

# REPORT OF AUDIT ON FINANCIAL STATEMENTS

**JUNE 30, 2018**



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RSM US LLP

## Independent Auditor's Report

Honorable Mayor and City Council  
City of Enid, Oklahoma  
Enid, Oklahoma

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Enid, Oklahoma, (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Enid, Oklahoma, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As explained in Note 6 to the financial statements, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which restated beginning net position and other postemployment benefits liability of the governmental activities, business-type activities, and the Enid Municipal Authority fund, a major fund. Our opinions are not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

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

*Other Information*

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

*RSM US LLP*

Oklahoma City, Oklahoma  
December 26, 2018

## City of Enid, Oklahoma

### Management's Discussion and Analysis June 30, 2018

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The following discussion and analysis of the City of Enid's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the City's basic financial statements, which begin on page 12.

#### Financial Highlights

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$242,151,218 (net position).

During the year, the government's total net position increased by \$28,546,176, from its beginning balance, as restated. This is attributed to increased revenues from utility charges for service and the increased sales tax for the Kaw Lake program. The assets increased due to the completion of multiple capital assets outlined on page 10. Long-term liabilities decreased due to payments, offset by the implementation of the GASB 75 statement for OPEB.

Governmental activities accounted for an increase of \$15,831,999. Business-type activities increased overall net position by \$12,714,177.

The City's total long-term obligations decreased \$6,560,321 during the current fiscal year. The key factors in the decrease include payments on existing debt and reduction in net pension liability, offset by the implementation of GASB 75 for OPEB and two new capital lease obligations.

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$36,329,867, an increase of \$11,989,936 in comparison with the prior year. Fund balance of \$3,488,394 is considered nonspendable, consisting of inventories, prepaid expenses and assets held for sale. A total of \$2,767,572 is restricted by contractual agreements; state statutes, or enabling legislation. Fund balance of \$30,073,901 is available for spending at the government's discretion, although \$15,552,779 of that balance has been committed by the governing board.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,220,301, or 21 percent of total general fund expenditures and transfers out.

#### Overview of the Financial Statements

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

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

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

## City of Enid, Oklahoma

### Management's Discussion and Analysis June 30, 2018

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

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

The government-wide financial statements can be found on pages 12-13 of this report.

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

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

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

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, police fund, fire fund, capital improvement fund and water capital improvements, all of which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for its general fund, police fund, and fire fund. A budgetary comparison statement has been provided, as required supplementary information, for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

## City of Enid, Oklahoma

### Management's Discussion and Analysis June 30, 2018

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

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

The basic proprietary fund financial statements can be found on pages 18-21 of this report.

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

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

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

Notes to the financial statements: The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-68 of this report.

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

Required supplementary information can be found on pages 69-79 of this report.

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

Combining statements and schedules can be found on pages 80-88 of this report.



**City of Enid, Oklahoma**

**Management's Discussion and Analysis  
June 30, 2018**

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City's governmental activities, assets and deferred outflows exceeded liabilities and deferred inflows by \$74,089,368 at the close of the most recent fiscal year. The business-type activities assets and deferred outflows exceeded liabilities and deferred inflows by \$168,061,850.

**City of Enid**  
Net Position  
June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Totals	
	June 30		June 30		June 30	
	2018	2017	2018	2017	2018	2017
	(Not Restated)		(Not Restated)		(Not Restated)	
Current assets	\$ 45,101,633	\$ 33,366,618	\$ 54,100,377	\$ 48,745,141	\$ 99,202,010	\$ 82,111,759
Capital and other noncurrent assets	70,040,273	67,574,202	178,610,957	175,875,641	248,651,230	243,449,843
Total assets	115,141,906	100,940,820	232,711,334	224,620,782	347,853,240	325,561,602
Deferred outflows	5,783,038	6,642,798	108,346	179,099	5,891,384	6,821,897
Current liabilities	9,017,991	9,779,782	10,142,513	9,712,518	19,160,504	19,492,300
Long-term liabilities	31,772,073	34,165,740	53,972,163	58,656,130	85,744,236	92,821,870
Total liabilities	40,790,064	43,945,522	64,114,676	68,368,648	104,904,740	112,314,170
Deferred inflows	6,045,512	3,238,448	643,154	987,465	6,688,666	4,225,913
Net position:						
Net investment in capital assets	67,547,357	62,199,754	127,847,491	129,089,792	195,394,848	191,289,546
Restricted	2,634,333	842,323	24,144,202	14,765,820	26,778,535	15,608,143
Unrestricted	3,907,678	(2,642,429)	16,070,157	11,588,156	19,977,835	8,945,727
Total net position	\$ 74,089,368	\$ 60,399,648	\$ 168,061,850	\$ 155,443,768	\$ 242,151,218	\$ 215,843,416

By far the largest portion of the City's net position (81 percent) reflects its investment in capital assets (e.g., land, buildings, improvements, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (11 percent) represents resources that are subject to external restrictions on how they may be used either by external groups such as creditors, grantors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation. The remaining balance is unrestricted net position of \$19,314,585 (8 percent) of total net position.

**City of Enid, Oklahoma**

**Management's Discussion and Analysis  
June 30, 2018**

The City's net position increased by \$28,544,176 during the current fiscal year, compared with the restated beginning net position. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental activities: Governmental activities increased the City's net position by \$15,831,999.

The key elements of this increase are as follows:

- Increase in sales tax revenues due to 12 month of revenue for the Kaw Lake Sales Tax, and only four months in the prior fiscal year.
- Public works expense decreased due to water infrastructure capital outlay transferred to Enid Municipal Authority during the fiscal year.

**City of Enid**  
Statement of Activities  
Years Ended June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Totals	
	June 30		June 30		June 30	
	2018	2017	2018	2017	2018	2017
	(Not restated)		(Not restated)		(Not restated)	
Program revenues:						
Charges for services	\$ 2,889,819	\$ 3,278,633	\$ 42,110,834	\$ 36,291,505	\$ 45,000,653	\$ 39,570,138
Grants/contributions	4,519,537	3,121,373	1,372,490	1,154,703	5,892,027	4,276,076
General revenues	46,743,403	38,713,950	2,374,297	1,889,246	49,117,700	40,603,196
Total revenues	54,152,759	45,113,956	45,857,621	39,335,454	100,010,380	84,449,410
Expenses:						
General government	8,002,204	8,013,338	-	-	8,002,204	8,013,338
Public safety	21,457,037	20,452,917	-	-	21,457,037	20,452,917
Public works	7,436,933	10,726,722	-	-	7,436,933	10,726,722
Culture and recreation	2,252,063	2,170,712	-	-	2,252,063	2,170,712
Utility operations	-	-	20,182,530	18,882,738	20,182,530	18,882,738
Airport	-	-	2,396,098	2,332,350	2,396,098	2,332,350
Economic development	2,002,152	1,027,236	-	-	2,002,152	1,027,236
Golf	-	-	757,143	721,087	757,143	721,087
Event center	-	-	4,971,704	5,684,751	4,971,704	5,684,751
Transit	-	-	726,996	753,763	726,996	753,763
Other	215,456	231,506	1,088,248	1,142,673	1,303,704	1,374,179
Total expenses	41,365,845	42,622,431	30,122,719	29,517,362	71,488,564	72,139,793
Increase in net position before transfers and capital contributions	12,786,914	2,491,525	15,734,902	9,818,092	28,521,816	12,309,617
Contributions of capital assets	(2,000)	(6,645,404)	2,000	6,645,404	-	-
Gain on sale of capital assets	-	-	24,360	-	24,360	-
Transfers, net	3,047,085	1,657,158	(3,047,085)	(1,657,158)	-	-
Increase (decrease) in net position	15,831,999	(2,496,721)	12,714,177	14,806,338	28,546,176	12,309,617
Net position, beginning (restated)	58,257,369	62,896,369	155,347,673	140,637,430	213,605,042	203,533,799
Net position, ending	\$ 74,089,368	\$ 60,399,648	\$ 168,061,850	\$ 155,443,768	\$ 242,151,218	\$ 215,843,416

City of Enid, Oklahoma

Management's Discussion and Analysis  
June 30, 2018

**City of Enid**  
Governmental Activities  
Years Ended June 30, 2018 and 2017

	Program Revenues		Cost of Services	
	2018	2017	2018	2017
General government	\$ 452,432	\$ 352,396	\$ 8,002,204	\$ 8,013,338
Public safety	4,838,425	4,909,898	21,457,037	20,452,917
Public works	2,035,664	990,282	7,436,933	10,726,722
Culture and recreation	82,835	147,430	2,252,063	2,170,712
Economic development	-	-	2,002,152	1,027,236
Interest on long-term debt	-	-	215,456	231,506
Total governmental activities	<u>\$ 7,409,356</u>	<u>\$ 6,400,006</u>	<u>\$ 41,365,845</u>	<u>\$ 42,622,431</u>

**Business-type activities.** Business-type activities increased the City's net position by \$12,712,177. The key element in this increase was an increase in charges for service due to utility rates set by ordinance.

**City of Enid**  
Business-Type Activities  
Years Ended June 30, 2018 and 2017

	Program Revenues		Cost of Services	
	2018	2017	2018	2017
Utility operations	\$ 39,402,179	\$ 31,761,073	\$ 20,182,530	\$ 18,882,738
Airport	1,591,431	2,507,006	2,396,098	2,332,350
Golf	547,399	439,350	757,143	721,087
Event center	1,595,034	2,399,742	4,971,704	5,684,751
Transit	347,281	339,037	726,996	753,763
Other	-	-	1,088,248	1,142,673
Total business-type activities	<u>\$ 43,483,324</u>	<u>\$ 37,446,208</u>	<u>\$ 30,122,719</u>	<u>\$ 29,517,362</u>

**Financial Analysis of the Government's Funds**

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

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

## City of Enid, Oklahoma

### Management's Discussion and Analysis June 30, 2018

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As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$36,329,867, an increase of \$11,989,936 in comparison with the prior year. Approximately 83 percent of this total amount \$30,073,901 constitutes unrestricted fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable or restricted by contractual obligations, laws and regulations, or enabling legislation as approved by a vote of the citizens of Enid.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,220,301. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance represents 21 percent of total general fund expenditures and transfers out.

The fund balance of the City's general fund increased \$1,899,479 during the current fiscal year, primarily due to Kaw Lake sales tax receipts.

The police fund has a total fund balance of \$2,601,833. The net decrease in fund balance during the current year was \$530,617, due primarily to purchase of new vehicles during the fiscal year.

The fire fund has a total fund balance of \$1,115,003, substantially all of which was committed. The net increase in fund balance during the current year was \$328,221, due primarily to committing current funds for the purchase of a new pumper engine for the future.

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

The Enid Municipal Authority showed total net position of \$118,374,385. Unrestricted net position of the Enid Municipal Authority at the end of the year was \$14,898,299. The total increase in net position was \$14,633,274. Operating revenues showed an increase of \$6,640,964 while operating expenses increased by \$902,931.

The changes in operating revenues were due to increased utility rates and expenses increased due to depreciation and increases in operating expenses.

The Woodring Airport Fund showed total net position of \$21,028,283, a decrease of \$322,630.

The Enid Event Center and Convention Hall fund showed total net position of \$28,909,693, a decrease of \$1,621,085, primarily due to lowered event revenue and reduced hotel tax receipts for the fiscal year.

#### **Budgetary Highlights of Major Governmental Funds**

The general fund budget increased by \$299,100 for departmental expenditures and revenues increased by \$205,000, and net transfers increased by \$618,000 during the year. The general fund breakdown by department is outlined on the Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds Schedule in the Required Supplementary Information section of the audit.

**City of Enid, Oklahoma**

**Management’s Discussion and Analysis  
June 30, 2018**

Revenues received were more than budget estimates by \$783,201, and actual expenditures and transfers were less than final budget appropriations by \$1,687,386, resulting in an overall net increase in fund balance of \$1,758,487 prior to adjustments outlined on the Reconciliation of Budgetary Comparison Schedule on a Budgetary Basis with Fund Financial Statements in the Required Supplementary Information section of the audit. As a result, the City did not need to use a portion of its fund balance to cover expenditures and transfers.

The police fund showed an increase of \$17,015 in its budgeted expenditures during the year, while revenues remained the same as originally estimated. Actual revenues and transfers in totaled \$9,383,018 or \$50,420 more than budget estimates. Expenditures and transfers out of \$9,869,753 were less than budgeted by \$596,447, resulting in an overall net decrease in fund balance of \$486,735.

The fire fund showed an increase of \$23,065 in its budgeted expenditures during the year, while revenues remained the same as originally estimated. Actual revenues and transfers in totaled \$8,276,959, or more than budget estimates by \$378,146. Expenditures and transfers out of \$7,972,935, were less than the budget appropriations by \$171,405.

**Capital Asset and Debt Administration**

Capital assets: The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2018, amounts to \$248,651,230 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, equipment, and vehicles.

**City of Enid**  
Capital Assets  
(Net of Depreciation)  
Years Ended June 30, 2018 and 2017

	Governmental		Business-Type		Totals	
	Activities		Activities		June 30	
	2018	2017	2018	2017	2018	2017
Land	\$ 6,308,179	\$ 6,355,793	\$ 7,679,181	\$ 7,679,181	\$ 13,987,360	\$ 14,034,974
Construction in progress	15,061,431	10,069,558	19,108,554	11,705,962	34,169,985	21,775,520
Buildings	7,790,436	8,201,992	57,767,967	60,869,283	65,558,403	69,071,275
Improvements	38,163,059	39,973,266	81,725,260	83,085,623	119,888,319	123,058,889
Equipment	1,080,131	1,052,669	10,503,611	10,588,600	11,583,742	11,641,269
Vehicles	1,637,037	1,920,924	1,826,384	1,946,992	3,463,421	3,867,916
Capital assets, net	<u>\$ 70,040,273</u>	<u>\$ 67,574,202</u>	<u>\$ 178,610,957</u>	<u>\$ 175,875,641</u>	<u>\$ 248,651,230</u>	<u>\$ 243,449,843</u>

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

- Property purchase for Willow Rd expansion
- Street improvements completed including signal upgrade on Garriott Rd
- Rolling Oaks Detention
- Drainage improvement at Cleveland and Chestnut
- Johnston Grain flooding improvement
- Sanitary sewer relief line on Oakwood Rd
- Eight new SUVs added to the Police Department fleet
- Street Sweeper
- Dump Truck and Scraper for Solid Waste department
- Water Plant #1 renovation design and pipe rehabilitation
- Freightliner Vac Con Sewer Cleaner

**City of Enid, Oklahoma**

**Management's Discussion and Analysis  
June 30, 2018**

Additional information of the City's capital assets can be found in Note 3 on pages 40-41 of this report.

Long-term debt: At the end of the current fiscal year, the City had total debt outstanding of \$96,177,121. The debt secured solely by specified revenue sources (i.e., revenue bonds and notes); tax apportionment bonds (TIF); capital lease obligations; judgments against the City; the long-term portion of accrued compensated absences; total OPEB liability; workers' compensation reserve liability; net pension liability; and landfill closure and post-closure liability and other long-term liabilities.

	Governmental		Business-Type		Totals	
	Activities		Activities		June 30	
	2018	2017	2018	2017	2018	2017
Judgments	\$ -	\$ 108,658	\$ -	\$ -	\$ -	\$ 108,658
Net pension liability	25,869,450	28,510,007	1,187,809	993,838	27,057,259	29,503,845
Total OPEB Liability	2,133,583	66,690	92,765	-	2,226,348	66,690
Workers' compensation claims	1,344,760	1,200,253	354,799	384,263	1,699,559	1,584,516
Compensated absences	2,018,196	2,012,981	283,109	268,423	2,301,305	2,281,404
Revenue bonds	-	-	2,875,000	4,965,000	2,875,000	4,965,000
Tax apportionment bonds (TIF)	2,117,300	2,143,448	-	-	2,117,300	2,143,448
Deferred interest on bonds	-	-	-	-	-	-
Notes payable	2,622,000	3,231,000	49,595,565	53,764,130	52,217,565	56,995,130
Capital lease obligations	-	-	1,915,265	1,457,399	1,915,265	1,457,399
Landfill closure and post-closure and other long-term liabilities	-	-	3,767,520	3,631,352	3,767,520	3,631,352
<b>Total outstanding debt</b>	<b>\$ 36,105,289</b>	<b>\$ 37,273,037</b>	<b>\$ 60,071,832</b>	<b>\$ 65,464,405</b>	<b>\$ 96,177,121</b>	<b>\$ 102,737,442</b>

The City's total long-term liabilities decreased \$6,560,321 during the current fiscal year. The key factors in the decrease include payments on existing debt and reduction in net pension liability, offset by the implementation of GASB 75 for OPEB and two new capital lease obligations.

Additional information on the City's long-term debt can be found in Note 3 on pages 42-48 of this report.

**City of Enid, Oklahoma**

**Management's Discussion and Analysis  
June 30, 2018**

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**Economic Factors and Next Year's Budgets and Rates**

The City's elected and appointed officials considered many factors when setting the fiscal year 2018-2019 revenue and expense budgets.

When setting the fiscal year 2019 expenditure budget, city staff worked diligently to keep increases in expenditures to a minimum.

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

The City currently has three recognized unions. The current agreement with the American Federation of State, County and Municipal Employees (AFSCME) #1136, the Fraternal Order of Police (FOP) and the International Association of Fire Fighters (IAFF) is through June 2018.

**Requests for Information**

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

City of Enid, Oklahoma

Statement of Net Position  
June 30, 2018

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 7,561,840	\$ 2,902,752	\$ 10,464,592
Investments	24,925,225	7,194,228	32,119,453
Receivables (net of allowance for uncollectibles)	6,770,651	5,942,037	12,712,688
Receivables for property taxes - succeeding year	2,256,491	-	2,256,491
Internal balances	(2,195,894)	2,195,894	-
Inventories	73,832	218,954	292,786
Prepaid expenses	143,013	85,658	228,671
Restricted cash and investments	2,292,982	35,560,854	37,853,836
Assets held for sale	3,273,493	-	3,273,493
Capital assets:			
Land and construction in progress	21,369,610	26,787,735	48,157,345
Depreciable buildings, improvements, equipment and vehicles, net of accumulated depreciation	48,670,663	151,823,222	200,493,885
<b>Total assets</b>	<b>115,141,906</b>	<b>232,711,334</b>	<b>347,853,240</b>
<b>Deferred outflows of resources</b>			
Deferred amounts related to pensions	5,783,038	108,346	5,891,384
<b>Liabilities</b>			
Accounts payable and accrued liabilities	4,546,337	2,238,832	6,785,169
Payable from restricted assets:			
Accrued interest	133,239	457,850	591,089
Customer deposits	-	1,198,661	1,198,661
Unearned revenue	5,199	147,501	152,700
Long-term liabilities:			
Due within one year	4,333,216	6,099,669	10,432,885
Due in more than one year	31,772,073	53,972,163	85,744,236
<b>Total liabilities</b>	<b>40,790,064</b>	<b>64,114,676</b>	<b>104,904,740</b>
<b>Deferred inflows of resources</b>			
Property taxes succeeding year	2,256,491	-	2,256,491
Deferred amounts related to OPEB	39,701	-	39,701
Deferred amounts related to pensions	3,749,320	643,154	4,392,474
<b>Total deferred inflows of resources</b>	<b>6,045,512</b>	<b>643,154</b>	<b>6,688,666</b>
<b>Net position</b>			
Net investment in capital assets	67,547,357	127,847,491	195,394,848
Restricted:			
Debt service	2,168,836	1,774,177	3,943,013
Capital improvements	-	22,369,793	22,369,793
Public safety	465,497	-	465,497
Other	-	232	232
Unrestricted	3,907,678	16,070,157	19,977,835
<b>Total net position</b>	<b>\$ 74,089,368</b>	<b>\$ 168,061,850</b>	<b>\$ 242,151,218</b>

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



**City of Enid, Oklahoma**

**Statement of Activities  
Year Ended June 30, 2018**

	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
Governmental activities:							
General government	\$ 8,002,204	\$ 322,417	\$ 130,015	\$ -	\$ (7,549,772)	\$ -	\$ (7,549,772)
Public safety	21,457,037	2,179,220	2,597,713	61,492	(16,618,612)	-	(16,618,612)
Public works	7,436,933	339,205	1,696,459	-	(5,401,269)	-	(5,401,269)
Culture and recreation	2,252,063	48,977	11,909	21,949	(2,169,228)	-	(2,169,228)
Economic development	2,002,152	-	-	-	(2,002,152)	-	(2,002,152)
Interest on long-term debt	215,456	-	-	-	(215,456)	-	(215,456)
<b>Total governmental activities</b>	<b>41,365,845</b>	<b>2,889,819</b>	<b>4,436,096</b>	<b>83,441</b>	<b>(33,956,489)</b>	<b>-</b>	<b>(33,956,489)</b>
Business-type activities:							
Utility operations	20,182,530	38,402,037	-	1,000,142	-	19,219,649	19,219,649
Airport	2,396,098	1,433,431	-	158,000	-	(804,667)	(804,667)
Golf	757,143	547,399	-	-	-	(209,744)	(209,744)
Event center	4,971,704	1,595,034	-	-	-	(3,376,670)	(3,376,670)
Transit and other	726,996	132,933	214,348	-	-	(379,715)	(379,715)
Sales tax remitted to schools	1,088,248	-	-	-	-	(1,088,248)	(1,088,248)
<b>Total business-type activities</b>	<b>30,122,719</b>	<b>42,110,834</b>	<b>214,348</b>	<b>1,158,142</b>	<b>-</b>	<b>13,360,605</b>	<b>13,360,605</b>
<b>Total primary government</b>	<b>\$ 71,488,564</b>	<b>\$ 45,000,653</b>	<b>\$ 4,650,444</b>	<b>\$ 1,241,583</b>	<b>(33,956,489)</b>	<b>13,360,605</b>	<b>(20,595,884)</b>
General revenues:							
Taxes:							
Sales and use					38,374,260	-	38,374,260
Property					3,666,898	1,428,091	5,094,989
Franchise					3,002,637	-	3,002,637
Other					642,309	-	642,309
Investment income					412,783	492,611	905,394
Miscellaneous					644,516	453,595	1,098,111
Gain on disposition of capital assets					-	24,360	24,360
Contributed capital assets					(2,000)	2,000	-
Transfers - internal activity					3,047,085	(3,047,085)	-
<b>Total general revenues and transfers</b>					<b>49,788,488</b>	<b>(646,428)</b>	<b>49,142,060</b>
<b>Change in net position</b>					<b>15,831,999</b>	<b>12,714,177</b>	<b>28,546,176</b>
Net position, beginning (restated)					58,257,369	155,347,673	213,605,042
Net position, ending					<b>\$ 74,089,368</b>	<b>\$ 168,061,850</b>	<b>\$ 242,151,218</b>

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

City of Enid, Oklahoma

**Balance Sheet—Governmental Funds  
June 30, 2018**

	General	Police Fund	Fire Fund	Capital Improvement Fund	Water Capital Improvements	Non-major Governmental Funds	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 2,027,731	\$ 610,973	\$ 257,166	\$ 153,102	\$ 1,178,851	\$ 2,765,156	\$ 6,992,979
Investments	6,781,586	2,109,125	887,754	528,520	4,069,476	8,585,017	22,961,478
Receivables:							
Accounts, net	62,591	-	-	-	-	-	62,591
Taxes	7,778,948	154,111	154,111	-	-	215,940	8,303,110
Due from other governments	75,792	27,695	-	160,000	-	393,333	656,820
Other	-	-	-	-	-	4,621	4,621
Due from other funds	321,926	-	-	-	-	-	321,926
Inventories	73,832	-	-	-	-	-	73,832
Prepaid expenses	90,713	32,331	2,093	-	-	15,932	141,069
Assets held for sale	-	-	-	-	-	3,273,493	3,273,493
Restricted cash and investments	-	-	-	-	-	2,292,982	2,292,982
<b>Total assets</b>	<b>\$ 17,213,119</b>	<b>\$ 2,934,235</b>	<b>\$ 1,301,124</b>	<b>\$ 841,622</b>	<b>\$ 5,248,327</b>	<b>\$ 17,546,474</b>	<b>\$ 45,084,901</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 1,212,332	\$ 332,402	\$ 186,121	\$ 204,282	\$ 1,281,412	\$ 469,026	\$ 3,685,575
Due to other funds	2,465,769	-	-	-	-	-	2,465,769
Unearned revenue	-	-	-	-	-	5,199	5,199
<b>Total liabilities</b>	<b>3,678,101</b>	<b>332,402</b>	<b>186,121</b>	<b>204,282</b>	<b>1,281,412</b>	<b>474,225</b>	<b>6,156,543</b>
<b>Deferred inflows of resources</b>							
Federal grants related to HUD loan	-	-	-	-	-	342,000	342,000
Property taxes succeeding year	2,256,491	-	-	-	-	-	2,256,491
<b>Total deferred inflows of resources</b>	<b>2,256,491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>342,000</b>	<b>2,598,491</b>
<b>Fund balances (deficit):</b>							
Nonspendable:							
Inventories, prepaids and assets held for sale	164,545	32,331	2,093	-	-	3,289,425	3,488,394
Restricted:							
Public safety	-	-	-	-	-	465,497	465,497
Debt service	-	-	-	-	-	2,302,075	2,302,075
Committed:							
Public safety	-	2,569,502	1,112,910	-	-	1,205	3,683,617
Public works	-	-	-	-	-	1,237,165	1,237,165
Economic development	-	-	-	-	-	12,500	12,500
Other	893,681	-	-	-	-	-	893,681
Capital improvements	-	-	-	637,340	-	9,088,476	9,725,816
Unassigned	10,220,301	-	-	-	3,966,915	333,906	14,521,122
<b>Total fund balances</b>	<b>11,278,527</b>	<b>2,601,833</b>	<b>1,115,003</b>	<b>637,340</b>	<b>3,966,915</b>	<b>16,730,249</b>	<b>36,329,867</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 17,213,119</b>	<b>\$ 2,934,235</b>	<b>\$ 1,301,124</b>	<b>\$ 841,622</b>	<b>\$ 5,248,327</b>	<b>\$ 17,546,474</b>	<b>\$ 45,084,901</b>

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

City of Enid, Oklahoma

Reconciliation of Governmental Funds and Government-Wide Financial Statements  
Year Ended June 30, 2018

Fund Balance - Net Position Reconciliation - June 30, 2018

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<b>Total fund balance - governmental funds:</b>	<b>\$ 36,329,867</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	70,040,273
Certain long-term assets are not available to pay for period expenditures and therefore are not reported in the funds.	
Due from other governments	342,000
The net pension liability and the total OPEB liability, and the pension and OPEB related deferred outflows and deferred inflows of resources are not due and payable from current financial resources, and therefore, are not reported in these fund financial statements but are reported in the governmental activities Statement of Net Position	
Net pension liability	(25,869,450)
Total OPEB Liability	(2,133,583)
Pension-related deferred outflows	5,783,038
Pension-related deferred inflows	(3,749,320)
OPEB-related deferred inflows	(39,701)
	<u>(26,009,016)</u>
Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as health insurance, to individual funds. The assets and liabilities of the internal service fund reported in governmental activities.	1,621,739
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(133,239)
Accrued compensated absences	(2,018,196)
Accrued liability for workers' compensation claims incurred	(1,344,760)
Notes payable	(2,622,000)
TIF bonds payable	(2,117,300)
	<u>(8,235,495)</u>
<b>Net position of governmental activities in the statement of net position</b>	<b><u>\$ 74,089,368</u></b>

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

City of Enid, Oklahoma

Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds  
Year Ended June 30, 2018

	General	Police Fund	Fire Fund	Capital Improvement Fund	Water Capital Improvements	Non-major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes	\$ 39,143,581	\$ 1,116,658	\$ 1,116,658	\$ -	\$ -	\$ 3,666,898	\$ 45,043,795
Licenses and permits	280,473	-	-	-	-	-	280,473
Intergovernmental	343,817	759,352	1,665,937	1,350,000	-	1,939,034	6,058,140
Fines and forfeitures	1,326,639	-	-	-	-	-	1,326,639
Charges for services	129,007	88,522	-	-	-	64,532	282,061
Other	500,301	23,615	14,321	100,000	-	110,386	748,623
Interest	127,195	41,343	15,887	34,095	31,097	163,166	412,783
<b>Total revenues</b>	<b>41,851,013</b>	<b>2,029,490</b>	<b>2,812,803</b>	<b>1,484,095</b>	<b>31,097</b>	<b>5,944,016</b>	<b>54,152,514</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	7,534,397	-	-	-	-	-	7,534,397
Public safety	92,264	10,192,544	9,559,456	-	-	1,093,533	20,937,797
Public works	3,920,374	-	-	-	-	665,129	4,585,503
Culture and recreation	2,188,710	-	-	-	-	-	2,188,710
Economic development	-	-	-	-	-	1,980,365	1,980,365
<b>Debt service:</b>							
Principal	-	-	-	-	-	749,510	749,510
Interest	-	-	-	-	-	218,472	218,472
Capital outlay	1,045,551	252,793	21,071	4,684,714	-	1,008,780	7,012,909
<b>Total expenditures</b>	<b>14,781,296</b>	<b>10,445,337</b>	<b>9,580,527</b>	<b>4,684,714</b>	<b>-</b>	<b>5,715,789</b>	<b>45,207,663</b>
<b>Excess of revenues over (under) expenditures</b>	<b>27,069,717</b>	<b>(8,415,847)</b>	<b>(6,767,724)</b>	<b>(3,200,619)</b>	<b>31,097</b>	<b>228,227</b>	<b>8,944,851</b>
<b>Other financing sources (uses):</b>							
Transfers in	8,705,000	8,035,230	7,145,945	1,676,795	15,935,000	6,788,076	48,286,046
Transfers out	(33,875,238)	(150,000)	(50,000)	(1,099,369)	(8,812,899)	(1,253,455)	(45,240,961)
<b>Total other financing sources (uses)</b>	<b>(25,170,238)</b>	<b>7,885,230</b>	<b>7,095,945</b>	<b>577,426</b>	<b>7,122,101</b>	<b>5,534,621</b>	<b>3,045,085</b>
<b>Net change in fund balances</b>	<b>1,899,479</b>	<b>(530,617)</b>	<b>328,221</b>	<b>(2,623,193)</b>	<b>7,153,198</b>	<b>5,762,848</b>	<b>11,989,936</b>
Fund balances, beginning	9,379,048	3,132,450	786,782	3,260,533	(3,186,283)	10,967,401	24,339,931
Fund balances, ending	\$ 11,278,527	\$ 2,601,833	\$ 1,115,003	\$ 637,340	\$ 3,966,915	\$ 16,730,249	\$ 36,329,867

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

City of Enid, Oklahoma

Reconciliation of Governmental Funds and Government-Wide Financial Statements  
Year Ended June 30, 2018

Changes in Fund Balance - Changes in Net Position Reconciliation - Year Ended June 30, 2018

<b>Net change in fund balances – total governmental funds:</b>	\$ 11,989,936
<b>Amounts reported for governmental activities in the Statement of Activities are different because:</b>	
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital outlay expenditures capitalized	7,404,691
Depreciation expense	(4,842,007)
Transfer of assets to business-type activities	(2,000)
Loss on disposal of capital assets	(94,613)
	<u>2,466,071</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	
Principal payments on notes payable and TIF bonds payable	635,148
Portions of receivables are not considered current financial resources and, therefore, portions of payments are recognized as revenues for the governmental funds: CDBG receipts for loan.	
	(154,000)
Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain revenues/expenses are reported in governmental activities on the Statement of Activities, net of amounts allocated to business-type activities	
	(207,350)
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in governmental funds:	
Accrued compensated absences, net change	(5,213)
Pension expense	1,098,846
Accrued liability for workers' compensation claims incurred	(144,507)
Interest expense	3,015
Judgments payable	114,362
Other post employment benefits	35,691
	<u>1,102,194</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ 15,831,999</u></u>

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

City of Enid, Oklahoma

Statement of Net Position—Proprietary Funds  
June 30, 2018

	Business-Type Activities					Internal Service	
	Enterprise Funds				Total		Health Care Fund
	Enid Municipal Authority	Enid Event Center and Convention Hall	Woodring Airport	Non-major Enterprise Funds			
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 1,784,234	\$ 391,832	\$ 726,686	\$ -	\$ 2,902,752	\$ 568,861	
Investments	6,159,301	264,542	770,385	-	7,194,228	1,963,747	
Receivables:							
Accounts (net of allowance for uncollectibles)	5,493,072	144,194	59,438	1,521	5,698,225	-	
Accrued interest	14,091	-	-	-	14,091	-	
Taxes	-	202,997	-	-	202,997	-	
Due from other governments	-	-	-	26,724	26,724	-	
Due from other funds	2,465,769	-	-	-	2,465,769	-	
Inventories	50,791	56,194	70,135	41,834	218,954	-	
Prepaid expenses	57,970	27,281	371	36	85,658	1,944	
Restricted investments	35,560,854	-	-	-	35,560,854	-	
<b>Total current assets</b>	<b>51,586,082</b>	<b>1,087,040</b>	<b>1,627,015</b>	<b>70,115</b>	<b>54,370,252</b>	<b>2,534,552</b>	
Noncurrent assets:							
Capital assets (net of accumulated depreciation)	130,068,040	28,421,543	19,671,772	449,602	178,610,957	-	
<b>Total noncurrent assets</b>	<b>130,068,040</b>	<b>28,421,543</b>	<b>19,671,772</b>	<b>449,602</b>	<b>178,610,957</b>	<b>-</b>	
<b>Total assets</b>	<b>181,654,122</b>	<b>29,508,583</b>	<b>21,298,787</b>	<b>519,717</b>	<b>232,981,209</b>	<b>2,534,552</b>	
<b>Deferred outflows of resources</b>							
Deferred amounts related to pensions	83,613	-	9,574	15,159	108,346	-	
<b>Liabilities</b>							
Current liabilities:							
Accounts payable and accrued liabilities	1,642,498	463,945	74,213	58,176	2,238,832	860,762	
Payable from restricted assets:							
Accrued interest payable	457,691	-	-	159	457,850	-	
Customer deposits	1,198,661	-	-	-	1,198,661	-	
Due to other funds	-	-	-	321,926	321,926	-	
Unearned revenue	-	134,945	-	12,556	147,501	-	
Current portion of noncurrent liabilities	6,038,423	-	22,860	38,386	6,099,669	-	
<b>Total current liabilities</b>	<b>9,337,273</b>	<b>598,890</b>	<b>97,073</b>	<b>431,203</b>	<b>10,464,439</b>	<b>860,762</b>	
Noncurrent liabilities:							
Compensated absences	73,032	-	12,637	15,118	100,787	-	
Capital lease obligations	1,465,248	-	-	16,272	1,481,520	-	
Other post-employment benefits liability	92,765	-	-	-	92,765	-	
Revenue notes payable	1,745,000	-	-	-	1,745,000	-	
Notes payable, net of unamortized premium	45,306,585	-	-	-	45,306,585	-	
Net pension liability	916,664	-	104,956	166,189	1,187,809	-	
Landfill closure and post-closure obligations	3,767,520	-	-	-	3,767,520	-	
Workers compensation claims	162,924	-	8,582	118,671	290,177	-	
<b>Total noncurrent liabilities</b>	<b>53,529,738</b>	<b>-</b>	<b>126,175</b>	<b>316,250</b>	<b>53,972,163</b>	<b>-</b>	
<b>Total liabilities</b>	<b>62,867,011</b>	<b>598,890</b>	<b>223,248</b>	<b>747,453</b>	<b>64,436,602</b>	<b>860,762</b>	
<b>Deferred inflows of resources</b>							
Deferred amounts related to pensions	496,339	-	56,830	89,985	643,154	-	
<b>Net position</b>							
Net investment in capital assets	79,331,884	28,421,543	19,671,772	422,292	127,847,491	-	
Restricted:							
Debt service	1,774,177	-	-	-	1,774,177	-	
Capital improvements	22,369,793	-	-	-	22,369,793	-	
Other	232	-	-	-	232	-	
Unrestricted	14,898,299	488,150	1,356,511	(724,854)	16,018,106	1,673,790	
<b>Total net position</b>	<b>\$ 118,374,385</b>	<b>\$ 28,909,693</b>	<b>\$ 21,028,283</b>	<b>\$ (302,562)</b>	<b>\$ 168,009,799</b>	<b>\$ 1,673,790</b>	

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund balances are included with business-type activities

\$ 52,051

Total net position per government-wide financial statements

\$ 168,061,850

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

City of Enid, Oklahoma

Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds  
Year Ended June 30, 2018

	Business-Type Activities					Internal Service
	Enterprise Funds				Total	
	Enid Municipal Authority	Enid Event Center and Convention Hall	Woodring Airport	Non-major Enterprise Funds		
Operating revenues:						
Charges for services:						
Utility operations	\$ 37,431,196	\$ -	\$ -	\$ -	\$ 37,431,196	\$ -
Event center	-	1,595,034	-	-	1,595,034	-
Airport	-	-	1,433,431	-	1,433,431	-
Transit	-	-	-	132,933	132,933	-
Healthcare premiums	-	-	-	-	-	5,076,249
Other	970,841	-	-	547,399	1,518,240	495,225
<b>Total operating revenues</b>	<b>38,402,037</b>	<b>1,595,034</b>	<b>1,433,431</b>	<b>680,332</b>	<b>42,110,834</b>	<b>5,571,474</b>
Operating expenses:						
Utility operations	10,803,523	-	-	-	10,803,523	-
Event center	-	3,260,400	-	-	3,260,400	-
Airport	-	-	1,436,632	-	1,436,632	-
Transit	-	-	-	689,099	689,099	-
Insurance claims and expenses	-	-	-	-	-	5,787,355
Other	218,635	-	-	706,015	924,650	-
Depreciation	7,434,020	1,711,304	961,005	91,122	10,197,451	-
<b>Total operating expenses</b>	<b>18,456,178</b>	<b>4,971,704</b>	<b>2,397,637</b>	<b>1,486,236</b>	<b>27,311,755</b>	<b>5,787,355</b>
<b>Net operating income (loss)</b>	<b>19,945,859</b>	<b>(3,376,670)</b>	<b>(964,206)</b>	<b>(805,904)</b>	<b>14,799,079</b>	<b>(215,881)</b>
Nonoperating revenues (expenses):						
Taxes	-	1,428,091	-	-	1,428,091	-
Miscellaneous revenues	-	100	445,409	8,086	453,595	-
Interest income	476,104	2,394	13,807	306	492,611	33,538
Government grants	1,000,142	-	-	214,348	1,214,490	-
Gain/(loss) on disposition of assets	-	-	24,360	-	24,360	-
Payments to schools	(1,088,248)	-	-	-	(1,088,248)	-
Interest expense and fiscal charges	(1,745,956)	-	-	(1,761)	(1,747,717)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(1,357,958)</b>	<b>1,430,585</b>	<b>483,576</b>	<b>220,979</b>	<b>777,182</b>	<b>33,538</b>
<b>Net income (loss) before capital contributions and transfers</b>	<b>18,587,901</b>	<b>(1,946,085)</b>	<b>(480,630)</b>	<b>(584,925)</b>	<b>15,576,261</b>	<b>(182,343)</b>
Capital grants	-	-	158,000	-	158,000	-
Capital asset contributions	2,000	-	-	-	2,000	-
Transfers in	28,920,495	325,000	-	584,542	29,830,037	-
Transfers (out)	(32,877,122)	-	-	-	(32,877,122)	-
<b>Change in net position</b>	<b>14,633,274</b>	<b>(1,621,085)</b>	<b>(322,630)</b>	<b>(383)</b>	<b>12,689,176</b>	<b>(182,343)</b>
Net position, beginning (restated)	103,741,111	30,530,778	21,350,913	(302,179)	155,320,623	1,856,133
Net position, ending	<b>\$ 118,374,385</b>	<b>\$ 28,909,693</b>	<b>\$ 21,028,283</b>	<b>\$ (302,562)</b>	<b>\$ 168,009,799</b>	<b>\$ 1,673,790</b>

Change in net position per above

\$ 12,689,176

Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue the internal service fund is reported with business-type activities.

25,001

Change in business-type activities in net position per government-wide financial statements

\$ 12,714,177

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

City of Enid, Oklahoma

Statement of Cash Flows—Proprietary Funds  
Year Ended June 30, 2018

	Business-Type Activities					Internal Service Health Care Fund
	Enterprise Funds				Total	
	Enid Municipal Authority	Enid Event Center and Convention Hall	Woodring Airport	Non-major Enterprise Funds		
Cash flows from operating activities:						
Receipts from customers	\$ 36,859,579	\$ 1,596,090	\$ 1,426,347	\$ 656,779	\$ 40,538,795	\$ 5,571,474
Payments to suppliers	(6,537,372)	(3,093,029)	(1,049,831)	(408,540)	(11,088,772)	(5,763,381)
Payments to employees	(3,582,740)	13,662	(401,487)	(965,821)	(4,936,386)	-
<b>Net cash provided (used) by operating activities</b>	<b>26,739,467</b>	<b>(1,483,277)</b>	<b>(24,971)</b>	<b>(717,582)</b>	<b>24,513,637</b>	<b>(191,907)</b>
Cash flows from noncapital financing activities:						
Taxes	-	1,353,227	-	-	1,353,227	-
Interfund payments	1,374,851	-	-	(72,497)	1,302,354	-
Miscellaneous revenues/(expenses)	-	100	445,409	8,086	453,595	-
Government grants and contracts	1,000,142	-	-	214,348	1,214,490	-
Payments to schools	(1,088,248)	-	-	-	(1,088,248)	-
Operating transfers in	28,920,495	325,000	-	584,542	29,830,037	-
Operating transfers out	(32,877,122)	-	-	-	(32,877,122)	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(2,669,882)</b>	<b>1,678,327</b>	<b>445,409</b>	<b>734,479</b>	<b>188,333</b>	<b>-</b>
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	(6,625,895)	-	-	(15,424)	(6,641,319)	-
Interest expense and fiscal charges	(1,776,780)	-	-	(1,779)	(1,778,559)	-
Capital grants	-	-	158,000	-	158,000	-
Proceeds from sale of capital assets	-	-	32,484	-	32,484	-
Acquisition/construction of capital assets	(11,776,500)	(10,281)	(311,484)	-	(12,098,265)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(20,179,175)</b>	<b>(10,281)</b>	<b>(121,000)</b>	<b>(17,203)</b>	<b>(20,327,659)</b>	<b>-</b>
Cash flows from investing activities:						
Purchases of investments	(3,748,939)	(59,520)	(268,140)	-	(4,076,599)	-
Proceeds from sale of investments	-	-	-	-	-	12,875
Interest income	466,787	2,394	13,807	306	483,294	33,538
<b>Net cash provided (used) by investing activities</b>	<b>(3,282,152)</b>	<b>(57,126)</b>	<b>(254,333)</b>	<b>306</b>	<b>(3,593,305)</b>	<b>46,413</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>608,258</b>	<b>127,643</b>	<b>45,105</b>	<b>-</b>	<b>781,006</b>	<b>(145,494)</b>
Cash and cash equivalents, beginning	1,175,976	264,189	681,581	-	2,121,746	714,355
Cash and cash equivalents, ending	\$ 1,784,234	\$ 391,832	\$ 726,686	\$ -	\$ 2,902,752	\$ 568,861



City of Enid, Oklahoma

Statement of Cash Flows—Proprietary Funds (Continued)  
Year Ended June 30, 2018

	Business-Type Activities					
	Enterprise Funds				Internal Service	
	Enid Municipal Authority	Enid Event Center and Convention Hall	Woodring Airport	Non-major Enterprise Funds	Total	Health Care Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Net operating income (loss)	\$ 19,945,859	\$ (3,376,670)	\$ (964,206)	\$ (805,904)	\$ 14,799,079	\$ (215,881)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	7,434,020	1,711,304	961,005	91,122	10,197,451	-
Landfill closure costs	136,168	-	-	-	136,168	-
(Increases) decrease in assets:						
Receivables	(1,598,886)	(5,161)	(7,084)	(23,552)	(1,634,683)	-
Inventories	3,587	1,929	(27,400)	(4,738)	(26,622)	-
Prepaid expenses	(7,439)	5,120	(96)	(36)	(2,451)	(1,944)
Pension-related deferred outflows	33,141	-	16,181	21,431	70,753	-
Increase (decrease) in liabilities:						
Accounts payable and accrued liabilities	764,776	190,165	57,399	65,908	1,078,248	25,918
Unearned revenue	-	(16,181)	-	2,907	(13,274)	-
Net pension liability	213,505	-	(12,412)	(7,122)	193,971	-
Customer deposits	56,427	6,217	-	-	62,644	-
Other post-employment benefits liability	(3,336)	-	-	-	(3,336)	-
Pension-related deferred inflows	(238,355)	-	(48,358)	(57,598)	(344,311)	-
<b>Total adjustments</b>	<b>6,793,608</b>	<b>1,893,393</b>	<b>939,235</b>	<b>88,322</b>	<b>9,714,558</b>	<b>23,974</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 26,739,467</b>	<b>\$ (1,483,277)</b>	<b>\$ (24,971)</b>	<b>\$ (717,582)</b>	<b>\$ 24,513,637</b>	<b>\$ (191,907)</b>
Supplemental schedule of noncash capital and financial activities:						
Capital contributions	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000	\$ -
Assets, acquired under capital lease obligations	\$ 842,054	\$ -	\$ -	\$ -	\$ 842,054	\$ -

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

**City of Enid, Oklahoma**

**Statement of Fiduciary Net Position—Fiduciary Funds  
June 30, 2018**

	Agency Funds	Pension Trust Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 19,019	\$ 1,025,410
Receivables:		
Accrued interest	-	7,723
Investments	10,132	-
Mutual fund - equities	-	32,636,520
Mutual fund - corporate bonds	-	7,869,202
Money market funds	-	147,907
Participant loans	-	411,148
<b>Total assets</b>	<u>29,151</u>	<u>42,097,910</u>
<b>Liabilities</b>		
Funds held in custody for others	<u>29,151</u>	-
<b>Total liabilities</b>	<u>\$ 29,151</u>	<u>-</u>
<b>Net position - restricted for pensions</b>		<u>\$ 42,097,910</u>

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

City of Enid, Oklahoma

Statement of Changes in Fiduciary Net Position—Fiduciary Funds  
June 30, 2018

	Pension Trust Funds
<b>Additions:</b>	
Contributions:	
Employer	\$ 1,200,892
Plan members	693,736
<b>Total contributions</b>	<u>1,894,628</u>
Investment earnings:	
Net increase (decrease) in the fair value of investments	3,083,845
Interest and dividends	512,040
<b>Total investment earnings</b>	<u>3,595,885</u>
<b>Total additions</b>	<u>5,490,513</u>
<b>Deductions:</b>	
Benefits and withdrawals	2,264,772
Administrative expenses	170,535
<b>Total deductions</b>	<u>2,435,307</u>
<b>Change in net position restricted for pensions</b>	3,055,206
Net position restricted for pensions, beginning	<u>39,042,704</u>
Net position restricted for pensions, ending	<u>\$ 42,097,910</u>

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

## City of Enid, Oklahoma

### Notes to Financial Statements

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#### Note 1. Organization

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

#### Note 2. Summary of Significant Accounting Policies

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

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

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

The Enid Public Transportation Authority (EPTA) was established February 7, 1984. The EPTA provides public transportation within the city limits of Enid and North Enid. Transportation is also provided to and from Oklahoma City and Tulsa for a fee sufficient to cover costs. The City of Enid and North Enid have a combined land area of approximately 75 square miles. Estimated ridership of the EPTA is 3,900 trips per month. The type of service offered is on-demand response service. The City of Enid would receive all properties upon termination of the authority. EPTA is presented as a blended enterprise fund and does not issue separate financial statements. The EPTA's operations are managed by the management of the City. Additionally, the City Council approves the budget for the EPTA.

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

**Note 2. Summary of Significant Accounting Policies (Continued)**

**Basis of presentation:**

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

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

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

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

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

- The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The police fund is a special revenue fund which accounts for the resources accumulated from a portion of sales tax revenues and payments made for police operations and capital expenditures and committed revenues from the general fund.
- The fire fund is a special revenue fund which accounts for the resources accumulated from a portion of sales tax revenues and payments made for fire operations and capital expenditures and committed revenues from the general fund.
- The capital improvement fund is a capital project fund which accounts for the resources accumulated from a portion of sales tax revenues and payments made to help fund capital projects for various functions of the City. This fund is considered a major fund for public purposes.
- The water capital improvement fund is a capital project fund which accounts for the resources accumulated from a portion of sales tax revenues and customer payments made to help fund drinking water projects of the City.

## City of Enid, Oklahoma

### Notes to Financial Statements

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#### Note 2. Summary of Significant Accounting Policies (Continued)

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

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

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

The City also reports non-major enterprise funds.

Additionally, the City reports the following fund types:

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

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

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

**Note 2. Summary of Significant Accounting Policies (Continued)**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The proprietary and pension benefit trust funds are also reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and budgeted for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

City of Enid, Oklahoma

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance:**

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

**Pooled cash and investments** - Certain cash funds and investments belonging to the City and its component units are placed in a pooled cash fund. This "pooled cash" concept is used to maintain the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each participating fund has equity in the pooled accounts. This equity in the pooled cash accounts is allocated to the fund level as cash and investments.

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

**Investments** - Investments for the City, as well as for its component units, are reported at fair value, with the exception of non-negotiable certificates of deposit which are reported at cost. Negotiable certificates of deposits recorded at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date.

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

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

**Inventories and prepaid items** - Inventories are valued at cost using the lower of cost or market method and consist of warehouse supplies and fuel at the service center, landfill and central supply. The cost of inventory is allocated to the user departments based upon consumption. Airport and golf course inventories are sold to end users using costs of goods sold accounts.

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

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



## City of Enid, Oklahoma

### Notes to Financial Statements

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#### Note 2. Summary of Significant Accounting Policies (Continued)

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

**Capital assets** - Capital assets, which include land, construction in progress, buildings, infrastructure, equipment and vehicles, are reported in the applicable governmental or business-type activities column in the government-wide financial statements, and the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life of more than one year. Assets acquired with federal grant money are capitalized when the individual cost of the asset is more than \$5,000 and have an estimated useful life of more than one year. As the City acquires or constructs capital assets each year, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

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

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

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental fund balance sheet and the government-wide statement of net position includes succeeding year property tax revenue, which is reported as a deferred inflow of resources under both the modified accrual and accrual basis of accounting. Deferred amounts related to pensions and OPEB are also reported as deferred inflows in the government-wide statement of net position. In addition, deferred amounts related to revenues related to the Community Development Block Grant used for the reimbursement of a note payable from the Department of Housing and Urban Development are reported as a deferred inflow of resources under the modified accrual basis of accounting in the governmental fund balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the funds become available.

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

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

**Other Post-Employment Benefits** – For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the City's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

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

**Long-term debt** - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position including discretely presented component units. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Issuance costs are reported as expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued 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 expenditures. Debt principal payments are reported as expenditures.

## City of Enid, Oklahoma

### Notes to Financial Statements

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#### Note 2. Summary of Significant Accounting Policies (Continued)

##### ***Fund balances and net position***

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

- a. Nonspendable - includes amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact.
- b. Restricted - consists of fund balance with constraints placed on the use of resources either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) laws through constitutional provisions or enabling legislation.
- c. Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance.
- d. Assigned - includes amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by City Commission's action or the City Manager when the City Council has designated that authority through the budget resolutions. The City had no assigned fund balance at June 30, 2018.
- e. Unassigned - all amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

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

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

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

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

## City of Enid, Oklahoma

### Notes to Financial Statements

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#### Note 2. Summary of Significant Accounting Policies (Continued)

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Sales taxes:** The sales tax rate in the City of Enid is 9.1 percent. The State of Oklahoma receives 4.5 percent and the City receives 4.25 percent and Garfield County receives .35 percent. The 4.25 percent for the City of Enid is broken down as follows:

- 2 percent remains in the General Fund to fund City operations.
- 1 percent is transferred to the Enid Municipal Authority to pay for capital infrastructure and water bond debt.
- $\frac{1}{4}$  percent is restricted for the Police and Fire Fund for public safety purposes.
- $\frac{1}{4}$  percent is transferred to the Enid Municipal Authority to pay for the 2003 School Bond debt.
- $\frac{3}{4}$  percent is transferred to the Enid Municipal Authority to pay for the Kaw Lake Project and the related debt.

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

**Property taxes** - Property taxes revenue recognized by the City are billed and collected by the county treasurer's office and remitted to the City in the month following the collection. Property taxes are levied annually in November and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following November. The City recognizes the tax revenue in the year it is levied by Garfield County. For the years ended June 30, 2018 and 2017, the City's net assessed valuation of taxable real and personal property aggregated \$395,750,905 and \$370,937,339 while the property taxes levied per \$1,000 had a millage rate of .00 in 2018 and .30 in 2017.

## City of Enid, Oklahoma

### Notes to Financial Statements

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#### Note 2. Summary of Significant Accounting Policies (Continued)

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

The City adopted the following accounting pronouncements in the fiscal year ended June 30, 2018:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued June 2015. This statement addresses accounting and financial reporting for OPEB that is provided to employees of state and local governmental employers. GASB 75 establishes standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and expense/expenditures. For defined benefit OPEB, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB are also addressed. The implementation of this standard resulted in note modifications to Note 6 and the recognition of the total OPEB liability in the financial statements.
- GASB Statement No. 85, *Omnibus 2017*, issued March 2017. Statement No. 85 is designed to address the practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). This statement had no material impact on the City.
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*, issued May 2017. Statement No. 86 is designed to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also requires the inclusion of any remaining prepaid insurance related to extinguished debt in the net carrying amount of the debt when calculating the difference between the reacquisition price and the net carrying amount of the debt for debt that is extinguished through a legal extinguishment or an in-substance defeasance. This statement also improves notes to financial statements for debt that is defeased in substance. This statement had no material impact on the City.
- GASB Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*, issued June 2018. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This standard was adopted early by the City, and as a result of the adoption, the City no longer capitalizes interest expense, and instead reports all of its interest expense as an outflow of resources.

## City of Enid, Oklahoma

### Notes to Financial Statements

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#### Note 2. Summary of Significant Accounting Policies (Continued)

The following pronouncements will be implemented in future periods. The City has not yet evaluated the potential impact these statements will have on its financial statements.

##### *Fiscal Year Ending June 30, 2019:*

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued December 2016. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The statement identifies the circumstances that trigger the recognition of these transactions. The statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

##### *Fiscal Year Ending June 30, 2020:*

- GASB Statement No. 90 *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.
- GASB Statement No. 84, *Fiduciary Activities*, issued February 2017. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

**Note 2. Summary of Significant Accounting Policies (Continued)**

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

*Fiscal Year Ending June 30, 2021:*

- GASB Statement No. 87, *Leases*, issued June 2017. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the [City, Authority, County] must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

**Subsequent events:** In September 2018, the Enid Municipal Authority issued a new note payable, the Series 2018 OWRB Promissory Note for the construction of the Kaw Lake Pipeline Project. The total project funds available for draw on the loan is \$20,000,000. The interest rate on the note is 2.99 percent. The note interest payments commence on March 15, 2019 and the note principal payments commence on September 15, 2020. The note will reach maturity on September 15, 2050.

In September 2018, the Enid Municipal Authority issued a new note payable, the Series 2018B OWRB Promissory Note for the construction of the Kaw Lake Pipeline Project. The total note proceeds of \$44,819,206 include principal of \$42,960,000 and a net premium of \$1,859,206. The interest rate on the note ranges between 3.2% and 5.2%. The note payments commence on March 15, 2019 and the note will reach maturity on September 15, 2048.

## City of Enid, Oklahoma

### Notes to Financial Statements

#### Note 3. Detailed Notes on All Activities and Funds

Cash and investments: The City held the following deposits and investments at June 30, 2018:

Governmental and Proprietary	Carrying Value	Credit Rating	Investment Maturities (in Years)			
			Less than 1	1 - 5	6 - 10	More than 10
Type:						
Demand deposits	\$ 18,501,909	n/a	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Petty cash and change funds	6,750	n/a	N/A	N/A	N/A	N/A
Time deposits	7,850,000	n/a	-	7,600,000	250,000	-
Investments:						
Government money market funds	8,274,954	Aaa-mf	8,274,954	-	-	-
Negotiable certificates of deposits	24,239,868	n/a	2,024,163	11,616,819	10,598,885	-
U.S. Agency securities	21,564,400	Aaa	21,564,400	-	-	-
Total cash and cash equivalents and investments	<u>\$ 80,437,881</u>		<u>\$ 31,863,517</u>	<u>\$ 11,616,819</u>	<u>\$ 10,598,885</u>	<u>\$ -</u>
Reconciliation to statement of net position:						
Cash and cash equivalents	\$ 10,464,592					
Investments	32,119,453					
Restricted cash and investments	37,853,836					
	<u>\$ 80,437,881</u>					

Agency and Fiduciary	Fair Value	Credit Rating	Investment Maturities (in Years)			
			Less than 1	1 - 5	6 - 10	More than 10
Demand deposits	\$ 1,044,429	n/a	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Investments:						
Negotiable certificates of deposits	10,132	n/a	2,837	6,181	1,115	-
Mutual funds - equities	32,636,520	n/a	32,636,520	-	-	-
Mutual funds - corporate bonds	7,869,202	Bb - Aaa	7,869,202	-	-	-
Money market fund	147,907	not rated	147,907	-	-	-
Total cash and cash equivalents and investments	<u>\$ 41,708,190</u>		<u>\$ 40,656,466</u>	<u>\$ 6,181</u>	<u>\$ 1,115</u>	<u>\$ -</u>

Amounts shown as government money market funds above are classified as restricted investments in the Statement of Net Position. These money market investments are measured at amortized cost as opposed to their fair value as they have maturity dates of less than one year at the time of purchase.

**Custodial credit risk - deposits** - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2018, the City had \$89,827 in bank balances that were not covered by Federal Depository Insurance or collateralized by securities pledged by the banks and held in safekeeping by another bank.



**City of Enid, Oklahoma**

**Notes to Financial Statements**

**Note 3. Detailed Notes on All Activities and Funds (Continued)**

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

**Fair value measurements** – The City uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

**City of Enid Government-Wide Investments**

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Negotiable certificates of deposit	\$ -	\$ 24,239,868	\$ -	\$ 24,239,868
U.S. Agency securities	-	21,564,400	-	21,564,400
	<u>\$ -</u>	<u>\$ 45,804,268</u>	<u>\$ -</u>	<u>\$ 45,804,268</u>

**City of Enid Retirement Plans**

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Mutual fund - equity	\$ 32,636,520	\$ -	\$ -	\$ 32,636,520
Mutual fund - corporate bonds	7,869,202	-	-	7,869,202
Negotiable certificates of deposit	-	10,132	-	10,132
Money market fund	147,907	-	-	147,907
	<u>\$ 40,653,629</u>	<u>\$ 10,132</u>	<u>\$ -</u>	<u>\$ 40,663,761</u>

The value of level 2 inputs are determined using quoted prices for similar assets or liabilities in active markets.

Notes to Financial Statements

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**Note 3. Detailed Notes on All Activities and Funds (Continued)**

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

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

**Concentration of credit risk** - The City places no limit on the amount it may invest in any one issuer. More than 5 percent of the City's investments are in U.S. Agency securities. Investments issued or explicitly guaranteed by the U.S government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration.

**Custodial credit risk** - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City's policy to maintain investment securities that are insured or registered in the City's name and held by the City or its agent in the City's name whenever possible. As of June 30, 2018, the City's investments were not exposed to custodial credit risk as all the City's investments were registered in the name of the City and held by a counterparty.

Restricted cash and investments: The amounts reported as restricted cash and investments included the Enid Municipal Authority Series 2003 Sales Tax note, 2009 OWRB note, 2010 OWRB note and 2012B OWRB note, and 2015 Revenue note in the Enid Municipal Authority fund, as well as the EEDA Tax Apportionment Bonds and Series 2015 in the Enid Economic Development Authority fund, include restricted cash and investments for sinking funds and reserve funds for repayment of principal and interest when due. Restricted balances also contain \$2,909,634 in unspent note proceeds from the 2016 OWRB Note set aside for the Kaw Lake project in the Enid Municipal Authority fund. Additionally, funds transferred to the Enid Municipal Authority that are restricted for the purpose of acquiring capital assets through a 1 percent sales tax,  $\frac{3}{4}$  percent sales tax, and sanitary sewer fee restriction are included in the restricted cash and investments of the Enid Municipal Authority fund.

**City of Enid, Oklahoma**

**Notes to Financial Statements**

**Note 3. Detailed Notes on All Activities and Funds (Continued)**

The following is a summary of the debt issuances that require restricted cash and investments to be maintained. The balances as of June 30, 2018 are as follows:

	Governmental Funds	Proprietary Funds	Totals
EMA 2003 Sales Tax Note	\$ -	\$ 232	\$ 232
EMA 2009 OWRB Note	-	84,369	84,369
EMA 2010 OWRB Note	-	993,270	993,270
EMA 2012B OWRB Note	-	206,893	206,893
EMA 2016 OWRB Note	-	3,265,668	3,265,668
EMA 2012 Sales Tax Note	-	133,611	133,611
EMA 2015 Revenue Note	-	1,298,161	1,298,161
1% Restricted Sales Tax	-	14,355,543	14,355,543
3/4% Restricted Tax for Kaw Lake	-	8,014,250	8,014,250
Sanitary Sewer Capital Improvements	-	7,208,857	7,208,857
EEDA 2005 Tax Apportionment Bonds	2,246,385	-	2,246,385
EEDA Series 2015 Sales Tax Revenue Note	46,597	-	46,597
<b>Total restricted cash and investments</b>	<b>\$ 2,292,982</b>	<b>\$ 35,560,854</b>	<b>\$ 37,853,836</b>

Receivables: Receivables as of June 30, 2018, for the City of Enid's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	Receivables					
	Taxes	Accounts	Due from Other Governments	Accrued Interest	Allowance for Doubtful Accounts	Net Receivables
<b>Governmental activities:</b>						
Fund:						
General	\$ 7,778,948	\$ 68,072	\$ 75,792	\$ -	\$ (5,481)	\$ 7,917,331
Police	154,111	-	27,695	-	-	181,806
Fire	154,111	-	-	-	-	154,111
Capital improvement	-	-	160,000	-	-	160,000
Non-major governmental funds	215,940	-	393,333	4,621	-	613,894
<b>Total governmental activities</b>	<b>8,303,110</b>	<b>68,072</b>	<b>656,820</b>	<b>4,621</b>	<b>(5,481)</b>	<b>9,027,142</b>
<b>Business-type activities:</b>						
Fund:						
Enid Municipal Authority	-	5,855,146	-	14,091	(362,074)	5,507,163
Enid Event Center and Convention Hall	202,997	144,194	-	-	-	347,191
Woodring Airport	-	75,440	-	-	(16,002)	59,438
Non-major enterprise funds	-	5,234	26,724	-	(3,713)	28,245
<b>Total business-type activities</b>	<b>202,997</b>	<b>6,080,014</b>	<b>26,724</b>	<b>14,091</b>	<b>(381,789)</b>	<b>5,942,037</b>
<b>Net total receivables</b>	<b>\$ 8,506,107</b>	<b>\$ 6,148,086</b>	<b>\$ 683,544</b>	<b>\$ 18,712</b>	<b>\$ (387,270)</b>	<b>\$ 14,969,179</b>

**City of Enid, Oklahoma**

**Notes to Financial Statements**

**Note 3. Detailed Notes on All Activities and Funds (Continued)**

Capital assets: Capital asset balances and activities for the year ended June 30, 2018, were as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 6,355,793	\$ 40,000	\$ -	\$ (87,614)	\$ 6,308,179
Construction in progress	10,069,558	6,138,530	(1,146,657)	-	15,061,431
Total capital assets, not being depreciated	16,425,351	6,178,530	(1,146,657)	(87,614)	21,369,610
Capital assets, being depreciated:					
Buildings	16,062,291	246,537	-	-	16,308,828
Infrastructure	87,684,227	-	919,975	-	88,604,202
Equipment	10,919,883	426,496	287,235	(284,723)	11,348,891
Vehicles	11,185,411	553,128	(55,181)	(147,942)	11,535,416
Total capital assets, being depreciated	125,851,812	1,226,161	1,152,029	(432,665)	127,797,337
Less accumulated depreciation for:					
Buildings	(7,860,299)	(658,093)	-	-	(8,518,392)
Infrastructure	(47,710,961)	(2,730,182)	-	-	(50,441,143)
Equipment	(9,867,214)	(625,716)	(60,553)	284,723	(10,268,760)
Vehicles	(9,264,487)	(828,016)	53,181	140,943	(9,898,379)
Total accumulated depreciation	(74,702,961)	(4,842,007)	(7,372)	425,666	(79,126,674)
Total capital assets, being depreciated, net	51,148,851	(3,615,846)	1,144,657	(6,999)	48,670,663
Governmental activities capital assets, net	\$ 67,574,202	\$ 2,562,684	\$ (2,000)	\$ (94,613)	\$ 70,040,273
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 7,679,181	\$ -	\$ -	\$ -	\$ 7,679,181
Construction in progress	11,705,962	11,250,248	(3,847,656)	-	19,108,554
Total capital assets, not being depreciated	19,385,143	11,250,248	(3,847,656)	-	26,787,735
Capital assets, being depreciated:					
Buildings	77,296,842	-	1,133,238	-	78,430,080
Infrastructure	146,992,531	-	2,634,947	-	149,627,478
Equipment	24,478,881	1,260,623	18,918	(242,776)	25,515,646
Vehicles	7,349,490	428,021	55,181	-	7,832,692
Total capital assets, being depreciated	256,117,744	1,688,644	3,842,284	(242,776)	261,405,896
Less accumulated depreciation for:					
Buildings	(16,427,559)	(4,234,554)	-	-	(20,662,113)
Infrastructure	(63,906,908)	(3,995,310)	-	-	(67,902,218)
Equipment	(13,890,281)	(1,416,958)	60,553	234,651	(15,012,035)
Vehicles	(5,402,498)	(550,629)	(53,181)	-	(6,006,308)
Total accumulated depreciation	(99,627,246)	(10,197,451)	7,372	234,651	(109,582,674)
Total capital assets, being depreciated, net	156,490,498	(8,508,807)	3,849,656	(8,125)	151,823,222
Business-type activities capital assets, net	\$ 175,875,641	\$ 2,741,441	\$ 2,000	\$ (8,125)	\$ 178,610,957

City of Enid, Oklahoma

Notes to Financial Statements

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**Note 3. Detailed Notes on All Activities and Funds (Continued)**

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

**Governmental activities:**

General government	\$ 919,183
Public safety	943,022
Public works	2,773,229
Cultural and recreation	184,786
Economic development	21,787
Total governmental activities	<u>\$ 4,842,007</u>

**Business-type activities:**

Utility operations	\$ 7,434,020
Airport	961,005
Golf	50,852
Transit	40,270
Event center	1,711,304
Total business-type activities	<u>\$ 10,197,451</u>

Deposits subject to refund: Utility customers are required to make a meter deposit which is refunded upon the customer's termination of services, or upon request after twelve months of on-time payments with no cut-offs, provided there are no outstanding bills. Monies are deposited into the pooled cash account, and a liability has been recorded to represent the amount of deposits due to customers. As of June 30, 2018, the liability to customers was \$1,198,661.

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

**City of Enid, Oklahoma**

**Notes to Financial Statements**

**Note 3. Detailed Notes on All Activities and Funds (Continued)**

Long-term liabilities: The City's long-term liabilities consist of notes payable, revenue bonds and notes payable, accrued compensated absences, net pension liability, OPEB liability, workers' compensation claims, and capital lease obligations. Long-term liabilities transactions for the year ended June 30, 2018, were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 2,012,982	\$ 1,224,147	\$ (1,218,933)	\$ 2,018,196	\$ 1,213,756
Workers' compensation claims	1,200,253	3,298,482	(3,153,975)	1,344,760	368,160
Judgments	108,658	5,704	(114,362)	-	-
Notes payable	3,231,000	-	(609,000)	2,622,000	634,000
Tax apportionment bonds	2,143,448	-	(26,148)	2,117,300	2,117,300
Total governmental activities	<u>\$ 8,696,341</u>	<u>\$ 4,528,333</u>	<u>\$ (5,122,418)</u>	<u>8,102,256</u>	<u>4,333,216</u>

Reconciliation to Statement of Net Position:

Plus: Net pension liability		25,869,450	-
OPEB Liability		2,133,583	-
		<u>\$ 36,105,289</u>	<u>\$ 4,333,216</u>

**Business-type activities:**

Compensated absences	\$ 268,423	\$ 183,635	\$ (168,949)	\$ 283,109	\$ 182,322
Workers' compensation claims	384,263	1,215,916	(1,245,380)	354,799	64,621
Landfill closure and post-closure and other long-term liabilities	3,631,352	136,168	-	3,767,520	-
Revenue notes payable	4,965,000	-	(2,090,000)	2,875,000	1,130,000
Notes payable, net	53,363,403	-	(4,155,206)	49,208,197	4,288,980
Add: Unamortized premium on notes payable	400,727	-	(13,359)	387,368	-
Capital lease obligations	1,457,399	842,054	(384,188)	1,915,265	433,746
Total business-type activities	<u>\$ 64,470,567</u>	<u>\$ 2,377,773</u>	<u>\$ (8,057,082)</u>	<u>58,791,258</u>	<u>6,099,669</u>

Reconciliation to Statement of Net Position:

Plus: Net pension liability		1,187,809	-
OPEB Liability		92,765	-
		<u>\$ 60,071,832</u>	<u>\$ 6,099,669</u>

Accrued compensated absences of governmental activities is primarily liquidated by the General Fund, Police Fund and Fire Fund. Accrued compensated absences of business-type activities is primarily liquidated by the Enid Municipal Authority. Other post-employment benefits liabilities of governmental activities are liquidated primarily by the General Fund. Workers' compensation claims liabilities of governmental activities are liquidated primarily by the General Fund, Police Fund, and Fire Fund. Workers' compensation claims liabilities of business-type activities is primarily liquidated by the Enid Municipal Authority.

City of Enid, Oklahoma

Notes to Financial Statements

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**Note 3. Detailed Notes on All Activities and Funds (Continued)**

*Governmental activities* long-term debt payable from property tax levies and other revenues, including sales taxes, includes the following:

**Governmental activities:**

Notes payable:

Note payable in the amount of \$1,910,000 with interest in semi-annual installments and principal in 20 annual installments beginning August 1, 2000, with final installment due August 31, 2019, with interest at 1.54% for economic development. Note guaranteed by the U.S. Department of Housing and Urban Development. \$ 342,000

Note payable in the amount of \$2,920,000 with interest in semi-annual installments and principal in 84 monthly installments beginning February 1, 2017 with final installment due January 1, 2023, with interest at 3.03% for economic development. Note will be repaid using future sales tax revenues. 2,280,000

Tax apportionment bonds:

Tax Apportionment Bonds, Series 2005, dated September 22, 2005 and purchased by Advance Foods in the principal amount of \$6,250,000. Bond matures on July 1, 2023 and bears interest at 6.00% per annum. Proceeds of the bonds were used to finance economic development. The bonds will be paid by the incremental increase in Ad valorem tax revenue generated by the development within Increment District No. 1, of the City of Enid. 2,117,300

Total long-term notes and bonds payable for governmental activities \$ 4,739,300

*Business-type activities* long-term debt payable from net revenues generated and taxes pledged to the City's business-type activities include the following:

**Business-type activities:**

Revenue notes:

Series 2015 Enid Municipal Authority Utility System and Sales Tax Revenue Note to Branch Banking and Trust Company, dated June 30, 2015, in the amount of \$5,615,000, payable in semi-annual installments over 5 years, every January 1, & July 1, including interest at 1.70% for the construction of Willow Road widening, Cleveland & Chestnut intersection, well field improvements and waterline relocation. 2,875,000

Total revenue notes 2,875,000

## City of Enid, Oklahoma

### Notes to Financial Statements

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#### Note 3. Detailed Notes on All Activities and Funds (Continued)

Notes payable:	
Series 1998A note payable to the Oklahoma Water Resources Board, dated September 14, 1998, in the amount of \$1,906,000 payable in semi-annual principal installments beginning February 15, 1999 and maturing August 15, 2018, interest rate of 0.50% with an administrative fee at the rate of 0.50% for improvements.	47,650
Series 2000A note payable to the Oklahoma Water Resources Board, dated December 27, 2000, in the amount of \$1,184,042 payable in semi-annual principal installments beginning February 15, 2001 and maturing August 15, 2020, interest rate of 0.50% with an administrative fee at the rate of 0.50% for sewer improvements.	148,006
Series 2002A note payable to the Oklahoma Water Resources Board, dated August 14, 2002, in the amount of \$1,080,000 payable in semi-annual principal installments beginning February 15, 2003 and maturing February 15, 2022, interest rate of 0.50% with an administrative fee of 0.50% for sewer improvements.	221,537
Series 2009 drinking water SRF promissory note to Oklahoma Water Resources Board, dated November 20, 2009, in the amount of \$8,345,000, payable in semi-annual payments over twenty years (20), each March 15 and September 15, including interest at 2.37% and an administrative fee of 0.50%, maturing September 2030, for the purchase and installation of automated metering system.	3,566,466
Series 2010 clean water SRF promissory note to the Oklahoma Water Resources Board/ Oklahoma Development Finance Authority, dated May 25, 2011, in the amount of \$39,900,000 payable in semi-annual installments over twenty years (20), each March 15 and September 15, including interest at 2.31% plus an administration fee of 0.50%, maturing March 2032 for the construction of a wastewater treatment plant.	26,473,623
Series 2012 drinking water SRF promissory note to Oklahoma Water Resources Board, dated April 10, 2012, in the amount of \$5,435,000, payable in semi-annual installments over nine (9) years, including interest at 1.75%, maturing April 2021, for the construction of a new water tower.	1,795,915
Series 2012 Enid Municipal Authority Taxable Sales Tax Revenue Note to Bank of Oklahoma, dated January 3, 2012, payable in semi-annual installments, including interest at a variable rate of interest equal to the British Banker's Association LIBOR 6-month rate plus 212 basis points, initially 2.54365% and reset each June 1 and December 1, interest rate 3.57% at June 30, 2017, maturing January 2021, to provide funds for construction of a new Events Center and renovation of Convention Hall.	3,175,000
Series 2016 Enid Municipal Authority Taxable promissory note to the Oklahoma Water Resources Board, dated December 21, 2016, payable in semi-annual installments including interest at a rate of 2.2% with a maturity date of September 15, 2046 to provide funds for the Kaw Lake Project.	13,780,000
Notes payable	<u>49,208,197</u>
Plus: Premium on Series 2016 promissory note	387,368
Total notes payable	<u>49,595,565</u>



City of Enid, Oklahoma

Notes to Financial Statements

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**Note 3. Detailed Notes on All Activities and Funds (Continued)**

Capital lease obligations:	
Financial Services dated July 12, 2016 with 48 monthly payments of \$366 including interest at 2.30%, for the purchase of a truckster with a remaining net book value of \$6,489.	9,329
Financial Services dated July 12, 2016 with 48 monthly payments of \$691 including interest at 2.30%, for the purchase of a mower with a remaining net book value of \$12,247.	17,605
Empire Financial dated December 1, 2016 with 24 monthly payments of \$5,052 including interest at 1.7%, for the purchase of a garbage truck with a remaining net book value of \$202,894.	212,807
Empire Financial dated December 1, 2016 with 24 monthly payments of \$5,052 including interest at 1.9%, for the purchase of two garbage trucks with a remaining net book value of \$338,984.	327,495
Catepillar Financial dated November 29, 2017 with 60 monthly payments of \$11,950 including interest at 5.56% for the purchase of one 623K scraper with a remaining net book value of \$621,830	783,443
De Lage Landen Public Finance LLC dated August 1, 2013 with 60 monthly payments of \$376 including interest at 4.99% for the purchase of a landfill compactor with a remaining net book value of \$68,656.	376
Yellowhouse Machinery Co. dated December 17, 2015 with 60 monthly payments of \$7,907 including interest at 2.1%, for the purchase of a landfill compactor with a remaining net book value of \$50,357.	336,946
Yellowhouse Machinery Co. dated December 17, 2015 with 60 monthly payments of \$6,509 including interest at 2.55%, for the purchase of a dozer with a remaining net book value of \$68,656.	227,264
Total capital lease obligations	<u>1,915,265</u>
Total long-term notes, bonds and capital leases payable for business-type activities	<u><u>\$ 54,385,830</u></u>

**City of Enid, Oklahoma**

**Notes to Financial Statements**

**Note 3. Detailed Notes on All Activities and Funds (Continued)**

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

Year Ending June 30,	Governmental Activities			
	Tax Apportionment Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2019	\$ 2,117,300	\$ 127,038	\$ 634,000	\$ 71,027
2020	-	-	658,000	51,114
2021	-	-	505,000	33,343
2022	-	-	515,000	17,928
2023	-	-	310,000	3,156
2024-2028	-	-	-	-
<b>Totals</b>	<b>\$ 2,117,300</b>	<b>\$ 127,038</b>	<b>\$ 2,622,000</b>	<b>\$ 176,568</b>

Year Ending June 30,	Business-Type Activities					
	Revenue Notes		Capital Lease		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 1,130,000	\$ 44,115	\$ 433,746	\$ 69,924	\$ 4,288,980	\$ 1,632,366
2020	1,160,000	24,778	666,104	50,209	4,332,222	1,564,228
2021	585,000	4,973	357,122	31,951	3,169,609	1,373,951
2022	-	-	120,974	22,426	2,331,501	1,186,825
2023	-	-	337,319	7,330	2,343,510	1,120,557
2024-2028	-	-	-	-	12,786,541	4,519,464
2029-2033	-	-	-	-	11,570,834	2,613,402
2034-2038	-	-	-	-	2,470,000	1,632,563
2039-2043	-	-	-	-	2,985,000	1,102,133
2044-2048	-	-	-	-	2,930,000	314,600
<b>Totals</b>	<b>\$ 2,875,000</b>	<b>\$ 73,866</b>	<b>\$ 1,915,265</b>	<b>\$ 181,840</b>	<b>\$ 49,208,197</b>	<b>\$ 17,060,089</b>

**City of Enid, Oklahoma**

**Notes to Financial Statements**

**Note 3. Detailed Notes on All Activities and Funds (Continued)**

***Pledged Revenues***

<u>Description of Pledge</u>	<u>Remaining Principal &amp; Interest</u>	<u>Current Year Debt Service</u>	<u>Pledged Revenues</u>	<u>Debt Payment as % of Pledged Revenue</u>
<b><u>Governmental Type Activities:</u></b>				
<b>Series 2010A:</b> The City has pledged the proceeds from Community Development Block Grant under section 108 of the Housing and Community Development Act, to repay HUD Note B-99-MC-40-0007, Series 2010A. The note is payable through 2020 and was used to acquire Phillips University Campus in 1998.	353,369	167,231	506,459	33.02%
<b>2015 Sales Tax Revenue Note:</b> The City has pledged the proceeds from a .125 percent sales tax, to repay the Series 2015 Sales Tax Revenue Note. The bond is payable through 2023 and was used to provide funds to promote local economic development by providing economic incentives for the redevelopment of underutilized property.	2,445,199	531,634	1,116,658	47.61%
<b>2005 Tax Apportionment Bonds:</b> The City has pledged the proceeds from ad valorem tax increments within Increment District No. 1 to repay the 2005 Tax Apportionment Bonds. The bond is payable through 2023 and was used to construct manufacturing facilities at Advance Foods.	2,244,338	154,755	190,907	81.06%
<b><u>Business Type Activities:</u></b>				
<b>Series 2003 Revenue Note:</b> The City has pledged the proceeds from a 0.25 percent sales tax to repay the Series 2003 sales tax revenue note. The note is payable through 2018 and was used to finance school infrastructure improvements.	-	1,020,180	1,740,646	58.61%
<b>Series 2015 Revenue Note:</b> The City has pledged the proceeds from a 1 percent sales tax, along with utility revenues, to repay the Enid Municipal Authority Sales Tax Revenue Note, Taxable Series 2015. The note is payable through 2020 and was used to make capital improvements, including street, utility line relocation, water well field improvements and replacement of wells and engineering costs associated with alternate water supply development.	2,948,865	1,173,070	36,325,028	3.23%
<b>Series 1998A:</b> The City has pledged the proceeds from a 1 percent sales tax, along with utility revenues, to repay the Series 1998A clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2019 and was used to finance sanitary sewer system improvements.	47,770	95,903	36,325,028	0.26%
<b>Series 2000A:</b> The City has pledged the proceeds from a 1 percent sales tax, along with utility revenues, to repay the Series 2000A clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2021 and was used to finance Upper Boggy Creek Relief Line.	149,129	60,177	36,325,028	0.17%
<b>Series 2002A:</b> The City has pledged the proceeds from a 1 percent sales tax, along with utility revenues, to repay the Series 2002A clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2022 and was used to finance Upper North Boggy Creek Relief Line.	224,064	56,718	36,325,028	0.16%

**City of Enid, Oklahoma**

**Notes to Financial Statements**

**Note 3. Detailed Notes on All Activities and Funds (Continued)**

<u>Description of Pledge</u>	<u>Remaining Principal &amp; Interest</u>	<u>Current Year Debt Service</u>	<u>Pledged Revenues</u>	<u>Debt Payment as % of Pledged Revenue</u>
<b>Series 2009:</b> The City has pledged the proceeds from a 1 percent sales tax, along with utility revenues, to repay the Series 2009 drinking water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2031 and was used to finance an automated meter infrastructure.	4,141,330	329,964	36,325,028	0.91%
<b>Series 2010:</b> The City has pledged the proceeds from a 1 percent sales tax, along with utility revenues, to repay the Series 2010 clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2032 and was used to finance a new wastewater treatment facility.	32,295,220	2,306,801	36,325,028	6.35%
<b>Series 2012:</b> The City has pledged the proceeds from a 1 percent sales tax, along with utility revenues, to repay the Series 2012 drinking water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2021 and was used to finance two water towers.	1,852,200	617,400	36,325,028	1.70%
<b>2012 Sales Tax Revenue Note:</b> The City has pledged the proceeds from a 0.5 percent of the first 1 percent of a 2 percent sales tax, to repay the Enid Municipal Authority Sales Tax Revenue Note, Taxable Series 2012. The note is payable through 2021 and was used to construct the Enid Event Center & Convention Hall renovation.	3,831,999	1,570,001	4,165,624	37.69%
<b>Series 2016:</b> The City has pledged the .75 percent of the proceeds from a 1 percent sales tax, to repay the Series 2016 Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2047 and was used to finance the Kaw Lake Project.	23,803,571	741,596	7,192,614	10.31%

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

Interfund receivables, payables and transfers: The composition of interfund balances as of June 30, 2018, is as follows:

	<u>Receivables</u>	<u>Payables</u>
Major governmental funds, General	\$ 321,926	\$ 2,465,769
Major enterprise funds, Enid Municipal Authority	2,465,769	-
Non-major enterprise funds	-	321,926
	<u>\$ 2,787,695</u>	<u>\$ 2,787,695</u>

Due to/due from other funds: Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. The interfund receivables and payables are scheduled to be collected in the subsequent year.

**City of Enid, Oklahoma**

**Notes to Financial Statements**

**Note 3. Detailed Notes on All Activities and Funds (Continued)**

Interfund transfers: The following is a schedule of transfers as included in the basic financial statements of the City:

	Transfers In	Transfers Out
Major governmental funds, General	\$ 8,705,000	\$ 33,875,238
Major governmental funds, Police	8,035,230	150,000
Major governmental funds, Fire	7,145,945	50,000
Major governmental funds, Capital Improvement	1,676,795	1,099,369
Major governmental funds, Water Capital Improvement	15,935,000	8,812,899
Nonmajor governmental funds	6,788,076	1,253,455
Major enterprise funds, Enid Municipal Authority	28,920,495	32,877,122
Major enterprise funds, Enid Event Center and Convention Hall	325,000	-
Nonmajor enterprise funds	584,542	-
	<u>\$ 78,116,083</u>	<u>\$ 78,118,083</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other governmental and proprietary funds in accordance with budgetary functions.

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

The \$3,767,520 reported as other noncurrent liabilities for the accrued landfill closure cost liability as of June 30, 2018, represents the cumulative amount of such cost reported to date based on the use of approximately 73 percent of the estimated capacity of the landfill. The Enid Municipal Authority will recognize the remaining estimated costs of closure and post-closure care in the amount of \$1,393,466 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2018.

The City expects to close the landfill in 2039. Actual costs may be more or less at that time than are currently estimated. The estimated closure and post-closure costs and the accrued liability as of June 30, 2018, are as follows:

Estimated closure costs	\$ 3,767,520
Estimated post-closure costs	1,393,466
Total estimated costs	<u>\$ 5,160,986</u>
Accrued closure costs	<u>\$ 3,767,520</u>
Current costs charged to expense	<u>\$ 136,168</u>

**City of Enid, Oklahoma**

**Notes to Financial Statements**

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**Note 3. Detailed Notes on All Activities and Funds (Continued)**

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

Tax abatements: GASB Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement that has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Title 11 §1138120 of the Oklahoma State Statutes. To be eligible for the abatements for these types of projects, the developer has to enter into an agreement with the City. After developers meet the terms of the agreements, the City is required to rebate a portion of the sales tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2018, the City abated \$134,567 of sales tax under the urban renewal and economic development projects.

**City of Enid, Oklahoma**

**Notes to Financial Statements**

**Note 4. Retirement Plans**

**Employee Retirement Systems and Pension Plans:**

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

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

The City has recognized the following in the government-wide statements related to pensions:

	Governmental Activities	Business- Type Activities	Total
<b>Net pension liability:</b>			
Police Pension System	\$ 126,954	\$ -	\$ 126,954
Firefighter's Pension System	22,919,477	-	22,919,477
City of Enid Retirement Plan	2,823,019	1,187,809	4,010,828
Total net pension liability	<u>\$ 25,869,450</u>	<u>\$ 1,187,809</u>	<u>\$ 27,057,259</u>
<b>Deferred outflows of resources:</b>			
Police Pension System	\$ 1,635,653	\$ -	\$ 1,635,653
Firefighter's Pension System	3,889,885	-	3,889,885
City of Enid Retirement Plan	257,500	108,346	365,846
Total deferred outflows of resources	<u>\$ 5,783,038</u>	<u>\$ 108,346</u>	<u>\$ 5,891,384</u>
<b>Deferred inflows of resources:</b>			
Police Pension System	\$ 769,419	\$ -	\$ 769,419
Firefighter's Pension System	1,451,343	-	1,451,343
City of Enid Retirement Plan	1,528,558	643,154	2,171,712
Total deferred inflows of resources	<u>\$ 3,749,320</u>	<u>\$ 643,154</u>	<u>\$ 4,392,474</u>
<b>Pension expense:</b>			
Police Pension System	\$ 775,360	\$ -	\$ 775,360
Firefighter's Pension System	2,533,135	-	2,533,135
City of Enid Retirement Plan	327,818	137,932	465,750
Total pension expense	<u>\$ 3,636,313</u>	<u>\$ 137,932</u>	<u>\$ 3,774,245</u>

**City of Enid, Oklahoma**

**Notes to Financial Statements**

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**Note 4. Retirement Plans (Continued)**

*Oklahoma Police and Firefighters' Pension and Retirement System*

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

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

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



**City of Enid, Oklahoma**

**Notes to Financial Statements**

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**Note 4. Retirement Plans (Continued)**

***Oklahoma Police Pension and Retirement System***

Pension liabilities, pension expense, and deferred outflow and inflows of resources related to pension: At June 30, 2018, the City reported a liability of \$126,954 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2017. The City's proportionate share was 1.6505 percent at June 30, 2017, which was an increase of 0.06150 percent of the City's proportion at June 30, 2016.

For the year ended June 30, 2018, the City recognized \$775,360 in pension expense. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,376	\$ 767,544
Net difference between projected and actual earnings on pension plan investments	945,605	-
Changes in proportion and differences between City contributions and proportionate share of contributions	20,098	1,875
Total deferred amounts to be recognized in pension expense in future years	972,079	769,419
City contributions subsequent to the measurement date	663,574	-
Total deferred amounts related to pensions	<u>\$ 1,635,653</u>	<u>\$ 769,419</u>

Amortization of pension deferrals: Deferred outflows of resources related to pensions totaling \$663,574 resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2019. The net deferred outflows related to the difference between projected and actual investment earnings is being amortized over a closed 5-year period as of the beginning of each measurement period. The other deferred outflows and deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all Police Pension System members. The average is determined by taking the calculated total future service years of the Plan divided by the number of the people in the Plan including retirees.

City of Enid, Oklahoma

Notes to Financial Statements

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**Note 4. Retirement Plans (Continued)**

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

Years Ended June 30,	
2019	\$ (25,377)
2020	471,714
2021	220,815
2022	(379,039)
2023	(85,453)
	<u>\$ 202,660</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2017 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Inflation</u>	3%
<u>Salary increases</u>	4.5% to 17% average, including inflation
<u>Investment rate of return</u>	7.5% net of pension plan investment expense
<u>Mortality rates</u>	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 4 years.

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2012.

**City of Enid, Oklahoma**

**Notes to Financial Statements**

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**Note 4. Retirement Plans (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, 2017, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	4.51%
Domestic equity	6.62%
International equity	9.70%
Real estate	6.96%
Private equity	9.86%
Commodities	5.18%

The current allocation policy is that approximately 60 percent of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; 25 percent 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 percent 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 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the City will be made at contractually required rates, determined by Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14 percent of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension liability (asset)	\$ 4,290,788	\$ 126,954	\$ (3,390,028)

Payables to the pension plan: The City reported no payables to the Police Pension System at June 30, 2018.

## City of Enid, Oklahoma

### Notes to Financial Statements

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#### Note 4. Retirement Plans (Continued)

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](http://www.ok.gov/OPPRS).

On-behalf payments for retirement: For the year ended June 30, 2018, the State of Oklahoma contributed approximately \$653,000 to the Oklahoma Police Pension and Retirement System on behalf of the City. These amounts have been recorded as both a revenue and expenditure of the Police Fund in the governmental funds financial statements.

Related party investments: As of June 30, 2018, the Oklahoma Police Pension System held no related-party investments of the City of Enid or of its related entities.

#### ***Oklahoma Firefighter's Pension and Retirement System***

Pension liabilities, pension expense, and deferred outflow and inflows of resources related to pension: At June 30, 2018, the City reported a net pension liability of \$22,919,477 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2017. The City's proportionate share was 1.8223 percent at June 30, 2017, which was a decrease of 0.0448 percent of the City's proportion at June 30, 2016.

For the year ended June 30, 2018, the City recognized \$2,533,135 in pension expense. At June 30, 2018, 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	\$ 3,061,646	\$ -
Net difference between projected and actual earnings on pension plan investments	-	638,687
Changes in proportion and differences between City contributions and proportionate share of contributions	86,095	812,656
Total deferred amounts to be recognized in pension expense in future years	3,147,741	1,451,343
City contributions subsequent to the measurement date	742,144	-
Total deferred amounts related to pensions	<u>\$ 3,889,885</u>	<u>\$ 1,451,343</u>

Amortization of pension deferrals: Deferred outflows of resources related to pensions totaling \$742,144 resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2019. The net deferred outflows related to the difference between projected and actual investment earnings is being amortized over a closed 5-year period as of the beginning of each measurement period. The other deferred outflows and deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all Firefighter's Pension System members. The average is determined by taking the calculated total future service years of the Plan divided by the number of the people in the plan including retirees.

City of Enid, Oklahoma

Notes to Financial Statements

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**Note 4. Retirement Plans (Continued)**

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

Years ended June 30,	
2019	\$ 32,073
2020	741,238
2021	517,434
2022	(100,277)
2023	409,615
Thereafter	96,315
	<u>\$ 1,696,398</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2017 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2012.

**City of Enid, Oklahoma**

**Notes to Financial Statements**

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**Note 4. Retirement Plans (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, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	4.38%
Domestic equity	37%	7.72%
International equity	20%	9.70%
Real estate	10%	6.96%
Other assets	13%	5.75%

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension liability	\$ 30,066,993	\$ 22,919,477	\$ 16,862,112

## City of Enid, Oklahoma

### Notes to Financial Statements

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#### **Note 4. Retirement Plans (Continued)**

Payables to the pension plan: There are no payables to the pension plan for the year ended June 30, 2018.

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

On-behalf payments for retirement: For the year ended June 30, 2018, the State of Oklahoma contributed approximately \$1,666,000 on behalf of the City to the Oklahoma Firefighters' Pension and Retirement System. These amounts have been recorded as both a revenue and expenditure of the Fire Fund the governmental funds financial statements.

Related party investments: As of June 30, 2018, the Firefighters' Pension System held no related-party investments of the City of Enid or of its related entities.

#### ***Employee Retirement System of Enid, Oklahoma***

##### **General information about the pension plan:**

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

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

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

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

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

## City of Enid, Oklahoma

### Notes to Financial Statements

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#### Note 4. Retirement Plans (Continued)

Membership information: Membership in the Plan is provided for all full-time employees after one year of service except uniformed police and fire personnel, who are covered by their respective state retirement plans. At July 1, 2018, there were 485 plan participants. Of these participants, 227 were active, 99 have been terminated but are vested, and 159 are receiving benefits. Administrative costs are financed through investment earnings.

Contributions: Benefits are entirely funded by employer contributions as determined by an actuarially determined rate. The current rate is 8.50 percent of annual covered payroll. Significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation. The contribution requirements are in accordance with the City ordinance. Plan provisions and contribution requirements are established and may be amended by the City Council.

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

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

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

Related party investments: As of June 30, 2018, the Systems held no related-party investments of the City of Enid or of its related entities.

Investments: Investments consist of the following at June 30, 2018:

Mutual fund - equities	\$ 19,579,721
Mutual funds - corporate bonds	6,180,324
Total investments	<u>\$ 25,760,045</u>

The money weighted rate of return for the year ended June 30, 2018 was 8.3 percent.



City of Enid, Oklahoma

Notes to Financial Statements

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**Note 4. Retirement Plans (Continued)**

**Net pension liability:**

The City's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total pension liability	\$ 30,804,006
Plan fiduciary net pension	26,793,178
Net pension liability	<u>\$ 4,010,828</u>
Plan fiduciary net position as a percentage of the total pension liability	86.98%

Actuarial assumptions: The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date:	July 1, 2018
Actuarial cost method:	Entry Age Normal
Investment rate of return:	6.75%
Inflation:	2.5%
Projected salary increases:	4.75%
Mortality rates:	RP2006 Fully Generational Scale using the MP-2017 Combined mortality improvement scale

Discount rate: A discount rate of 6.75 percent was used to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed that contributions from the City would be made at the current contribution policy of 8.5 percent. Based on this assumption, 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 Enid, Oklahoma

Notes to Financial Statements

**Note 4. Retirement Plans (Continued)**

**Changes in the net pension liability:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2017	\$ 29,356,437	\$ 25,096,173	\$ 4,260,264
Changes for the year:			
Service cost	542,182	-	542,182
Interest	2,051,173	-	2,051,173
Differences between expected and actual experience	(353,084)	-	(353,084)
Assumption changes	420,110	-	420,110
Contributions - employer	-	851,680	(851,680)
Contributions - employee	-	-	-
Net investment income	-	2,182,509	(2,182,509)
Benefit payments, including refunds of contributions	(1,212,812)	(1,212,812)	-
Administrative expenses	-	(124,372)	124,372
Net changes	1,447,569	1,697,005	(249,436)
Balance at June 30, 2018	\$ 30,804,006	\$ 26,793,178	\$ 4,010,828

**Sensitivity of the net pension liability to changes in the discount rate:**

The following presents the Plan's estimated net pension liability, calculated using a single discount rate of 6.75 percent, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1.0 percent higher or lower:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
City's net pension liability (asset)	\$ 7,009,993	\$ 4,010,828	\$ 1,422,108

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions:**

For the year ended June 30, 2018, the City recognized pension expense of \$465,750 related to the Employee Retirement System. At June 30, 2018, 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	\$ 80,819	\$ 513,354
Changes of assumptions	285,026	1,259,206
Net difference between projected and actual earnings on pension plan investments	-	399,152
Total deferred amounts related to pensions	\$ 365,845	\$ 2,171,712

**City of Enid, Oklahoma**

**Notes to Financial Statements**

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**Note 4. Retirement Plans (Continued)**

Amortization of pension deferrals: The net deferred outflows related to the difference between projected and actual investment earnings is being amortized over a closed 5-year period as of the beginning of each measurement period. The other deferred outflows and deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all Plan members. The average is determined by taking the calculated total future service years of the Plan divided by the number of the people in the Plan including retirees.

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

Years Ended June 30,	
2019	\$ (1,075,604)
2020	(195,558)
2021	(446,206)
2022	(88,499)
	<u>\$ (1,805,867)</u>

Payables to the pension plan: The City reported no payables to the Plan at June 30, 2018.

*401(k) Supplement Plan*

The City also maintains the City of Enid, Oklahoma 401(k) Supplement Plan (the Supplement), a defined contribution pension plan for other than employees covered under the OPPRS or OFPRS plans. Contribution rates to the Plan have been determined by management and approved by the City Council through the budgeting process. Employees are eligible to participate in the Supplement upon employment, provided they are at least 21 years of age, with vesting in employer contributions upon contribution by the City. Participants may elect to make voluntary contributions through regular payroll deductions up to allowable IRS limits, with the City making matching contributions to those participants' accounts at a rate of 100 percent of the employees' compensation up to 4 percent. Contributions to the 401(k) Plan, plus earnings, constitute retirement benefits from this plan. Contributions to the 401(k) Plan over the last five years were:

Fiscal Year	City of Enid 401(k) Plan	
	Required Contribution	Percentage Contributed
2014	\$ 711,308	100%
2015	657,964	100%
2016	353,794	100%
2017	339,797	100%
2018	349,212	100%

*ICMA Plan*

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

## City of Enid, Oklahoma

### Notes to Financial Statements

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#### Note 5. Claims Liability

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

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

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

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

#### Claims liability analysis:

	Medical Claims	Workers' Compensation Claims
Balance at June 30, 2016	\$ 364,976	\$ 1,744,462
Current year claims and changes in estimates	4,964,673	3,542,637
Claim payments	(4,504,925)	(3,702,583)
Balance at June 30, 2017	824,724	1,584,516
Current year claims and changes in estimates	4,962,488	4,514,398
Claim payments	(4,938,592)	(4,399,355)
Balance at June 30, 2018	\$ 848,620	\$ 1,699,559

**City of Enid, Oklahoma**

**Notes to Financial Statements**

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**Note 6. Other Post Employment Benefits**

***Post-Employment Benefits Other Than Retirement***

As a result of the adoption of GASB Statement No. 75, the beginning net position of the governmental activities and the Enid Municipal Authority were restated. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The net OPEB obligation recorded in accordance with GASB Statement No. 45 was removed and the total OPEB liability was recorded in accordance with GASB Statement No. 75. The effect on the beginning net position is as follows:

	Governmental Activities	Business-Type Activities	Enid Municipal Authority
Net position July 1, 2017, as previously reported	\$ 60,399,648	\$ 155,443,768	\$ 103,837,212
Total OPEB liability	(2,208,969)	(96,095)	(96,095)
Removal of net OPEB obligation	66,690	-	-
Net position July 1, 2017, as restated	<u>\$ 58,257,369</u>	<u>\$ 155,347,673</u>	<u>\$ 103,741,117</u>

**Plan description:** The City’s defined benefit OPEB plan, the City of Enid Postretirement Medical Plan (the Plan), a single-employer health care plan provides OPEB for all active and retired employees and their eligible dependents. The plan is administered by the City and the City has the authority to establish or amend the plan provisions or contribution requirements through its personnel manual and union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone financial report.

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

**Contributions:** The retired employee who participates in the health insurance plan shall pay the full cost of said health insurance plan at the rates and terms established by the City. The City offers the plan to those retired employees unless the retired employee or dependent is over sixty-five years of age and qualifies for Medicare. For the year ended June 30, 2018, retirees and dependents paid the full cost of the coverage.

Employees covered by benefit terms: At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	24
Inactive employees entitled to but not yet receiving benefits	-
Active employees	391
	<u>415</u>

**City of Enid, Oklahoma**

**Notes to Financial Statements**

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**Note 6. Other Post Employment Benefits (Continued)**

**Total OPEB Liability**

The City's total OPEB liability of \$2,226,348 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

*Actuarial methods and assumptions:*

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Cost method	Entry Age Normal
Salary increases	4.75%
Discount rate	3.87%
Health care cost trend rates	7.70% decreasing to 5.00%
Retirees' share of benefit-related costs	100%
Mortality rates	Fully generational RP-2006 Mortality Table projected using Scale MP-2017

The discount rate was based on the municipal bond rate as of July 1, 2018.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study completed in 2016.

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance as of June 30, 2017	\$ 2,305,064
Changes for the year:	
Service cost	85,320
Interest	82,010
Changes in assumptions or other inputs	(45,095)
Contributions and payments made	<u>(200,951)</u>
Net changes	<u>(78,716)</u>
Balance as of June 30, 2018	<u>\$ 2,226,348</u>

City of Enid, Oklahoma

Notes to Financial Statements

**Note 6. Other Post Employment Benefits (Continued)**

**Sensitivity of the total OPEB liability to changes in the discount rate:** The following presents the total OPEB liability of the City, as well as what the City's approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current discount rate:

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Total OPEB liability	\$ 2,386,688	\$ 2,226,348	\$ 2,079,357

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.70 percent decreasing to 4.00 percent) or 1-percentage-point higher (8.70 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	(6.70% Decreasing to 4.00%)	Health Care Cost Trend Rates (7.70% Decreasing to 5.00%)	(8.70% Decreasing to 6.00%)
Total OPEB liability	\$ 2,038,739	\$ 2,226,348	\$ 2,446,410

**OPEB Expense and deferred outflows of resources and deferred inflows of resources related to OPEB:** For the year ended June 30, 2018, the City recognized OPEB expense of \$162,424. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	39,701
Net difference between projected and actual earnings on OPEB plan investments	-	-
	<u>\$ -</u>	<u>\$ 39,701</u>

Amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

Years ending June 30:	
2019	\$ (5,394)
2020	(5,394)
2021	(5,394)
2022	(5,394)
2023	(5,394)
Thereafter	(12,731)
	<u>\$ (39,701)</u>

## City of Enid, Oklahoma

### Notes to Financial Statements

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#### Note 7. Other Information

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

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

Construction commitments: The City has active construction projects as of June 30, 2018. The projects include engineering and design work on the Kaw Lake Water Supply Program, wellfield improvements, stormwater detention improvements, road overlays and reconstruction, and sidewalk construction. The City's commitments with contractors as of June 30, 2018 totaled \$9,871,814.

Other commitments: The Oklahoma Water Resources Board granted the City a ground water permit in September 2014 regarding a disputed water well in Major County, Oklahoma. The parties reached a settlement for the City to purchase the individual's prior water right permit for \$650,000 on September 19, 2018.

Deficit fund balances: As of June 30, 2018, the following funds had deficit fund balances:

Fund	Deficit
Non-major funds:	
Sanitary Sewer Fund (capital project fund)	(39,652)
Enid Public Transportation Authority (enterprise fund)	(225,582)
Meadowlake Golf Course (enterprise fund)	(76,980)

The Sanitary Sewer Fund deficit will be eliminated through interfund transfers of future utility revenues generated in the Enid Municipal Authority. The deficits of the Enid Public Transportation Authority and the Meadowlake Golf Course will be eliminated by supplementing the operations of the fund via support from the General Fund and the Enid Municipal Authority.



## **Required Supplementary Information**

City of Enid, Oklahoma

**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**June 30, 2018**

	2018	2017	2016	2015	2014
<b>Employee Retirement System of Enid Oklahoma</b>					
Total pension liability:					
Service cost	\$ 542,182	\$ 656,371	\$ 670,226	\$ 591,646	\$ 734,106
Interest cost	2,051,173	1,978,963	1,779,631	1,730,996	1,577,043
Differences between expected and actual experience	(353,084)	(758,410)	916,889	184,832	151,414
Changes in assumptions	420,110	(3,052,454)	(1,783,421)	2,216,163	(2,970,593)
Benefit payments, including refunds of employee contributions	(1,212,812)	(1,136,264)	(1,028,439)	(888,864)	(716,211)
<b>Net change in total pension liability</b>	<b>1,447,569</b>	<b>(2,311,794)</b>	<b>554,886</b>	<b>3,834,773</b>	<b>(1,224,241)</b>
Total pension liability, beginning	29,356,437	31,668,231	31,113,345	27,278,572	28,502,813
Total pension liability, ending	<u>\$ 30,804,006</u>	<u>\$ 29,356,437</u>	<u>\$ 31,668,231</u>	<u>\$ 31,113,345</u>	<u>\$ 27,278,572</u>
Plan fiduciary net position:					
Employer contributions	\$ 851,680	\$ 794,176	\$ 614,577	\$ 604,869	\$ 594,880
Employee contributions	-	-	-	-	-
Net investment income	2,182,509	3,340,476	(348,571)	334,990	3,810,457
Benefit payments, including refunds of employee contributions	(1,212,812)	(1,136,264)	(1,028,439)	(888,864)	(716,211)
Administrative expense	(124,372)	(140,457)	(122,015)	(152,240)	(124,792)
<b>Net change in total pension liability</b>	<b>1,697,005</b>	<b>2,857,931</b>	<b>(884,448)</b>	<b>(101,245)</b>	<b>3,564,334</b>
Plan fiduciary net position, beginning	25,096,173	22,238,242	23,122,690	23,223,935	19,659,601
Plan fiduciary net position, ending	<u>\$ 26,793,178</u>	<u>\$ 25,096,173</u>	<u>\$ 22,238,242</u>	<u>\$ 23,122,690</u>	<u>\$ 23,223,935</u>
<b>Net pension liability, ending</b>	<u>\$ 4,010,828</u>	<u>\$ 4,260,264</u>	<u>\$ 9,429,989</u>	<u>\$ 7,990,655</u>	<u>\$ 4,054,637</u>
Total pension liability	\$ 30,804,006	\$ 29,356,437	\$ 31,668,231	\$ 31,113,345	\$ 27,278,572
Plan fiduciary net position	26,793,178	25,096,173	22,238,242	23,122,690	23,223,935
<b>Plan's net pension liability</b>	<u>\$ 4,010,828</u>	<u>\$ 4,260,264</u>	<u>\$ 9,429,989</u>	<u>\$ 7,990,655</u>	<u>\$ 4,054,637</u>
Plan net fiduciary position as percentage of total pension liability	86.98%	85.49%	70.22%	74.32%	85.14%
Covered payroll	\$ 9,618,041	\$ 10,294,018	\$ 10,436,736	\$ 9,135,300	\$ 9,477,203
Net pension liability position as percentage of covered payroll	41.70%	41.39%	90.35%	86.99%	42.78%
Annual money-weighted rate of return, net of investment expense	8.3%	14.5%	-2.0%	0.8%	19.4%

**Note:** GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to required supplementary information.

**City of Enid, Oklahoma**

**Required Supplemental Information  
Schedule of Employer Contributions  
June 30, 2018**

**Employee Retirement System of Enid Oklahoma**

Ending Fiscal Year June 30,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Annual Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2018	\$ 1,186,230	\$ 851,680	\$ 334,550	\$ 9,618,041	8.86%
2017	1,414,669	794,176	620,493	10,294,018	7.71%
2016	1,246,777	614,577	632,200	10,436,736	5.89%
2015	928,504	604,869	323,635	9,135,300	6.62%
2014	982,744	594,880	387,864	9,477,203	6.28%
2013	1,209,388	619,278	590,110	9,149,710	6.77%
2012	838,302	585,722	252,580	9,067,296	6.46%
2011	873,554	445,806	427,748	8,358,315	5.30%
2010	1,013,787	288,448	725,339	7,069,372	4.08%
2009	72,919	272,324	(199,405)	6,034,485	4.51%
2008	73,713	256,195	(182,482)	5,825,779	4.40%

**Note:** Information for years prior to 2014 is on a calendar-year basis.

See notes to required supplementary information.

City of Enid, Oklahoma

Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)  
 Year Ended June 30, 2018

	Fiscal Year Ended June 30,			
	2015	2016	2017	2018
<b>Oklahoma Police Pension &amp; Retirement System (OPPRS):</b>				
Measurement Date	July 1, 2014	July 1, 2015	July 1, 2016	July 1, 2017
City's proportion of the net pension liability (asset)	1.7136%	1.6606%	1.5900%	1.6505%
City's proportionate share of the net pension liability (asset)	\$ (576,952)	\$ 67,708	\$ 2,433,461	\$ 126,954
City's covered payroll	\$ 4,693,759	\$ 4,759,546	\$ 4,686,108	\$ 4,922,146
City's proportionate share of the net pension liability as a percentage of its covered payroll	-12.29%	1.42%	51.93%	2.58%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.70%

**Oklahoma Firefighters Pension and Retirement System (OFPRS)**

Measurement Date	July 1, 2014	July 1, 2015	July 1, 2016	July 1, 2017
City's proportion of the net pension liability (asset)	1.9056%	1.9216%	1.8671%	1.8223%
City's proportionate share of the net pension liability	\$ 19,596,197	\$20,396,061	\$22,810,114	\$ 22,919,477
City's covered payroll	\$ 5,256,495	\$ 5,335,993	\$ 5,222,543	\$ 5,179,200
City's proportionate share of the net pension liability as a percentage of its covered payroll	378.66%	382.24%	436.76%	442.53%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	65.42%

**Note:** GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to required supplementary information.

City of Enid, Oklahoma

Required Supplementary Information  
 Schedule of City's Contributions  
 Year Ended June 30, 2018

	2015	2016	2017	2018
<b>Oklahoma Police Pension &amp; Retirement System (OPPRS):</b>				
Contractually required contribution	\$ 618,741	\$ 609,194	\$ 639,879	\$ 663,574
Actual contributions	618,741	609,194	639,879	663,574
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	4,759,546	4,686,108	4,922,146	5,104,415
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%	13.00%
<b>Oklahoma Firefighters Pension &amp; Retirement System (OFPRS):</b>				
Contractually required contribution	\$ 747,039	\$ 731,156	\$ 725,088	\$ 742,144
Actual contributions	747,039	731,156	725,088	742,144
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	5,335,993	5,222,543	5,179,200	5,301,029
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

Information was not available prior to fiscal year ending June 30, 2014.

See notes to required supplementary information.

City of Enid, Oklahoma

Notes to Required Supplemental Information  
For Year Ended June 30, 2018

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***Oklahoma Police Pension & Retirement System***

**Note 1. Changes of Benefit Terms**

There were no significant changes of benefit terms.

**Note 2. Changes of Assumptions**

There were no significant changes in assumptions.

***Oklahoma Firefighters Pension & Retirement System***

**Note 1. Changes of Benefit Terms**

There were no significant changes of benefit terms.

**Note 2. Changes of Assumptions**

There were no significant changes in assumptions.

***City of Enid Retirement Plan***

**Note 1. Changes of Benefit Terms**

There were no significant changes of benefit terms.

**Note 2. Changes of Assumptions**

The 2017 valuation implemented the following refinements to plan assumptions:

- Changed the discount rate from a 7.00 percent rate to a single rate using the long-term rate of return of 6.75 percent.

**Required Supplementary Information**  
**Schedule of Changes in the City of Enid's Total OPEB Liability and Related Ratios**  
**Last 10 Fiscal Years**

	2018
<b>Total OPEB liability</b>	
Service cost	\$ 85,808
Interest	82,010
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(45,095)
Benefit payments	(200,951)
<b>Net change in total OPEB liability</b>	<u>(78,228)</u>
Total OPEB liability—beginning	2,304,576
Total OPEB liability—ending	<u>\$ 2,226,348</u>
Covered payroll	22,886,095
Total OPEB liability as a percentage of covered payroll	9.73%

Information was not available prior to fiscal year ending June 30, 2017.

*Changes of benefit terms:* There were no significant changes of benefit terms.

*Changes of assumptions:* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	3.87%
2017	3.58%

City of Enid, Oklahoma

Required Supplementary Information  
 Budgetary Comparison Schedule—General Fund and Major Special Revenue Funds  
 Year Ended June 30, 2018

	General Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Fund balance, beginning</b>	\$ 9,618,268	\$ 8,768,886	\$ 8,768,886	\$ -
Resources:				
Taxes	38,158,267	38,158,267	38,876,390	718,123
Licenses and permits	286,900	286,900	274,702	(12,198)
Intergovernmental	273,750	273,750	135,623	(138,127)
Fines and forfeitures	1,295,000	1,295,000	1,323,096	28,096
Charges for services	122,800	122,800	97,107	(25,693)
Miscellaneous	316,000	316,000	464,190	148,190
Interest	45,000	45,000	109,810	64,810
Operating transfers	8,500,000	8,705,000	8,705,000	-
<b>Total resources</b>	<b>48,997,717</b>	<b>49,202,717</b>	<b>49,985,918</b>	<b>783,201</b>
Amounts available for appropriation	58,615,985	57,971,603	58,754,804	783,201
Charges to appropriations:				
Administration	481,865	487,816	460,166	27,650
Police	-	-	-	-
Fire	-	-	-	-
Human resources	420,725	420,725	339,821	80,904
Legal	1,233,960	1,237,058	1,127,897	109,160
Safety	101,440	98,890	90,503	8,387
PR/Marketing	450,520	453,169	417,404	35,765
General government	888,055	903,055	707,575	195,480
Accounting	708,620	808,679	671,719	136,960
Records and receipts	267,570	269,070	240,248	28,822
Information technology	659,870	663,018	615,225	47,793
Community development	455,715	470,051	337,145	132,906
Code enforcement	674,610	674,610	596,089	78,521
Engineering	1,426,345	1,307,445	1,217,429	90,016
Public works management	256,870	256,870	180,827	76,043
Fleet management	762,395	607,847	598,296	9,551
Park and recreation	1,365,515	1,280,723	1,254,779	25,944
Stormwater and roadway maintenance	2,288,985	2,167,557	2,130,135	37,422
Technical services	1,605,700	1,481,395	1,459,193	22,202
Library	853,695	944,647	944,604	43
Capital outlay	900,560	1,569,489	1,026,632	542,857
Operating transfers	33,194,702	33,812,702	33,811,743	959
<b>Total charges to appropriations</b>	<b>48,997,717</b>	<b>49,914,817</b>	<b>48,227,431</b>	<b>1,687,386</b>
<b>Fund balances, ending</b>	<b>\$ 9,618,268</b>	<b>\$ 8,056,786</b>	<b>\$ 10,527,373</b>	<b>\$ 2,470,587</b>

The accompanying notes are an integral part of this schedule.



City of Enid, Oklahoma

Required Supplementary Information  
 Budgetary Comparison Schedule—General Fund and Major Special Revenue Funds  
 Year Ended June 30, 2018

	Police Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Fund balance, beginning</b>	\$ 2,873,884	\$ 2,856,869	\$ 2,856,869	\$ -
Resources:				
Taxes	1,086,868	1,086,868	1,102,377	15,509
Licenses and permits	-	-	-	-
Intergovernmental	90,000	90,000	93,456	3,456
Fines and forfeitures	-	-	-	-
Charges for services	60,500	60,500	88,521	28,021
Miscellaneous	20,000	20,000	23,615	3,615
Interest	40,000	40,000	39,819	(181)
Operating transfers	8,035,230	8,035,230	8,035,230	-
<b>Total resources</b>	<b>9,332,598</b>	<b>9,332,598</b>	<b>9,383,018</b>	<b>50,420</b>
Amounts available for appropriation	12,206,482	12,189,467	12,239,887	50,420
Charges to appropriations:				
Administration	-	-	-	-
Police	9,851,585	9,868,600	9,466,960	401,640
Fire	-	-	-	-
Human resources	-	-	-	-
Legal	-	-	-	-
Safety	-	-	-	-
PR/Marketing	-	-	-	-
General government	-	-	-	-
Accounting	-	-	-	-
Records and receipts	-	-	-	-
Information technology	-	-	-	-
Community development	-	-	-	-
Code enforcement	-	-	-	-
Engineering	-	-	-	-
Public works management	-	-	-	-
Fleet management	-	-	-	-
Park and recreation	-	-	-	-
Stormwater and roadway maintenance	-	-	-	-
Technical services	-	-	-	-
Library	-	-	-	-
Capital outlay	447,600	447,600	252,793	194,807
Operating transfers	150,000	150,000	150,000	-
<b>Total charges to appropriations</b>	<b>10,449,185</b>	<b>10,466,200</b>	<b>9,869,753</b>	<b>596,447</b>
<b>Fund balances, ending</b>	<b>\$ 1,757,297</b>	<b>\$ 1,723,267</b>	<b>\$ 2,370,134</b>	<b>\$ 646,868</b>

The accompanying notes are an integral part of this schedule.

City of Enid, Oklahoma

Required Supplementary Information  
 Budgetary Comparison Schedule—General Fund and Major Special Revenue Funds  
 (Budgetary Basis)  
 Year Ended June 30, 2018

	Fire Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Fund balance, beginning</b>	\$ 673,243	\$ 650,178	\$ 650,178	\$ -
Resources:				
Taxes	1,086,868	1,086,868	1,102,377	15,509
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	6,000	6,000	14,321	8,321
Interest	10,000	10,000	14,316	4,316
Operating transfers	6,795,945	6,795,945	7,145,945	350,000
<b>Total resources</b>	<b>7,898,813</b>	<b>7,898,813</b>	<b>8,276,959</b>	<b>378,146</b>
Amounts available for appropriation	8,572,056	8,548,991	8,927,137	378,146
Charges to appropriations:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	7,876,275	7,878,017	7,676,238	201,780
Human resources	-	-	-	-
Legal	-	-	-	-
Safety	-	-	-	-
PR/Marketing	-	-	-	-
General government	-	-	-	-
Accounting	-	-	-	-
Records and receipts	-	-	-	-
Information technology	-	-	-	-
Community development	-	-	-	-
Code enforcement	-	-	-	-
Engineering	-	-	-	-
Public works management	-	-	-	-
Fleet management	-	-	-	-
Park and recreation	-	-	-	-
Stormwater and roadway maintenance	-	-	-	-
Technical services	-	-	-	-
Library	-	-	-	-
Capital outlay	195,000	216,322	246,697	(30,375)
Operating transfers	50,000	50,000	50,000	-
<b>Total charges to appropriations</b>	<b>8,121,275</b>	<b>8,144,340</b>	<b>7,972,935</b>	<b>171,405</b>
<b>Fund balances, ending</b>	<b>\$ 450,781</b>	<b>\$ 404,651</b>	<b>\$ 954,202</b>	<b>\$ 549,551</b>

The accompanying notes are an integral part of this schedule.

City of Enid, Oklahoma

Required Supplementary Information

Reconciliation of Budgetary Comparison Schedule on a Budgetary Basis with Fund Financial Statements on a GAAP Basis

Year Ended June 30, 2018

	General Fund	Police Fund	Fire Fund
<b>Budgetary funds</b>			
<b>Financial statement major funds</b>			
Revenues:			
Actual amounts (budgetary basis) "resources" from the budgetary comparison schedules	\$ 49,985,918	\$ 9,383,018	\$ 8,276,959
<u>Adjustments:</u>			
<i>Budgetary</i> general fund revenues are reported on the cash basis, rather than the modified accrual basis	570,095	681,702	1,681,789
Operating transfers in are reported as "other financing sources and uses" for GAAP purposes	(8,705,000)	(8,035,230)	(7,145,945)
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances—governmental funds</b>	<b>\$ 41,851,013</b>	<b>\$ 2,029,490</b>	<b>\$ 2,812,803</b>
Expenditures:			
Actual amounts (budgetary basis) "charges to appropriations" from the budgetary comparison schedules	\$ 48,227,431	\$ 9,869,753	\$ 7,972,935
<u>Adjustments:</u>			
<i>Budgetary</i> general fund expenditures are reported on the cash basis, rather than the modified accrual basis	429,103	725,584	1,657,592
Operating transfers out are reported as "other financing sources and uses" for GAAP purposes	(33,875,238)	(150,000)	(50,000)
<b>Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances—governmental funds</b>	<b>\$ 14,781,296</b>	<b>\$ 10,445,337</b>	<b>\$ 9,580,527</b>

The accompanying notes are an integral part of this schedule.

**City of Enid, Oklahoma**

**Notes to Required Supplementary Information  
Budgetary Comparison Schedule  
June 30, 2018**

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**Note 1. Budgetary Accounting**

Annual budgets are adopted on a modified cash basis for all governmental and enterprise funds. Annual expenditures within a fund may not exceed 90 percent of the budget until actual revenues equal to the estimated amount have been received. No expenditure can exceed the actual amount on hand.

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

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

## **Other Supplementary Information**

City of Enid, Oklahoma

Combining Balance Sheet—Non-major Governmental Funds  
June 30, 2018

	Special Revenue						
	Special Projects Fund	Water Assessment	Street and Alley Fund	CDBG Fund	Paving Assessment	911 Fund	Enid Economic Development Authority
<b>Assets</b>							
Cash and cash equivalents	\$ 291,409	\$ 1,656	\$ 247,208	\$ 26,589	\$ 468	\$ 14,045	\$ 97,287
Investments	45,469	5,715	853,378	91,788	1,618	48,486	335,840
Receivables:							
Taxes	-	-	79,234	-	-	136,015	-
Due from other governments	-	-	-	51,333	-	-	342,000
Accrued interest	-	-	-	-	-	-	4,621
Prepaid expense	2,165	-	-	-	-	13,767	-
Assets held for sale	-	-	-	-	-	-	3,273,493
Restricted cash and investments	-	-	-	-	-	-	2,292,982
<b>Total assets</b>	<b>\$ 339,043</b>	<b>\$ 7,371</b>	<b>\$ 1,179,820</b>	<b>\$ 169,710</b>	<b>\$ 2,086</b>	<b>\$ 212,313</b>	<b>\$ 6,346,223</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 34,050	\$ 6,665	\$ 49,269	\$ 64,001	\$ 1,887	\$ 29,473	\$ 37,660
Unearned revenue	5,199	-	-	-	-	-	-
<b>Total liabilities</b>	<b>39,249</b>	<b>6,665</b>	<b>49,269</b>	<b>64,001</b>	<b>1,887</b>	<b>29,473</b>	<b>37,660</b>
<b>Deferred inflows of resources</b>							
Federal grants related to HUD loan	-	-	-	-	-	-	342,000
<b>Fund balances</b>							
Nonspendable	2,165	-	-	-	-	13,767	3,273,493
Restricted:							
Public safety	297,629	-	-	-	-	167,868	-
Public works	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	2,292,982
Capital improvements	-	-	-	-	-	-	-
Committed:							
Public works	-	706	1,130,551	105,709	199	-	-
Public safety	-	-	-	-	-	1,205	-
Economic development	-	-	-	-	-	-	12,500
Capital improvements	-	-	-	-	-	-	-
Assigned:							
Economic development	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	387,588
<b>Total fund balances</b>	<b>299,794</b>	<b>706</b>	<b>1,130,551</b>	<b>105,709</b>	<b>199</b>	<b>182,840</b>	<b>5,966,563</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 339,043</b>	<b>\$ 7,371</b>	<b>\$ 1,179,820</b>	<b>\$ 169,710</b>	<b>\$ 2,086</b>	<b>\$ 212,313</b>	<b>\$ 6,346,223</b>

City of Enid, Oklahoma

Combining Balance Sheet—Non-major Governmental Funds (Continued)  
June 30, 2018

	Capital Projects			Debt Service		Totals
	Street Improvement Fund	Sanitary Sewer Fund	Storm Water Fund	Capital Projects Escrow	Sinking Fund	
<b>Assets</b>						
Cash and cash equivalents	\$ 305,618	\$ 12,129	\$ 1,443,225	\$ 323,635	\$ 1,887	\$ 2,765,156
Investments	1,055,015	41,870	4,982,114	1,117,209	6,515	8,585,017
Receivables:						
Taxes	-	-	-	-	691	215,940
Due from other governments	-	-	-	-	-	393,333
Accrued interest	-	-	-	-	-	4,621
Prepaid expense	-	-	-	-	-	15,932
Assets held for sale	-	-	-	-	-	3,273,493
Restricted cash and investments	-	-	-	-	-	2,292,982
<b>Total assets</b>	<b>\$ 1,360,633</b>	<b>\$ 53,999</b>	<b>\$ 6,425,339</b>	<b>\$ 1,440,844</b>	<b>\$ 9,093</b>	<b>\$ 17,546,474</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ -	\$ 93,651	\$ 152,370	\$ -	\$ -	\$ 469,026
Unearned revenue	-	-	-	-	-	5,199
<b>Total liabilities</b>	<b>-</b>	<b>93,651</b>	<b>152,370</b>	<b>-</b>	<b>-</b>	<b>474,225</b>
<b>Deferred inflows of resources</b>						
Federal grants related to HUD loan	-	-	-	-	-	342,000
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	3,289,425
Restricted:						
Public safety	-	-	-	-	-	465,497
Public works	-	-	-	-	-	-
Debt service	-	-	-	-	9,093	2,302,075
Capital improvements	-	-	-	-	-	-
Committed:						
Public works	-	-	-	-	-	1,237,165
Public safety	-	-	-	-	-	1,205
Economic development	-	-	-	-	-	12,500
Capital improvements	1,360,633	14,030	6,272,969	1,440,844	-	9,088,476
Assigned:						
Economic development	-	-	-	-	-	-
Unassigned	-	(53,682)	-	-	-	333,906
<b>Total fund balances</b>	<b>1,360,633</b>	<b>(39,652)</b>	<b>6,272,969</b>	<b>1,440,844</b>	<b>9,093</b>	<b>16,730,249</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,360,633</b>	<b>\$ 53,999</b>	<b>\$ 6,425,339</b>	<b>\$ 1,440,844</b>	<b>\$ 9,093</b>	<b>\$ 17,546,474</b>

City of Enid, Oklahoma

Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Non-major Governmental Funds  
Year Ended June 30, 2018

	Special Revenue						Enid Economic Development Authority
	Special Projects Fund	Water Assessment	Street and Alley Fund	CDBG Fund	Paving Assessment	911 Fund	
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,554,565
Intergovernmental	-	-	450,458	506,459	-	828,117	154,000
Charges for services	-	-	-	-	-	-	-
Other	70,351	-	2,520	-	-	83	37,432
Interest	2,820	105	23,953	-	29	1,740	9,117
<b>Total revenues</b>	<b>73,171</b>	<b>105</b>	<b>476,931</b>	<b>506,459</b>	<b>29</b>	<b>829,940</b>	<b>3,755,114</b>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	45,359	-	-	-	-	1,048,174	-
Public works	-	-	150,882	514,247	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	1,980,365
Debt service:							
Principal	-	-	-	-	-	-	635,148
Interest	-	-	-	-	-	-	218,472
Capital outlay	-	-	358,236	-	-	-	-
<b>Total expenditures</b>	<b>45,359</b>	<b>-</b>	<b>509,118</b>	<b>514,247</b>	<b>-</b>	<b>1,048,174</b>	<b>2,833,985</b>
<b>Excess of revenues over (under) expenditures</b>	<b>27,812</b>	<b>105</b>	<b>(32,187)</b>	<b>(7,788)</b>	<b>29</b>	<b>(218,234)</b>	<b>921,129</b>
Other financing sources (uses):							
Transfers in	-	-	435,000	-	-	200,000	1,729,600
Transfers (out)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>435,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>1,729,600</b>
<b>Net change in fund balances</b>	<b>27,812</b>	<b>105</b>	<b>402,813</b>	<b>(7,788)</b>	<b>29</b>	<b>(18,234)</b>	<b>2,650,729</b>
Fund balances, beginning	271,982	601	727,738	113,497	170	201,074	3,315,834
Fund balances, ending	<b>\$ 299,794</b>	<b>\$ 706</b>	<b>\$ 1,130,551</b>	<b>\$ 105,709</b>	<b>\$ 199</b>	<b>\$ 182,840</b>	<b>\$ 5,966,563</b>



City of Enid, Oklahoma

Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Non-major Governmental Funds (Continued)  
Year Ended June 30, 2018

	Capital Projects			Debt Service		Totals
	Street Improvement Fund	Sanitary Sewer Fund	Storm Water Fund	Capital Projects Escrow	Sinking Fund	
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 112,333	\$ 3,666,898
Intergovernmental	-	-	-	-	-	1,939,034
Charges for services	-	-	-	64,532	-	64,532
Other	-	-	-	-	-	110,386
Interest	15,926	(329)	87,900	21,212	693	163,166
<b>Total revenues</b>	<b>15,926</b>	<b>(329)</b>	<b>87,900</b>	<b>85,744</b>	<b>113,026</b>	<b>5,944,016</b>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,093,533
Public works	-	-	-	-	-	665,129
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	1,980,365
Debt service:						
Principal	-	-	-	-	114,362	749,510
Interest	-	-	-	-	-	218,472
Capital outlay	84,310	-	566,234	-	-	1,008,780
<b>Total expenditures</b>	<b>84,310</b>	<b>-</b>	<b>566,234</b>	<b>-</b>	<b>114,362</b>	<b>5,715,789</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(68,384)</b>	<b>(329)</b>	<b>(478,334)</b>	<b>85,744</b>	<b>(1,336)</b>	<b>228,227</b>
Other financing sources (uses):						
Transfers in	1,360,000	1,158,064	1,905,412	-	-	6,788,076
Transfers (out)	-	(1,143,706)	-	(109,749)	-	(1,253,455)
<b>Total other financing sources (uses)</b>	<b>1,360,000</b>	<b>14,358</b>	<b>1,905,412</b>	<b>(109,749)</b>	<b>-</b>	<b>5,534,621</b>
<b>Net change in fund balances</b>	<b>1,291,616</b>	<b>14,029</b>	<b>1,427,078</b>	<b>(24,005)</b>	<b>(1,336)</b>	<b>5,762,848</b>
Fund balances, beginning	69,017	(53,681)	4,845,891	1,464,849	10,429	10,967,401
Fund balances, ending	<b>\$ 1,360,633</b>	<b>\$ (39,652)</b>	<b>\$ 6,272,969</b>	<b>\$ 1,440,844</b>	<b>\$ 9,093</b>	<b>\$ 16,730,249</b>

City of Enid, Oklahoma

Combining Statement of Net Position—Non-major Proprietary Funds  
June 30, 2018

	Business-Type Activities		
	Enterprise Funds		
	Enid Public Transportation Authority	Meadowlake Golf Course	Total
<b>Assets</b>			
Current assets:			
Receivables:			
Accounts (net of allowance for uncollectibles)	\$ 1,521	\$ -	\$ 1,521
Due from other governments	26,724	-	26,724
Inventories	-	41,834	41,834
Prepaid Expenses	36	-	36
<b>Total current assets</b>	<b>28,281</b>	<b>41,834</b>	<b>70,115</b>
Noncurrent assets:			
Capital assets (net of accumulated depreciation)	93,829	355,773	449,602
<b>Total noncurrent assets</b>	<b>93,829</b>	<b>355,773</b>	<b>449,602</b>
<b>Total assets</b>	<b>122,110</b>	<b>397,607</b>	<b>519,717</b>
<b>Deferred outflows of resources</b>			
Deferred amounts related to pensions	6,468	8,691	15,159
<b>Total deferred outflows of resources</b>	<b>6,468</b>	<b>8,691</b>	<b>15,159</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	19,862	38,314	58,176
Current portion of noncurrent liabilities	13,628	24,758	38,386
Due to other funds	89,455	232,471	321,926
Unearned revenue	-	12,556	12,556
Accrued interest payable	-	159	159
<b>Total current liabilities</b>	<b>122,945</b>	<b>308,258</b>	<b>431,203</b>
Noncurrent liabilities:			
Compensated absences	7,533	7,585	15,118
Capital lease obligations	-	16,272	16,272
Workers' compensation claims	114,365	4,306	118,671
Net pension liability	70,918	95,271	166,189
<b>Total noncurrent liabilities</b>	<b>192,816</b>	<b>123,434</b>	<b>316,250</b>
<b>Total liabilities</b>	<b>315,761</b>	<b>431,692</b>	<b>747,453</b>
<b>Deferred inflows of resources</b>			
Deferred amounts related to pensions	38,399	51,586	89,985
<b>Total deferred inflows of resources</b>	<b>38,399</b>	<b>51,586</b>	<b>89,985</b>
<b>Net position</b>			
Net investment in capital assets	93,829	328,463	422,292
Restricted	-	-	-
Unrestricted	(319,411)	(405,443)	(724,854)
<b>Total net position</b>	<b>\$ (225,582)</b>	<b>\$ (76,980)</b>	<b>\$ (302,562)</b>

City of Enid, Oklahoma

**Combining Statement of Revenues, Expenses and Changes in Net Position—Non-major  
Proprietary Funds/ Enterprise Funds  
Year Ended June 30, 2018**

	Business-Type Activities		
	Enterprise Funds		
	Enid Public Transportation Authority	Meadowlake Golf Course	Total
Operating revenues:			
Charges for services - other	\$ 132,933	\$ 547,399	\$ 680,332
<b>Total operating revenues</b>	<b>132,933</b>	<b>547,399</b>	<b>680,332</b>
Operating expenses:			
Other	689,099	706,015	1,395,114
Depreciation and amortization	40,270	50,852	91,122
<b>Total operating expenses</b>	<b>729,369</b>	<b>756,867</b>	<b>1,486,236</b>
<b>Net operating loss</b>	<b>(596,436)</b>	<b>(209,468)</b>	<b>(805,904)</b>
Nonoperating revenues (expenses):			
Miscellaneous revenues	3,731	4,355	8,086
Interest income	306	-	306
Government grants	214,348	-	214,348
Interest expense and fiscal charges	-	(1,761)	(1,761)
<b>Total nonoperating revenues (expenses)</b>	<b>218,385</b>	<b>2,594</b>	<b>220,979</b>
<b>Net loss before contributions and transfers</b>	<b>(378,051)</b>	<b>(206,874)</b>	<b>(584,925)</b>
Capital contributions	-	-	-
Transfers in	426,712	157,830	584,542
<b>Change in net position</b>	<b>48,661</b>	<b>(49,044)</b>	<b>(383)</b>
Net position, beginning	(274,243)	(27,936)	(302,179)
Net position, ending	<b>\$ (225,582)</b>	<b>\$ (76,980)</b>	<b>\$ (302,562)</b>

City of Enid, Oklahoma

Combining Statement of Cash Flows—Non-major Proprietary Funds/Enterprise Funds  
Year Ended June 30, 2018

	Business-Type Activities		
	Enterprise Funds		
	Enid Public Transportation Authority	Meadowlake Golf Course	Total
Cash flows from operating activities:			
Receipts from customers and grantors	\$ 109,382	\$ 547,397	\$ 656,779
Payments to suppliers	(81,729)	(326,811)	(408,540)
Payments to employees	(569,082)	(396,739)	(965,821)
<b>Net cash provided (used) by operating activities</b>	<b>(541,429)</b>	<b>(176,153)</b>	<b>(717,582)</b>
Cash flows from noncapital financing activities:			
Taxes	-	-	-
Interfund payments	(103,668)	31,171	(72,497)
Miscellaneous revenues	3,731	4,355	8,086
Government grants	214,348	-	214,348
Operating transfers in	426,712	157,830	584,542
Operating transfers out	-	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>541,123</b>	<b>193,356</b>	<b>734,479</b>
Cash flows from capital and related financing activities:			
Proceeds from issuance of debt	-	-	-
Principal paid on long-term debt	-	(15,424)	(15,424)
Interest expense and fiscal charges	-	(1,779)	(1,779)
Proceeds from sale of capital assets	-	-	-
Acquisition/construction of capital assets	-	-	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>(17,203)</b>	<b>(17,203)</b>
Cash flows from investing activities:			
Purchase of investments	-	-	-
Interest income	306	-	306
<b>Net cash provided (used) by investing activities</b>	<b>306</b>	<b>-</b>	<b>306</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents, beginning	-	-	-
Cash and cash equivalents, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Net operating income (loss)	\$ (596,436)	\$ (209,468)	\$ (805,904)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	40,270	50,852	91,122
(Increases) decrease in assets:			
Receivables	(23,552)	-	(23,552)
Prepaid expenses	(36)	-	(36)
Inventory	-	(4,738)	(4,738)
Due from other funds	-	-	-
Pension related deferred outflows	14,380	7,051	21,431
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	59,589	6,319	65,908
Unearned revenue	-	2,907	2,907
Pension related deferred inflows	(24,460)	(33,138)	(57,598)
Net pension liability	(11,184)	4,062	(7,122)
<b>Total adjustments</b>	<b>55,007</b>	<b>33,315</b>	<b>88,322</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (541,429)</b>	<b>\$ (176,153)</b>	<b>\$ (717,582)</b>

City of Enid, Oklahoma

Combining Statement of Fiduciary Net Position—Fiduciary Funds  
June 30, 2018

	Agency Funds			Pension Trust Funds		
	CLEET Fund	Court Bonds	Total	Retirement Defined Benefit	Retirement 401(k)	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 2,935	\$ 16,084	\$ 19,019	\$ 1,025,410	\$ -	\$ 1,025,410
Investments	10,132	-	10,132	-	-	-
Mutual fund - equities	-	-	-	19,579,721	13,056,799	32,636,520
Mutual fund - corporate bonds	-	-	-	6,180,324	1,688,878	7,869,202
Money market funds	-	-	-	-	147,907	147,907
Receivables:						
Accrued interest	-	-	-	7,723	-	7,723
Participant loans	-	-	-	-	411,148	411,148
<b>Total assets</b>	<b>\$ 13,067</b>	<b>\$ 16,084</b>	<b>\$ 29,151</b>	<b>26,793,178</b>	<b>15,304,732</b>	<b>42,097,910</b>
<b>Liabilities</b>						
Funds held in custody for others	13,067	16,084	29,151	-	-	-
<b>Total liabilities</b>	<b>\$ 13,067</b>	<b>\$ 16,084</b>	<b>\$ 29,151</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position</b>				<b>\$ 26,793,178</b>	<b>\$ 15,304,732</b>	<b>\$ 42,097,910</b>

City of Enid, Oklahoma

Combining Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2018

	Pension Trust Funds		Totals
	Retirement Defined Benefit	Retirement 401(k)	
<b>Additions</b>			
Contributions:			
Employer	\$ 851,680	\$ 349,212	\$ 1,200,892
Plan members	-	693,736	693,736
<b>Total contributions</b>	<b>851,680</b>	<b>1,042,948</b>	<b>1,894,628</b>
Investment earnings:			
Net increase (decrease) in the fair value of investments	1,670,470	1,413,375	3,083,845
Interest and dividends	512,040	-	512,040
<b>Total investment earnings</b>	<b>2,182,510</b>	<b>1,413,375</b>	<b>3,595,885</b>
<b>Total additions</b>	<b>3,034,190</b>	<b>2,456,323</b>	<b>5,490,513</b>
<b>Deductions</b>			
Benefits and withdrawals	1,212,812	1,051,960	2,264,772
Administrative expenses	124,373	46,162	170,535
<b>Total deductions</b>	<b>1,337,185</b>	<b>1,098,122</b>	<b>2,435,307</b>
<b>Change in net position</b>	<b>1,697,005</b>	<b>1,358,201</b>	<b>3,055,206</b>
Net position restricted for pensions, beginning	25,096,173	13,946,531	39,042,704
Net position restricted for pensions, ending	\$ 26,793,178	\$ 15,304,732	\$ 42,097,910

**City of Enid, Oklahoma**

**Schedule of Debt Service Coverage  
Year Ended June 30, 2018**

	OWRB Notes	Sales Tax Revenue Refunding Bonds Series 2003	Sales Tax Revenue Note Series 2015
Gross revenue available for debt service:			
Charges for services:			
Water	\$ 21,508,591	\$ -	\$ 21,508,591
Wastewater	8,942,683	-	8,942,683
Stormwater	1,806,164	-	1,806,164
Solid waste	4,670,535	-	4,670,535
Landfill	727,707	-	727,707
Other	705,023	-	705,023
Sales tax collections pledged and transferred	8,933,261	1,740,646	8,933,261
<b>Total gross revenue</b>	<b>47,293,964</b>	<b>1,740,646</b>	<b>47,293,964</b>
Operating expenses, excluding depreciation and amortization:			
Utility services	601,391	-	601,391
Water production	2,514,656	-	2,514,656
Wastewater management services	3,295,960	-	3,295,960
Solid waste	2,222,132	-	2,222,132
Landfill	136,168	-	136,168
Other	1,906,642	-	1,906,642
<b>Total operating expenses</b>	<b>10,676,949</b>	<b>-</b>	<b>10,676,949</b>
Other expenses:			
Required transfers to other funds	8,705,000	-	8,705,000
Payment to schools	-	1,088,249	-
<b>Total other expenses</b>	<b>8,705,000</b>	<b>1,088,249</b>	<b>8,705,000</b>
<b>Net revenues available for debt service</b>	<b>\$ 27,912,015</b>	<b>\$ 652,397</b>	<b>\$ 27,912,015</b>
<b>Debt service requirements</b>	<b>\$ 8,037,186</b>	<b>\$ 1,020,180</b>	<b>\$ 8,037,186</b>
<b>Computed coverage</b>	<b>347%</b>	<b>64%</b>	<b>347%</b>
<b>Coverage requirement</b>	<b>125%</b>	<b>100%</b>	<b>125%</b>

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

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

**City of Enid, Oklahoma**

**Schedule of Expenditures of State Awards  
Year Ended June 30, 2018**

<u>State Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
<b>State Programs:</b>		
<b>Oklahoma Department of Transportation:</b>		
Public Transit Revolving Fund	STPTRF-9025(363)	<u>\$ 48,862</u>
<b>Oklahoma Department of Emergency Management:</b>		
Sub-Grantee Administration Costs	FEMA PA-06-OK-4247-PW-00074	<u>132,947</u>
<b>Oklahoma Art Council:</b>		
2018 Small Grant Support "Legends Nagonagoojee"	Community Arts Project #4573-7104	<u>1,125</u>
<b>Oklahoma Department of Commerce:</b>		
Oklahoma Strategic Military Planning Commission		<u>158,000</u>
<b>Total Expenditures of State Awards</b>		<u><u>\$ 340,934</u></u>