the usefulness of information about postemployment benefits other than pension plans (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. It is the result of a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity and creating additional transparency. This standard is effective for financial reporting period beginning after June 15, 2016. 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. 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

**City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016**

NOTE 4. OTHER INFORMATION - Continued

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. 77, *Tax Abatement Disclosures*. This Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (1) agreements that are entered into by the reporting government and (2) agreements that are entered into by other governments and reduce the reporting government's tax revenues. The provisions of this Statement should be applied to all state and local governments subject to such tax abatement agreements. This standard is effective for financial reporting periods beginning after December 15, 2016. 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. 78, *Pensions Provided through Certain Multi-Employer Defined Benefit Pension Plans*. This Statement addresses a practice issue regarding the scope and applicability of GASB 68, *Accounting and Financial Reporting for Pensions*. This Statement amends the scope and applicability of GASB 68 to exclude pensions provided to employees of state and local government employees through a cost-sharing multi-employer defined benefit plan that is not a state or local governmental pension plan, is used to provide defined benefit pensions to both employees of the state or local governmental employers and to employees of employers that are not state or local governmental employers and has no predominant state or local employer, either individually or collectively within other state or local governmental employers that provide pensions through the pension plan. This Statement is effective for periods beginning after December 15, 2015. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement 14*. This Statement clarifies the financial statement presentation requirements for certain component units, amending the blending requirements established by paragraph 53 of GASB 44, *The Financial Reporting Entity*, as amended. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to GASB 39, *Determining Whether Certain Organizations are Component Units*. This standard is effective for financial reporting periods beginning after June 15, 2016. The City does not currently have any not-for-profit component units and, therefore, does not believe that this statement will have any potential impact on its financial statements.

City of Moore, Oklahoma
Notes to Financial Statements
For the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

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, 2016, except the application date to the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

Subsequent Events

Management has evaluated subsequent events through January 6, 2017, which is the date the financial statements were available to be issued. On July 1, 2016, the City issued general obligation bonds for park improvements in the amount of \$4,125,000.

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, 2016

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales tax	\$ 28,215,000	28,215,000	25,810,565	(2,404,435)
Use tax	900,000	900,000	921,420	21,420
Franchise tax	2,765,000	2,765,000	2,821,360	56,360
Other tax	350,000	350,000	383,923	33,923
Intergovernmental	940,000	940,000	1,070,338	130,338
Licenses and permits	341,500	341,500	473,945	132,445
Charge for services	1,940,371	1,749,922	827,870	(922,052)
Fines and forfeitures	1,291,600	1,291,600	1,175,854	(115,746)
Investment revenue	60,000	60,000	29,839	(30,161)
Miscellaneous	101,120	101,120	155,312	54,192
Total revenues	<u>36,904,591</u>	<u>36,714,142</u>	<u>33,670,426</u>	<u>(3,043,716)</u>
EXPENDITURES				
General government	4,726,663	5,134,743	4,888,161	246,582
Managerial	771,640	771,640	797,947	(26,307)
City attorney	344,528	344,528	237,794	106,734
Central purchasing	-	-	3,553	(3,553)
Finance	1,339,190	1,339,190	1,474,992	(135,802)
Municipal court	570,628	570,628	524,861	45,767
Information services	1,323,369	1,323,526	1,125,129	198,397
Police	10,706,068	10,672,068	10,859,390	(187,322)
Communications	984,294	927,044	785,331	141,713
Emergency management	322,494	320,244	290,124	30,120
Fire	8,881,539	8,917,592	8,680,142	237,450
Public works administration	1,961,553	2,515,751	1,743,135	772,616
Animal adoption center	412,182	429,378	427,361	2,017
Fleet maintenance	808,746	896,867	955,050	(58,183)
Building maintenance	521,903	521,903	470,661	51,242
Planning	469,383	457,883	396,628	61,255
Inspections	663,433	663,433	508,540	154,893
Code enforcement	322,546	322,559	259,556	63,003
Street improvements	2,100,000	2,149,425	127,955	2,021,470
Parks and recreation	791,305	768,638	649,350	119,288
Senior citizen services	163,870	158,297	146,184	12,113
Landscape & beautification	137,307	128,307	121,672	6,635
Parks and recreation activities	154,500	154,500	143,456	11,044
Park and cemetery maintenance	998,675	953,675	739,751	213,924
Recreation center	1,195,619	1,028,346	680,713	347,633
Aquatic center	357,618	359,838	164,418	195,420
Library	65,680	66,662	24,047	42,615
Moore/Smith cemetery	75,000	75,000	2,004	72,996
Capital planning	-	11,500	6,807	4,693
Total expenditures	<u>41,169,733</u>	<u>41,983,165</u>	<u>37,234,712</u>	<u>4,748,453</u>
Excess (deficiency) of revenues over (under) expenditures	(4,265,142)	(5,269,023)	(3,564,286)	1,704,737
OTHER FINANCING SOURCES (USES)				
Transfers	<u>2,165,142</u>	<u>2,165,142</u>	<u>1,911,000</u>	<u>(254,142)</u>
Net change in fund balances	(2,100,000)	(3,103,881)	(1,653,286)	1,450,595
Fund balances - beginning	<u>2,100,000</u>	<u>3,103,881</u>	<u>2,479,232</u>	<u>(624,649)</u>
Fund balances - ending	<u>\$ -</u>	<u>-</u>	<u>825,946</u>	<u>825,946</u>

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance With Final Budget Over Under)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 4,633,284	4,633,284	4,982,696	349,412
Investment revenue	-	-	-	-
Total revenues	<u>4,633,284</u>	<u>4,633,284</u>	<u>4,982,696</u>	<u>349,412</u>
EXPENDITURES				
Debt service	<u>4,633,284</u>	<u>4,633,284</u>	<u>4,881,851</u>	<u>(248,567)</u>
Total expenditures	<u>4,633,284</u>	<u>4,633,284</u>	<u>4,881,851</u>	<u>(248,567)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	100,845	100,845
OTHER FINANCING SOURCES (USES)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	100,845	100,845
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>(66,953)</u>	<u>(66,953)</u>
Fund balances - ending	<u>\$ -</u>	<u>-</u>	<u>33,892</u>	<u>33,892</u>

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
Park Improvement Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance With</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment revenue	\$ -	-	45,511	45,511
Proceeds from debt issuance	11,010,000	11,010,000	2,787,338	(8,222,662)
Miscellaneous income	-	-	5,831	5,831
Total revenues	<u>11,010,000</u>	<u>11,010,000</u>	<u>2,838,680</u>	<u>(8,171,320)</u>
EXPENDITURES				
Park improvements	<u>11,010,000</u>	<u>11,010,000</u>	<u>10,264,937</u>	<u>745,063</u>
Total expenditures	<u>11,010,000</u>	<u>11,010,000</u>	<u>10,264,937</u>	<u>745,063</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(7,426,257)	(7,426,257)
OTHER FINANCING SOURCES (USES)				
Transfers	<u>-</u>	<u>-</u>	<u>(295,306)</u>	<u>(295,306)</u>
Net change in fund balances	-	-	(7,721,563)	(7,721,563)
Fund balances - beginning	-	-	10,194,998	10,194,998
Fund balances - ending	<u>\$ -</u>	<u>-</u>	<u>2,473,435</u>	<u>2,473,435</u>

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
CDBG DR HUD Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance With</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment revenue	\$ -	-	-	-
HUD grant proceeds	8,896,100	12,125,775	13,549,344	1,423,569
Miscellaneous income	-	-	-	-
Total revenues	<u>8,896,100</u>	<u>12,125,775</u>	<u>13,549,344</u>	<u>1,423,569</u>
EXPENDITURES				
Administration	396,100	396,100	555,515	(159,415)
Housing	1,000,000	1,017,489	3,567,546	(2,550,057)
Infrastructure	4,000,000	6,720,414	7,391,933	(671,519)
Public facilities	500,000	500,000	709	499,291
Resiliency	2,000,000	2,032,528	10,032	2,022,496
Planning	1,000,000	1,459,244	905,196	554,048
Total expenditures	<u>8,896,100</u>	<u>12,125,775</u>	<u>12,430,931</u>	<u>(305,156)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	1,118,413	1,118,413
OTHER FINANCING SOURCES (USES)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	1,118,413	1,118,413
Fund balances - beginning	-	-	(66,953)	(66,953)
Fund balances - ending	<u>\$ -</u>	<u>-</u>	<u>1,051,460</u>	<u>1,051,460</u>

See accompanying notes to the basic financial statements.

City of Moore, Oklahoma
Notes to Required Supplemental Information
On Budgetary Accounting and Control
For the Year Ended June 30, 2016

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

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. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted at regular Council meetings to obtain taxpayer comments. Public hearings are 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.
- d. Subsequent to City Council enactment, the adopted budget is filed with the office of the State Auditor and Inspector.

All funds with revenues and/or expenditures/expenses as defined by State law are required to have annual budgets under this section of state law, except funds of public trusts or authorities. The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund.

All supplemental appropriations require the approval of the City Council. All transfers of appropriation between funds also require the approval of the City Council. The City prepared and adopted a legal annual budget for all governmental funds.

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 spending limit.

Budgetary Accounting

The annual operating budgets of the General Fund 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. The City considers most all appropriations to lapse at year-end; any open purchase orders to be honored in the subsequent budget year are reappropriated in the next year's budget. As a result, encumbrances are not treated as the equivalent of expenditures in the budget and actual financial statements.

City of Moore, Oklahoma
OPEB Actuarial Valuation Funding Schedules
For the Year Ended June 30, 2016

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, 2013</u>	<u>July 1, 2014</u>	<u>July 1, 2015</u>
Actuarial accrued liability - AAL (a)	\$ 20,010,906	22,158,548	28,799,920
Actuarial value of plan assets (b)	-	-	-
Unfunded actuarial accrued liability --			
UAAL (funding excess) (a) - (b)	\$ 20,010,906	22,158,548	28,799,920
Funded ratio (b) / (a)	0.0%	0.0%	0.0%
Covered payroll (c)	\$ 16,717,386	18,343,188	18,893,484
UAAL (funding excess) as a % of covered payroll [UAAL / (c)]	119.7%	120.8%	152.4%

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

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

Data is reported is measured as of July 1, 2015.

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

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

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

Data is reported is measured as of July 1, 2015.

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

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

Data is reported is measured as of July 1, 2015.

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

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

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

Data is reported is measured as of July 1, 2015.

OTHER SUPPLEMENTARY INFORMATION

City of Moore, Oklahoma
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2016

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Capital Projects</u>		<u>Total</u>
	<u>Special</u>	<u>Cemetery</u>	<u>Street</u>	<u>Street 1/2 Cent</u>	<u>Nonmajor</u>
	<u>Revenue</u>	<u>Perpetual</u>	<u>Project</u>	<u>Sales Tax</u>	<u>Governmental</u>
ASSETS	<u>Funds</u>	<u>Care</u>	<u>Fund</u>		<u>Funds</u>
Cash and cash equivalents	\$ 3,340,444	53,192	4,298,159	2,228,164	9,919,959
Receivables, net	32,983	-	-	-	32,983
Due from other governments	-	-	-	737,399	737,399
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>3,373,427</u>	<u>53,192</u>	<u>4,298,159</u>	<u>2,965,563</u>	<u>10,690,341</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	<u>21,984</u>	<u>-</u>	<u>-</u>	<u>363,301</u>	<u>385,285</u>
Total liabilities	<u>21,984</u>	<u>-</u>	<u>-</u>	<u>363,301</u>	<u>385,285</u>
Fund balances:					
Reserved for:					
Restricted	3,351,443	53,192	4,298,159	2,602,262	10,305,056
Assigned	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>3,351,443</u>	<u>53,192</u>	<u>4,298,159</u>	<u>2,602,262</u>	<u>10,305,056</u>
TOTAL	<u>\$ 3,373,427</u>	<u>53,192</u>	<u>4,298,159</u>	<u>2,965,563</u>	<u>10,690,341</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, 2016

	Special Revenue	Permanent	Capital Projects		Total
	Special	Cemetery	Street	Street 1/2 Cent	Nonmajor
	Revenue	Perpetual	Project	Sales Tax	Governmental
REVENUES	<u>Funds</u>	<u>Care</u>	<u>Fund</u>		<u>Funds</u>
Taxes	\$ 746,686	-	-	4,304,525	5,051,211
Intergovernmental	213,221	-	-	-	213,221
Licenses and permits	15,610	-	-	-	15,610
Charge for services	-	27,052	-	-	27,052
Interest	5,060	-	-	3,234	8,294
Proceeds from debt issuances	-	-	5,768,383	-	5,768,383
Miscellaneous	68,893	-	-	-	68,893
Donations	18,158	-	-	-	18,158
Total revenues	<u>1,067,628</u>	<u>27,052</u>	<u>5,768,383</u>	<u>4,307,759</u>	<u>11,170,822</u>
EXPENDITURES					
Current:					
Public safety	412,063	-	-	-	412,063
Streets	-	-	2,775,721	6,662,579	9,438,300
Culture and recreational	1,068,372	5,396	-	-	1,073,768
Community development	207,453	-	-	-	207,453
Total expenditures	<u>1,687,888</u>	<u>5,396</u>	<u>2,775,721</u>	<u>6,662,579</u>	<u>11,131,584</u>
Excess (deficiency) of revenues over expenditures	<u>(620,260)</u>	<u>21,656</u>	<u>2,992,662</u>	<u>(2,354,820)</u>	<u>39,238</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(620,260)	21,656	2,992,662	(2,354,820)	39,238
Fund balances-beginning	3,971,703	31,536	1,305,497	4,957,082	10,265,818
Fund balances-ending	<u>\$ 3,351,443</u>	<u>53,192</u>	<u>4,298,159</u>	<u>2,602,262</u>	<u>10,305,056</u>

See accompanying notes to the basic financial statement.

STATISTICAL SECTION

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

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Streets</u>	<u>Public Works</u>	<u>Culture & Recreation</u>	<u>Community Development</u>	<u>Debt Service</u>	<u>Total</u>
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
2006-07	3,310,457	12,743,216	4,766,394	246,951	2,023,890	1,635,229	2,015,225	26,741,362

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

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Intergov- ernmental</u>	<u>Licenses & Permits</u>	<u>Charges for Services</u>	<u>Fines & Forfeitures</u>	<u>Investment Income</u>	<u>Misc. Revenues</u>	<u>Total</u>
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
2006-07	21,604,423	1,018,601	440,279	98,316	1,357,366	441,633	1,138,852	26,099,470

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections and Adjustments</u>	<u>Percent of Current Taxes Collected</u>
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%
2006-07	2,043,924	2,018,939	98.78%

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	
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%
2007	234,053,815	15,284,972	10,151,227	11,116,930	248,373,084	2,069,775,700	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>
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
2007	7.96	21.07	74.90	103.93

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>
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
2006-07	50,117	248,373,084	9,000,000	3.62%	180

(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>
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%
2006-07	1,600,000	413,625	2,013,625	26,740,362	7.53%

(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>
2016	47,743,892	12,120,203	35,623,689	3,330,177	10.70
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
2007	28,545,949	7,945,110	20,600,839	1,612,299	12.78

**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>
2016	61,421	41,820	24,218	3.5
2015	60,000	40,850	23,575	3.6
2014	59,407	42,451	22,818	4.4
2013	58,819	39,160	22,568	5.3
2012	57,704	38,190	22,568	4.7
2011	55,081	36,940	22,076	5.3
2010	53,898	35,830	22,794	6.8
2009	52,361	34,920	21,650	6.5
2008	51,277	33,720	21,140	3.9
2007	50,117	32,570	22,136	4.5

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
New Construction
Last Ten Fiscal Years

Calendar Year	Commercial Construction		Residential Construction		Total New Construction
	Number of Units	Value	Number of Units	Value	
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
2006	30	41,441,893	523	70,047,494	111,489,387

The construction amounts for 2013 are 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, 201**

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	23
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, 2016

City Employees

<u>Fiscal Year</u>		<u>Full Time Equivalents (1)</u>
2015-16		299
2014-15		291
2013-14		305
2012-13		303
2011-12		292
2010-11	(2)	292
2009-10		312
2008-09		318
2007-08		300
2006-07		300

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

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

City of Moore, Oklahoma
Miscellaneous Statistics, Continued
June 30, 2016

City Water Usage (Gallons)

<u>Fiscal Year</u>	<u>Billed Annual Usage</u>	<u>Average Daily Usage</u>
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
2006-07	1,699,311,394	4,655,648

CITY OF MOORE, OKLAHOMA

SINGLE AUDIT REPORTS

YEAR ENDED JUNE 30, 2016

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, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Moore's basic financial statements and have issued our report thereon dated January 6, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Moore'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 of Moore's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Moore'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 of Moore'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dillon & Associates, P.C.

Midwest City, Oklahoma
January 6, 2017

DILLON & ASSOCIATES, P.C.

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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

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, 2016. 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 the requirements of laws, regulations, contracts, and grants 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, 2016.

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated January 6, 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
January 6, 2017

City of Moore, Oklahoma

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

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-14-MC-40-0010	\$ 153,209
CDBG Entitlement Grant	14.218	B-15-MC-40-0010	3,485
CDBG DR Disaster Recovery Grant	14.269	B-14-MS-40-0001	<u>13,888,960</u>
Total U.S. Department of Housing and Urban Development			<u>14,045,654</u>
<u>U.S. Department of Justice</u>			
Cops Grant	16.710	2014UMWX0137	87,411
State and Local HIDTA Task Force Grant	16.809	HIDTA TREAS 303	<u>15,574</u>
Total U.S. Department of Justice			<u>102,985</u>
<u>U.S. Department of Treasury</u>			
OKC Economic & Identity Crimes Task Force	21.100	USSS-MOU-2008	<u>8,713</u>
<u>Federal Emergency Management Agency</u>			
Passed through Oklahoma Department of Civil Emergency Management:			
Fire Management Assistance	97.046	FEMA DR-2999	1,392
Emergency Management Assistance	97.042	PL 85-606	<u>31,750</u>
Total U.S. Federal Emergency Management Agency			<u>33,142</u>
Total Federal Assistance			<u>\$ 14,190,494</u>

**CITY OF MOORE, OKLAHOMA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal award programs of the City of Moore, Oklahoma (the "City"), for the year ended June 30, 2016. The City's reporting entity is described in Note 1 in the City's Annual Financial Report. Federal financial awards received directly from federal agencies as well as federal financial awards, if any, passed through other government agencies are included on the Schedule. Required matching contributions, program income, private grants and other nonfederal grants and awards are not included in the Schedule. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to the revenue. In governmental funds, revenue from federal grants is recognized when they become both measurable and available. For proprietary funds, revenue from federal grants is recognized when they are earned. Expenditures of federal awards are recognized in the accounting period in which the liability is incurred.

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

Section I - Summary of Auditor's Results

1. The opinions expressed in the independent auditor's report were: *Unmodified*

2. The independent auditor's report on internal control over financial reporting disclosed:
 - * Significant deficiency(ies)? ☐ yes ☒ none reported
 - * Material weakness(es)? ☐ yes ☒

3. Noncompliance material to financial statements noted? ☐ yes ☒ no

4. The independent auditor's report on internal control over compliance with requirements that could have a direct and material effect on major federal awards programs disclosed:
 - * Significant deficiency(ies)? ☐ yes ☒ none reported
 - * Material weakness(es)? ☐ yes ☒

5. The opinion expressed in the independent auditor's report on compliance with requirements that could have a direct and material effect on major federal awards programs were: *Unmodified*

6. The audit disclosed findings required to be reported by Uniform Guidance? ☐ yes ☒ no

7. The City's major programs were:

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

- 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, 2016**

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

None to report for the June 30, 2016 period.

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

None to report for the June 30, 2016 period.

**CITY OF MOORE, OKLAHOMA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015**

None to report.