

# AUDIT REPORT

2018-2019

JUNE 30, 2019



REPORT OF AUDIT ON FINANCIAL STATEMENTS

# **City of Enid, Oklahoma**

Audited Financial Report  
June 30, 2019

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## Independent Auditor's Report

RSM US LLP

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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension and other post-employment benefit schedules and the general fund and other major special revenue funds budgetary comparison schedules or related reconciliations, 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, 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. This supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of debt service coverage requirements and the schedule of expenditures of state awards, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*RSM US LLP*

Oklahoma City, Oklahoma  
December 23, 2019

## City of Enid, Oklahoma

### Management's Discussion and Analysis June 30, 2019

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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, 2019. Please read it in conjunction with the City's basic financial statements, which begin on page 13.

#### **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 \$263,526,184 (net position).

During the year, the government's total net position increased by \$21,374,966, from its beginning balance. This is attributed to the Kaw Lake program. The assets increased due to the completion of multiple capital assets outlined on page 10. Long-term liabilities increased due to the issuance of new debt related to the Kaw Lake program.

Governmental activities accounted for an increase of \$15,489,509. Business-type activities increased overall net position by \$5,793,420.

The City's total long-term liabilities increased \$90,277,642 during the current fiscal year. The key factors in the increase are due to the issuance of debt for the Kaw Lake water supply program.

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$46,283,628, an increase of \$9,953,761 in comparison with the prior year. Fund balance of \$303,032 is considered nonspendable, consisting of inventories and prepaid expenses. A total of \$409,358 is restricted by contractual agreements; state statutes, or enabling legislation. Fund balance of \$45,483,552 is available for spending at the government's discretion, although \$31,221,678 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 \$12,060,631, or 24 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.

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).

## City of Enid, Oklahoma

### Management's Discussion and Analysis June 30, 2019

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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 Stride Bank Center, Woodring Airport, Meadowlake Golf Course, and the Enid Public Transit Authority.

The government-wide financial statements can be found on pages 13-14 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 government-wide statements of net position and activities provide a comparison between governmental funds and governmental activities.

The City maintains 19 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 15-18 of this report.



## City of Enid, Oklahoma

### Management's Discussion and Analysis June 30, 2019

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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 found elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 19-23 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 fund 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 24-25 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 26-69 of this report.

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

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

The combining statements referred to earlier in connection with 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 81-89 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City's governmental activities, assets and deferred outflows exceeded liabilities and deferred inflows by \$89,578,877 at the close of the most recent fiscal year. The business-type activities assets and deferred outflows exceeded liabilities and deferred inflows by \$173,947,307.

City of Enid, Oklahoma

Management's Discussion and Analysis  
June 30, 2019

Government-Wide Financial Analysis (Continued)

	City of Enid Net Position June 30, 2019 and 2018					
	Governmental Activities		Business-Type Activities		Totals	
	June 30		June 30		June 30	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 53,318,691	\$ 45,101,633	\$ 149,810,605	\$ 54,100,377	\$ 203,129,296	\$ 99,202,010
Capital and other noncurrent assets	69,872,450	70,040,273	184,573,780	178,610,957	254,446,230	248,651,230
Total assets	123,191,141	115,141,906	334,384,385	232,711,334	457,575,526	347,853,240
Deferred outflows of resources	7,192,239	5,783,038	281,252	108,346	7,473,491	5,891,384
Current liabilities	8,372,375	9,017,991	13,355,861	10,142,513	21,728,236	19,160,504
Long-term liabilities	28,773,465	31,772,073	147,248,413	53,972,163	176,021,878	85,744,236
Total liabilities	37,145,840	40,790,064	160,604,274	64,114,676	197,750,114	104,904,740
Deferred inflows of resources	3,658,663	6,045,512	114,056	643,154	3,772,719	6,688,666
Net position:						
Net investment						
in capital assets	67,414,599	67,547,357	128,690,175	127,847,491	196,104,774	195,394,848
Restricted	401,153	2,634,333	32,261,722	24,144,202	32,662,875	26,778,535
Unrestricted	21,763,125	3,907,678	12,995,410	16,070,157	34,758,535	19,977,835
Total net position	\$ 89,578,877	\$ 74,089,368	\$ 173,947,307	\$ 168,061,850	\$ 263,526,184	\$ 242,151,218

By far the largest portion of the City's net position (74%) 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 (13%) 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 \$34,758,535 (13%) of total net position.

The City's net position increased by \$21,374,966 during the current fiscal year, compared with the 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 \$15,489,509.

**City of Enid, Oklahoma**

**Management's Discussion and Analysis  
June 30, 2019**

The key elements of this increase are as follows:

- Increase in Kaw Lake Water Supply contracts in the Water Capital Improvement fund and the contributed capital.

**City of Enid**  
Statement of Activities  
Years Ended June 30, 2019 and 2018

	Governmental		Business-Type		Totals	
	Activities		Activities		June 30	
	2019	2018	2019	2018	2019	2018
<b>Program revenues:</b>						
Charges for services	\$ 2,789,779	\$ 2,889,819	\$ 41,936,755	\$ 42,110,834	\$ 44,726,534	\$ 45,000,653
Grants/contributions	2,997,168	4,519,537	1,122,861	1,372,490	4,120,029	5,892,027
General revenues	45,747,223	46,743,403	3,407,687	2,374,297	49,154,910	49,117,700
<b>Total revenues</b>	<b>51,534,170</b>	<b>54,152,759</b>	<b>46,467,303</b>	<b>45,857,621</b>	<b>98,001,473</b>	<b>100,010,380</b>
<b>Expenses:</b>						
General government	9,089,167	8,002,204	-	-	9,089,167	8,002,204
Public safety	18,975,008	21,457,037	-	-	18,975,008	21,457,037
Public works	20,889,056	7,436,933	-	-	20,889,056	7,436,933
Culture and recreation	2,171,634	2,252,063	-	-	2,171,634	2,252,063
Utility operations	-	-	21,483,951	20,182,530	21,483,951	20,182,530
Airport	-	-	2,793,642	2,396,098	2,793,642	2,396,098
Economic development	6,178,919	2,002,152	-	-	6,178,919	2,002,152
Golf	-	-	731,372	757,143	731,372	757,143
Event center	-	-	5,105,172	4,971,704	5,105,172	4,971,704
Transit	-	-	744,454	726,996	744,454	726,996
Other	67,326	215,456	15,499	1,088,248	82,825	1,303,704
<b>Total expenses</b>	<b>57,371,110</b>	<b>41,365,845</b>	<b>30,874,090</b>	<b>30,122,719</b>	<b>88,245,200</b>	<b>71,488,564</b>
Increase in net position before transfers and capital contributions	(5,836,940)	12,786,914	15,593,213	15,734,902	9,756,273	28,521,816
Contributions of capital assets	-	(2,000)	11,613,260	2,000	11,613,260	-
Gain on sale of capital assets	-	-	5,433	24,360	5,433	24,360
Transfers, net	21,326,449	3,047,085	(21,326,449)	(3,047,085)	-	-
Increase (decrease) in net position	15,489,509	15,831,999	5,885,457	12,714,177	21,374,966	28,546,176
Net position, beginning	74,089,368	58,257,369	168,061,850	155,347,673	242,151,218	213,605,042
<b>Net position, ending</b>	<b>\$ 89,578,877</b>	<b>\$ 74,089,368</b>	<b>\$ 173,947,307</b>	<b>\$ 168,061,850</b>	<b>\$ 263,526,184</b>	<b>\$ 242,151,218</b>

City of Enid, Oklahoma

Management's Discussion and Analysis  
June 30, 2019

Government-Wide Financial Analysis (Continued)

<b>City of Enid</b>				
Governmental Activities				
<u>Years Ended June 30, 2019 and 2018</u>				
	Program Revenues		Cost of Services	
	2019	2018	2019	2018
General government	\$ 387,223	\$ 452,432	\$ 9,089,167	\$ 8,002,204
Public safety	4,696,573	4,838,425	18,975,008	21,457,037
Public works	602,670	2,035,664	20,889,056	7,436,933
Culture and recreation	100,481	82,835	2,171,634	2,252,063
Economic development	-	-	6,178,919	2,002,152
Interest on long-term debt	-	-	67,326	215,456
Total governmental activities	<u>\$ 5,786,947</u>	<u>\$ 7,409,356</u>	<u>\$ 57,371,110</u>	<u>\$ 41,365,845</u>

**Business-type activities.** Business-type activities increased the City's net position by \$5,885,457. The key element in this increase was an increase in charges for service due to utility rates set by ordinance.

<b>City of Enid</b>				
Business-Type Activities				
<u>Years Ended June 30, 2019 and 2018</u>				
	Program Revenues		Cost of Services	
	2019	2018	2019	2018
Utility operations	\$ 37,926,865	\$ 39,402,179	\$ 21,483,951	\$ 20,182,530
Airport	2,342,380	1,591,431	2,793,642	2,396,098
Golf	548,569	547,399	731,372	757,143
Event center	1,745,023	1,595,034	5,105,172	4,971,704
Transit	496,779	347,281	744,454	726,996
Other	-	-	15,499	1,088,248
Total business-type activities	<u>\$ 43,059,616</u>	<u>\$ 43,483,324</u>	<u>\$ 30,874,090</u>	<u>\$ 30,122,719</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, 2019

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At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$46,283,628, an increase of \$9,953,761 in comparison with the prior year. Approximately 98% of this total amount (\$45,483,552) 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 \$12,060,631. 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 24% of total general fund expenditures and transfers out.

The fund balance of the City's general fund increased \$1,597,478 during the current fiscal year, primarily due to Kaw Lake sales tax receipts.

The police fund has a total fund balance of \$2,932,464. The net increase in fund balance during the current year was \$330,632, due to an increased operating transfer in from the General Fund.

The fire fund has a total fund balance of \$1,201,161, substantially all of which was committed. The net increase in fund balance during the current year was \$86,158.

**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 \$124,385,059. Unrestricted net position of the Enid Municipal Authority at the end of the year was \$11,386,447. The total increase in net position was \$6,010,674. Operating revenues showed a decrease of \$475,172 while operating expenses decreased by \$953,721.

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 \$21,997,155, an increase of \$968,872.

The Enid Event Center and Convention Hall fund showed total net position of \$27,367,721, a decrease of \$1,541,972, primarily due to depreciation on the facility.

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

The general fund budget decreased by \$1,993,681 for departmental expenditures and revenues did not increase or decrease and net transfers increased by \$1,009,200 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.

Revenues received were more than budget estimates by \$1,823,933, and actual expenditures and transfers were less than final budget appropriations by \$2,049,216, resulting in an overall net increase in fund balance of \$3,873,146 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.

**City of Enid, Oklahoma**

**Management’s Discussion and Analysis  
June 30, 2019**

The police fund showed a decrease of \$25,893 in its budgeted expenditures during the year, while revenues remained the same as originally estimated. Actual revenues and transfers in totaled \$10,515,327 or \$71,277 more than budget estimates. Expenditures and transfers out of \$10,243,977 were less than budgeted by \$421,417, resulting in an overall net increase in fund balance of \$492,694.

The fire fund showed a decrease of \$429,753 in its budgeted expenditures during the year, while revenues remained the same as originally estimated. Actual revenues and transfers in totaled \$8,450,010, or more than budget estimates by \$105,770. Expenditures and transfers out of \$8,345,177, were less than the budget appropriations by \$798,276.

**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, 2019, amounts to \$254,446,230 (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, 2019 and 2018

	Governmental Activities		Business-Type Activities		Totals	
	June 30		June 30		June 30	
	2019	2018	2019	2018	2019	2018
Land	\$ 6,308,180	\$ 6,308,179	\$ 7,679,181	\$ 7,679,181	\$ 13,987,361	\$ 13,987,360
Construction in progress	15,354,731	15,061,431	31,980,142	19,108,554	47,334,873	34,169,985
Buildings	7,150,346	7,790,436	53,863,800	57,767,967	61,014,146	65,558,403
Improvements	37,721,452	38,163,059	78,783,669	81,725,260	116,505,121	119,888,319
Equipment	1,610,839	1,080,131	9,640,807	10,503,611	11,251,646	11,583,742
Vehicles	1,726,902	1,637,037	2,626,181	1,826,384	4,353,083	3,463,421
Capital assets, net	<u>\$ 69,872,450</u>	<u>\$ 70,040,273</u>	<u>\$ 184,573,780</u>	<u>\$ 178,610,957</u>	<u>\$ 254,446,230</u>	<u>\$ 248,651,230</u>

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

- Street improvements completed including several ADA sidewalk projects and a section of the Pedestrian Trail
- Oakwood S Detention
- Cherokee Detention Phase III
- Box Culvert replacement – Broadway & Lakeview
- Nine new pickup trucks for Public Works and Public Utilities divisions
- Twelve new SUV’s added to the Police Department fleet
- Excavator, Pothole Patcher and Laydown Paver for Street department
- Three Sideload Trashtrucks, Rolloff Truck, Semi-Truck, Rearload Truck and Loader for Solid Waste department
- New 911 Motorola Callworks system
- Three buses for EPTA



**City of Enid, Oklahoma**

**Management's Discussion and Analysis  
June 30, 2019**

Additional information of the City's capital assets can be found in Note 3 on pages 41-42 of this report.

**Long-term debt:** At the end of the current fiscal year, the City had total debt outstanding of \$186,490,318. 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.

**City of Enid**  
Outstanding Long-Term Liabilities  
Years Ended June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Totals	
	June 30		June 30		June 30	
	2019	2018	2019	2018	2019	2018
Judgments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability	23,409,079	25,869,450	1,737,431	1,187,809	25,146,510	27,057,259
Total OPEB liability	2,162,870	2,133,583	94,038	92,765	2,256,908	2,226,348
Workers' compensation claims	1,182,683	1,344,760	259,758	354,799	1,442,441	1,699,559
Compensated absences	2,123,350	2,018,196	270,686	283,109	2,394,036	2,301,305
Revenue bonds	-	-	1,745,000	2,875,000	1,745,000	2,875,000
Tax apportionment bonds (TIF)	-	2,117,300	-	-	-	2,117,300
Deferred interest on bonds	-	-	-	-	-	-
Notes payable	1,988,000	2,622,000	145,000,494	49,595,565	146,988,494	52,217,565
Capital lease obligations	469,851	-	2,204,619	1,915,265	2,674,470	1,915,265
Landfill closure and post- closure and other long- term liabilities	-	-	3,844,459	3,767,520	3,844,459	3,767,520
<b>Total outstanding debt</b>	<b>\$ 31,335,833</b>	<b>\$ 36,105,289</b>	<b>\$ 155,156,485</b>	<b>\$ 60,071,832</b>	<b>\$ 186,492,318</b>	<b>\$ 96,177,121</b>

The City's total long-term liabilities increased \$90,315,197 during the current fiscal year. The key factors in the increase are due to the issuance of debt for the Kaw Lake water supply program.

Additional information on the City's long-term debt can be found in Note 3 on pages 43-49 of this report.

## City of Enid, Oklahoma

### Management's Discussion and Analysis June 30, 2019

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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 2019-2020 revenue and expense budgets.

When setting the fiscal year 2020 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) is through June 2020. The International Association of Fire Fighters (IAFF) is through June 2019.

#### **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, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 9,656,034	\$ 1,347,092	\$ 11,003,126
Investments	39,524,010	2,218,877	41,742,887
Receivables (net of allowance for uncollectibles)	5,965,791	5,726,864	11,692,655
Receivables for property taxes - succeeding year	27,496	-	27,496
Internal balances	(2,205,494)	2,205,494	-
Inventories	43,244	211,993	255,237
Prepaid expenses	261,732	32,973	294,705
Restricted cash and investments	45,878	138,067,312	138,113,190
Capital assets:			
Land and construction in progress	21,662,911	39,659,323	61,322,234
Depreciable buildings, improvements, equipment and vehicles, net of accumulated depreciation	48,209,539	144,914,457	193,123,996
<b>Total assets</b>	<b>123,191,141</b>	<b>334,384,385</b>	<b>457,575,526</b>
<b>Deferred outflows of resources</b>			
Deferred amounts related to OPEB	56,939	2,476	59,415
Deferred amounts related to pensions	7,135,300	278,776	7,414,076
<b>Total deferred outflows of resources</b>	<b>7,192,239</b>	<b>281,252</b>	<b>7,473,491</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	5,796,603	2,276,241	8,072,844
Payable from restricted assets:			
Accrued interest	8,205	1,821,442	1,829,647
Customer deposits	-	1,297,409	1,297,409
Unearned revenue	5,199	52,697	57,896
Long-term liabilities:			
Due within one year	2,562,368	7,908,072	10,470,440
Due in more than one year	28,773,465	147,248,413	176,021,878
<b>Total liabilities</b>	<b>37,145,840</b>	<b>160,604,274</b>	<b>197,750,114</b>
<b>Deferred inflows of resources</b>			
Property taxes succeeding year	27,496	-	27,496
Deferred amounts related to OPEB	32,878	1,429	34,307
Deferred amounts related to pensions	3,598,289	112,627	3,710,916
<b>Total deferred inflows of resources</b>	<b>3,658,663</b>	<b>114,056</b>	<b>3,772,719</b>
<b>Net position</b>			
Net investment in capital assets	67,414,599	128,690,175	196,104,774
Restricted:			
Debt service	3,145	3,368,738	3,371,883
Capital improvements	45,878	28,892,984	28,938,862
Public safety	352,130	-	352,130
Unrestricted	21,763,125	12,995,410	34,758,535
<b>Total net position</b>	<b>\$ 89,578,877</b>	<b>\$ 173,947,307</b>	<b>\$ 263,526,184</b>

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

City of Enid, Oklahoma

Statement of Activities  
Year Ended June 30, 2019

	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	\$ 9,089,167	\$ 301,377	\$ 85,846	\$ -	\$ (8,701,944)	\$ -	\$ (8,701,944)
Public safety	18,975,008	2,059,894	2,602,859	33,820	(14,278,435)	-	(14,278,435)
Public works	20,889,056	364,430	238,240	-	(20,286,386)	-	(20,286,386)
Culture and recreation	2,171,634	64,078	8,521	27,882	(2,071,153)	-	(2,071,153)
Economic development	6,178,919	-	-	-	(6,178,919)	-	(6,178,919)
Interest on long-term debt	67,326	-	-	-	(67,326)	-	(67,326)
<b>Total governmental activities</b>	<b>57,371,110</b>	<b>2,789,779</b>	<b>2,935,466</b>	<b>61,702</b>	<b>(51,584,163)</b>	<b>-</b>	<b>(51,584,163)</b>
Business-type activities:							
Utility operations	21,483,951	37,926,865	-	-	-	16,442,914	16,442,914
Airport	2,793,642	1,606,729	-	735,651	-	(451,262)	(451,262)
Golf	731,372	548,569	-	-	-	(182,803)	(182,803)
Event center	5,105,172	1,745,023	-	-	-	(3,360,149)	(3,360,149)
Transit and other	744,454	109,569	387,210	-	-	(247,675)	(247,675)
Sales tax remitted to schools	15,499	-	-	-	-	(15,499)	(15,499)
<b>Total business-type activities</b>	<b>30,874,090</b>	<b>41,936,755</b>	<b>387,210</b>	<b>735,651</b>	<b>-</b>	<b>12,185,526</b>	<b>12,185,526</b>
<b>Total primary government</b>	<b>\$ 88,245,200</b>	<b>\$ 44,726,534</b>	<b>\$ 3,322,676</b>	<b>\$ 797,353</b>	<b>(51,584,163)</b>	<b>12,185,526</b>	<b>(39,398,637)</b>
General revenues:							
Taxes:							
Sales and use					39,456,089	-	39,456,089
Property					1,319,681	1,483,475	2,803,156
Franchise					2,751,895	-	2,751,895
Other					711,805	-	711,805
Investment income					895,863	1,887,595	2,783,458
Miscellaneous					611,890	36,617	648,507
Gain on disposition of capital assets					-	5,433	5,433
Contributed capital assets					-	11,613,260	11,613,260
Transfers - internal activity					21,326,449	(21,326,449)	-
<b>Total general revenues and transfers</b>					<b>67,073,672</b>	<b>(6,300,069)</b>	<b>60,773,603</b>
<b>Change in net position</b>					<b>15,489,509</b>	<b>5,885,457</b>	<b>21,374,966</b>
Net position, beginning					74,089,368	168,061,850	242,151,218
Net position, ending					<b>\$ 89,578,877</b>	<b>\$ 173,947,307</b>	<b>\$ 263,526,184</b>

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

City of Enid, Oklahoma

Balance Sheet—Governmental Funds  
June 30, 2019

	General	Police Fund	Fire Fund	Economic Development Authority Fund	Water Capital Improvements	Non-major Governmental Funds	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 2,107,534	\$ 567,023	\$ 238,442	\$ 422,539	\$ 2,481,528	\$ 3,455,866	\$ 9,272,932
Investments	8,450,287	2,421,530	1,018,288	1,804,495	10,597,610	13,595,723	37,887,933
Receivables:							
Accounts, net	63,141	-	-	-	-	-	63,141
Taxes	5,171,825	143,215	143,215	-	-	221,905	5,680,160
Due from other governments	-	10,030	-	178,000	-	6,060	194,090
Other	-	-	-	4,657	-	-	4,657
Due from other funds	108,719	-	-	-	-	-	108,719
Inventories	43,244	-	-	-	-	-	43,244
Prepaid expenses	212,430	30,821	7,326	-	-	9,211	259,788
Restricted cash and investments	-	-	-	45,878	-	-	45,878
<b>Total assets</b>	<b>\$ 16,157,182</b>	<b>\$ 3,172,620</b>	<b>\$ 1,407,271</b>	<b>\$ 2,455,569</b>	<b>\$ 13,079,138</b>	<b>\$ 17,288,765</b>	<b>\$ 53,560,545</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 1,027,992	\$ 240,155	\$ 206,110	\$ 30,448	\$ 922,311	\$ 2,347,767	\$ 4,774,783
Due to other funds	2,291,439	-	-	-	-	-	2,291,439
Unearned revenue	-	-	-	-	-	5,199	5,199
<b>Total liabilities</b>	<b>3,319,431</b>	<b>240,155</b>	<b>206,110</b>	<b>30,448</b>	<b>922,311</b>	<b>2,352,966</b>	<b>7,071,421</b>
<b>Deferred inflows of resources</b>							
Federal grants related to HUD loan	-	-	-	178,000	-	-	178,000
Property taxes succeeding year	27,496	-	-	-	-	-	27,496
<b>Total deferred inflows of resources</b>	<b>27,496</b>	<b>-</b>	<b>-</b>	<b>178,000</b>	<b>-</b>	<b>-</b>	<b>205,496</b>
<b>Fund balances:</b>							
Nonspendable:							
Inventories and prepaid expenses	255,674	30,821	7,326	-	-	9,211	303,032
Restricted:							
Public safety	-	-	-	-	-	352,130	352,130
Debt service	-	-	-	-	-	11,350	11,350
Capital improvements	-	-	-	45,878	-	-	45,878
Committed:							
Public safety	-	2,901,644	1,193,835	-	-	1,205	4,096,684
Public works	-	-	-	-	-	1,561,524	1,561,524
Other	493,950	-	-	-	-	-	493,950
Capital improvements	-	-	-	-	12,156,827	12,912,693	25,069,520
Unassigned	12,060,631	-	-	2,201,243	-	-	14,261,874
<b>Total fund balances</b>	<b>12,810,255</b>	<b>2,932,465</b>	<b>1,201,161</b>	<b>2,247,121</b>	<b>12,156,827</b>	<b>14,935,799</b>	<b>46,283,628</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 16,157,182</b>	<b>\$ 3,172,620</b>	<b>\$ 1,407,271</b>	<b>\$ 2,455,569</b>	<b>\$ 13,079,138</b>	<b>\$ 17,288,765</b>	<b>\$ 53,560,545</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, 2019

Fund Balance - Net Position Reconciliation - June 30, 2019

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Total fund balance - governmental funds: \$ 46,283,628

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. 69,872,450

Certain long-term assets are not available to pay for period expenditures and, therefore,  
are reported as deferred inflows in the funds.  
Due from other governments 178,000

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	(23,409,079)
Total OPEB liability	(2,162,870)
Pension-related deferred outflows	7,192,239
OPEB-related deferred outflows	56,939
Pension-related deferred inflows	(3,598,289)
OPEB-related deferred inflows	(32,878)
	<u>(21,953,938)</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 are reported in governmental activities. 1,027,765

Long-term liabilities are not due and payable in the current period and, therefore,  
are not reported in the funds:

Accrued interest payable	(8,205)
Accrued compensated absences	(2,123,350)
Accrued liability for workers' compensation claims incurred	(1,182,683)
Notes payable	(1,988,000)
Capital lease payable	(469,851)
	<u>(5,772,089)</u>

**Net position of governmental activities in the statement of net position** \$ 89,635,816

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, 2019

	General	Police Fund	Fire Fund	Economic Development Authority Fund	Water Capital Improvements	Non-major Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 39,905,300	\$ 1,151,342	\$ 1,151,342	\$ 1,317,353	\$ -	\$ 2,328	\$ 43,527,665
Licenses and permits	240,093	-	-	-	-	-	240,093
Intergovernmental	379,427	712,150	1,965,506	-	-	1,665,877	4,722,960
Fines and forfeitures	1,227,234	-	-	-	-	-	1,227,234
Charges for services	155,781	52,432	-	-	-	127,137	335,350
Other	280,621	11,915	35,927	210,468	3,500	200,998	743,429
Interest	195,282	57,093	24,861	23,138	298,505	296,984	895,863
<b>Total revenues</b>	<b>42,383,738</b>	<b>1,984,932</b>	<b>3,177,636</b>	<b>1,550,959</b>	<b>302,005</b>	<b>2,293,324</b>	<b>51,692,594</b>
Expenditures:							
Current:							
General government	7,223,810	-	-	-	-	2,676	7,226,486
Public safety	104,919	10,131,223	10,216,525	-	-	1,186,957	21,639,624
Public works	3,838,661	-	-	-	-	812,621	4,651,282
Culture and recreation	2,155,577	-	-	-	-	-	2,155,577
Economic development	-	-	-	6,157,131	-	-	6,157,131
Debt service:							
Principal	-	-	-	2,751,300	-	-	2,751,300
Interest	-	-	-	198,065	-	-	198,065
Capital outlay	1,507,681	507,457	54,023	-	9,015,263	7,201,393	18,285,817
<b>Total expenditures</b>	<b>14,830,648</b>	<b>10,638,680</b>	<b>10,270,548</b>	<b>9,106,496</b>	<b>9,015,263</b>	<b>9,203,647</b>	<b>63,065,282</b>
<b>Excess of revenues over (under) expenditures</b>	<b>27,553,090</b>	<b>(8,653,748)</b>	<b>(7,092,912)</b>	<b>(7,555,537)</b>	<b>(8,713,258)</b>	<b>(6,910,323)</b>	<b>(11,372,688)</b>
Other financing sources (uses):							
Transfers in	10,000,000	9,134,380	7,229,070	3,836,095	16,903,170	10,411,608	57,514,323
Transfers out	(35,955,612)	(150,000)	(50,000)	-	-	(32,262)	(36,187,874)
<b>Total other financing sources (uses)</b>	<b>(25,955,612)</b>	<b>8,984,380</b>	<b>7,179,070</b>	<b>3,836,095</b>	<b>16,903,170</b>	<b>10,379,346</b>	<b>21,326,449</b>
<b>Net change in fund balances</b>	<b>1,597,478</b>	<b>330,632</b>	<b>86,158</b>	<b>(3,719,442)</b>	<b>8,189,912</b>	<b>3,469,023</b>	<b>9,953,761</b>
Fund balances, beginning	11,212,777	2,601,833	1,115,003	5,966,563	3,966,915	11,466,776	36,329,867
Fund balances, ending	\$ 12,810,255	\$ 2,932,465	\$ 1,201,161	\$ 2,247,121	\$ 12,156,827	\$ 14,935,799	\$ 46,283,628

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, 2019

Changes in Fund Balance - Changes in Net Position Reconciliation - Year Ended June 30, 2019

<b>Net change in fund balances – total governmental funds:</b>	<b>\$ 9,953,761</b>
<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	4,216,302
Depreciation expense	(4,838,476)
Loss on disposal of capital assets	(15,500)
	<u>(637,674)</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	2,751,300
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	(164,000)
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.	(593,974)
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	(105,154)
Pension expense	3,957,961
Accrued liability for workers' compensaton claims incurred	162,077
Interest expense	130,739
Other postemployment benefits	34,473
	<u>4,180,096</u>
 <b>Change in net position of governmental activities</b>	 <b><u><u>\$ 15,489,509</u></u></b>

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

City of Enid, Oklahoma

Statement of Net Position—Proprietary Funds  
June 30, 2019

	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
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 181,614	\$ 414,715	\$ 730,498	\$ 20,265	\$ 1,347,092	\$ 383,102
Investments	775,602	417,453	968,265	57,557	2,218,877	1,636,077
Receivables:						
Accounts (net of allowance for uncollectibles)	4,916,437	175,198	44,744	1,078	5,137,457	51,236
Accrued interest	164,837	-	-	-	164,837	-
Taxes	-	109,954	-	-	109,954	-
Due from other governments	-	-	280,192	34,424	314,616	-
Due from other funds	2,291,439	-	-	-	2,291,439	-
Inventories	49,102	36,011	74,589	52,291	211,993	-
Prepaid expenses	15,066	17,351	416	140	32,973	1,944
Restricted investments	138,067,312	-	-	-	138,067,312	-
<b>Total current assets</b>	<b>146,461,409</b>	<b>1,170,682</b>	<b>2,098,704</b>	<b>165,755</b>	<b>149,896,550</b>	<b>2,072,359</b>
<b>Noncurrent assets:</b>						
Capital assets (net of accumulated depreciation)	136,582,348	26,716,679	20,661,109	613,644	184,573,780	-
<b>Total assets</b>	<b>283,043,757</b>	<b>27,887,361</b>	<b>22,759,813</b>	<b>779,399</b>	<b>334,470,330</b>	<b>2,072,359</b>
<b>Deferred outflows of resources</b>						
Deferred amounts related to OPEB	2,476	-	-	-	2,476	-
Deferred amounts related to pensions	209,873	-	26,923	41,980	278,776	-
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable and accrued liabilities	1,175,580	455,015	561,882	83,764	2,276,241	1,021,820
Payable from restricted assets:						
Accrued interest payable	1,821,073	-	-	369	1,821,442	-
Customer deposits	1,269,776	27,633	-	-	1,297,409	-
Due to other funds	-	-	-	108,719	108,719	-
Unearned revenue	-	36,992	-	15,705	52,697	-
Current portion of noncurrent liabilities	7,846,799	-	16,321	44,952	7,908,072	-
<b>Total current liabilities</b>	<b>12,113,228</b>	<b>519,640</b>	<b>578,203</b>	<b>253,509</b>	<b>13,464,580</b>	<b>1,021,820</b>

(Continued)

City of Enid, Oklahoma

Statement of Net Position—Proprietary Funds (Continued)

June 30, 2019

	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>Noncurrent liabilities:</b>							
Compensated absences	29,138	-	24,916	13,885	67,939	-	
Capital lease obligations	1,234,339	-	-	38,147	1,272,486	-	
Other postemployment benefits liability	94,038	-	-	-	94,038	-	
Revenue notes payable	585,000	-	-	-	585,000	-	
Notes payable, net of unamortized premium	139,433,272	-	-	-	139,433,272	-	
Net pension liability	1,308,002	-	167,796	261,633	1,737,431	-	
Landfill closure and post-closure obligations	3,844,459	-	-	-	3,844,459	-	
Workers compensation claims	143,352	-	7,789	62,647	213,788	-	
<b>Total noncurrent liabilities</b>	<b>146,671,600</b>	<b>-</b>	<b>200,501</b>	<b>376,312</b>	<b>147,248,413</b>	<b>-</b>	
<b>Total liabilities</b>	<b>158,784,828</b>	<b>519,640</b>	<b>778,704</b>	<b>629,821</b>	<b>160,712,993</b>	<b>1,021,820</b>	
<b>Deferred inflows of resources</b>							
Deferred amounts related to OPEB	1,429	-	-	-	1,429	-	
Deferred amounts related to pensions	84,790	-	10,877	16,960	112,627	-	
<b>Net position</b>							
Net investment in capital assets	80,736,890	26,716,679	20,661,109	575,497	128,690,175	-	
Restricted:							
Debt service	3,368,738	-	-	-	3,368,738	-	
Capital improvements	28,892,984	-	-	-	28,892,984	-	
Unrestricted	11,386,447	651,042	1,336,046	(400,899)	12,972,636	1,050,539	
<b>Total net position</b>	<b>\$ 124,385,059</b>	<b>\$ 27,367,721</b>	<b>\$ 21,997,155</b>	<b>\$ 174,598</b>	<b>\$ 173,924,533</b>	<b>\$ 1,050,539</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.

\$ 22,774

Total net position per government-wide financial statements

\$ 173,947,307

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, 2019

	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
Operating revenues:						
Charges for services:						
Utility operations	\$ 37,050,126	\$ -	\$ -	\$ -	\$ 37,050,126	\$ -
Event center	-	1,745,023	-	-	1,745,023	-
Airport	-	-	1,606,729	-	1,606,729	-
Transit	-	-	-	109,569	109,569	-
Healthcare premiums	-	-	-	-	-	4,809,045
Other	876,739	-	-	548,569	1,425,308	37,884
<b>Total operating revenues</b>	<b>37,926,865</b>	<b>1,745,023</b>	<b>1,606,729</b>	<b>658,138</b>	<b>41,936,755</b>	<b>4,846,929</b>
Operating expenses:						
Utility operations	9,291,205	-	-	-	9,291,205	-
Event center	-	3,400,308	-	-	3,400,308	-
Airport	-	-	1,821,698	-	1,821,698	-
Transit	-	-	-	677,976	677,976	-
Insurance claims and expenses	-	-	-	-	-	5,513,451
Other	716,080	-	-	681,006	1,397,086	-
Depreciation	7,495,172	1,704,864	970,392	113,732	10,284,160	-
<b>Total operating expenses</b>	<b>17,502,457</b>	<b>5,105,172</b>	<b>2,792,090</b>	<b>1,472,714</b>	<b>26,872,433</b>	<b>5,513,451</b>
<b>Net operating income (loss)</b>	<b>20,424,408</b>	<b>(3,360,149)</b>	<b>(1,185,361)</b>	<b>(814,576)</b>	<b>15,064,322</b>	<b>(666,522)</b>
Nonoperating revenues (expenses):						
Taxes	-	1,483,475	-	-	1,483,475	-
Miscellaneous revenues	-	-	30,557	6,060	36,617	-
Interest income	1,839,158	9,702	38,025	710	1,887,595	43,271
Government grants	-	-	-	387,210	387,210	-
Gain/(loss) on disposition of assets	3,057	-	-	2,376	5,433	-
Payments to schools	(15,499)	-	-	-	(15,499)	-
Interest expense and fiscal charges	(3,955,591)	-	-	(1,290)	(3,956,881)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(2,128,875)</b>	<b>1,493,177</b>	<b>68,582</b>	<b>395,066</b>	<b>(172,050)</b>	<b>43,271</b>
<b>Net income (loss) before capital contributions and transfers</b>	<b>18,295,533</b>	<b>(1,866,972)</b>	<b>(1,116,779)</b>	<b>(419,510)</b>	<b>14,892,272</b>	<b>(623,251)</b>
Capital grants	-	-	735,651	-	735,651	-
Capital asset contributions	11,566,180	-	-	47,080	11,613,260	-
Transfers in	18,421,472	325,000	1,350,000	849,590	20,946,062	-
Transfers (out)	(42,272,511)	-	-	-	(42,272,511)	-
<b>Change in net position</b>	<b>6,010,674</b>	<b>(1,541,972)</b>	<b>968,872</b>	<b>477,160</b>	<b>5,914,734</b>	<b>(623,251)</b>
Net position, beginning	118,374,385	28,909,693	21,028,283	(302,562)	168,009,799	1,673,790
Net position, ending	<b>\$ 124,385,059</b>	<b>\$ 27,367,721</b>	<b>\$ 21,997,155</b>	<b>\$ 174,598</b>	<b>\$ 173,924,533</b>	<b>\$ 1,050,539</b>
Change in net position per above					\$ 5,914,734	
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.					(29,277)	
Change in business-type activities in net position per government-wide financial statements					<b>\$ 5,885,457</b>	

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, 2019

	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	\$ 38,574,615	\$ 1,702,216	\$ 1,621,423	\$ 650,881	\$ 42,549,135	\$ 4,795,693
Payments to suppliers	(7,007,068)	(3,437,642)	(920,924)	(515,012)	(11,880,646)	(5,352,393)
Payments to employees	(3,564,606)	-	(413,119)	(869,848)	(4,847,573)	-
<b>Net cash provided (used) by operating activities</b>	<b>28,002,941</b>	<b>(1,735,426)</b>	<b>287,380</b>	<b>(733,979)</b>	<b>25,820,916</b>	<b>(556,700)</b>
Cash flows from noncapital financing activities:						
Taxes	-	1,576,518	-	-	1,576,518	-
Interfund payments	174,331	-	-	(213,207)	(38,876)	-
Miscellaneous revenues/(expenses)	-	-	30,557	6,060	36,617	-
Government grants and contracts	-	-	-	-	-	-
Payments to schools	(15,499)	-	-	-	(15,499)	-
Operating transfers in	18,421,472	325,000	1,350,000	849,590	20,946,062	-
Operating transfers out	(42,272,511)	-	-	-	(42,272,511)	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(23,692,207)</b>	<b>1,901,518</b>	<b>1,380,557</b>	<b>642,443</b>	<b>(19,767,689)</b>	<b>-</b>
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	(6,009,885)	-	-	-	(6,009,885)	-
Interest expense and fiscal charges	(2,592,209)	-	-	(1,080)	(2,593,289)	-
Capital grants	-	-	455,459	387,210	842,669	-
Proceeds from issuance of debt	99,707,267	-	-	10,837	99,718,104	-
Proceeds from sale of capital assets	3,057	-	-	2,376	5,433	-
Acquisition/construction of capital assets	(1,587,237)	-	(1,959,729)	(230,695)	(3,777,661)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>89,520,993</b>	<b>-</b>	<b>(1,504,270)</b>	<b>168,648</b>	<b>88,185,371</b>	<b>-</b>
Cash flows from investing activities:						
Purchases of investments	(102,506,458)	(152,911)	(197,880)	(57,557)	(102,914,806)	-
Proceeds from sale of investments	5,383,699	-	-	-	5,383,699	327,670
Interest income	1,688,412	9,702	38,025	710	1,736,849	43,271
<b>Net cash provided (used) by investing activities</b>	<b>(95,434,347)</b>	<b>(143,209)</b>	<b>(159,855)</b>	<b>(56,847)</b>	<b>(95,794,258)</b>	<b>370,941</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,602,620)</b>	<b>22,883</b>	<b>3,812</b>	<b>20,265</b>	<b>(1,555,660)</b>	<b>(185,759)</b>
Cash and cash equivalents, beginning	1,784,234	391,832	726,686	-	2,902,752	568,861
Cash and cash equivalents, ending	\$ 181,614	\$ 414,715	\$ 730,498	\$ 20,265	\$ 1,347,092	\$ 383,102

(Continued)



City of Enid, Oklahoma

Statement of Cash Flows—Proprietary Funds (Continued)  
Year Ended June 30, 2019

	Business-Type Activities				Total
	Enterprise Funds				
	Enid Municipal Authority	Enid Event Center and Convention Hall	Woodring Airport	Non-major Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Net operating income (loss)	\$ 20,424,408	\$ (3,360,149)	\$ (1,185,361)	\$ (814,576)	\$ 15,064,322
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	7,495,172	1,704,864	970,392	113,732	10,284,160
Landfill closure costs	76,939	-	-	-	76,939
(Increases) decrease in assets:					
Receivables	576,635	(31,004)	14,694	(7,257)	553,068
Inventories	1,689	20,183	(4,454)	(10,457)	6,961
Prepaid expenses	42,904	9,930	(45)	(104)	52,685
Pension-related deferred outflows	(128,736)	-	(17,349)	(26,821)	(172,906)
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	(539,676)	(8,930)	492,616	(14,065)	(70,055)
Unearned revenue	-	(58,517)	-	3,149	(55,368)
Net pension liability	391,338	-	62,840	95,444	549,622
Customer deposits	71,115	(11,803)	-	-	59,312
Other postemployment benefits liability	1,273	-	-	-	1,273
Pension-related deferred inflows	(410,120)	-	(45,953)	(73,024)	(529,097)
<b>Total adjustments</b>	<b>7,578,533</b>	<b>1,624,723</b>	<b>1,472,741</b>	<b>80,597</b>	<b>10,756,594</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 28,002,941</b>	<b>\$ (1,735,426)</b>	<b>\$ 287,380</b>	<b>\$ (733,979)</b>	<b>\$ 25,820,916</b>
Supplemental schedule of noncash capital and financial activities:					
Capital contributions	\$ 11,566,180	\$ -	\$ -	\$ -	\$ 11,566,180
Assets, acquired under capital lease obligations	\$ 856,063	\$ -	\$ -	\$ -	\$ 856,063

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

City of Enid, Oklahoma

Statement of Fiduciary Net Position—Fiduciary Funds  
June 30, 2019

	Agency Funds	Pension Trust Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 14,847	\$ 309,892
Receivables:		
Accrued interest	-	7,159
Investments	8,636	-
Mutual fund - equities	-	32,612,451
Mutual fund - corporate bonds	-	8,635,369
Money market funds	-	263,846
Participant loans	-	425,944
<b>Total assets</b>	<u>23,483</u>	<u>42,254,661</u>
<b>Liabilities</b>		
Funds held in custody for others	12,825	-
<b>Total liabilities</b>	<u>\$ 12,825</u>	<u>-</u>
<b>Net position - restricted for pensions</b>		<u>\$ 42,254,661</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  
Year Ended June 30, 2019

	Pension Trust Funds
<b>Additions:</b>	
Contributions:	
Employer	\$ 1,146,702
Plan members	<u>642,554</u>
<b>Total contributions</b>	<u><u>1,789,256</u></u>
Investment earnings:	
Net increase (decrease) in the fair value of investments	639,758
Interest and dividends	<u>563,752</u>
<b>Total investment earnings</b>	<u>1,203,510</u>
<b>Total additions</b>	<u><u>2,992,766</u></u>
<b>Deductions:</b>	
Benefits and withdrawals	2,639,240
Administrative expenses	<u>196,775</u>
<b>Total deductions</b>	<u><u>2,836,015</u></u>
<b>Change in net position restricted for pensions</b>	156,751
Net position restricted for pensions, beginning	<u>42,097,910</u>
Net position restricted for pensions, ending	<u><u>\$ 42,254,661</u></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 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 non-major special revenue 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 in February 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 in April 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 Enid Economic Development Authority fund is a development fund which finances projects and programs that create or retain jobs, improve the local tax base and enhances the quality of life in the community.
- 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 project 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 Stride 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.



**Notes to Financial Statements**

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**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 postemployment 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 nonoperating 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 are 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. During the year ending June 30, 2019, the City disposed of all assets held for sale.

**Capital assets** – Capital assets, which include land, construction in process, 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. 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 two items that qualifies for reporting in this category. Deferred amounts related to pensions and OPEB 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. 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 revenues 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.

**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 postemployment benefits (OPEB)** – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows 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. Employees employed under the International Association of Fire Fighters (the "IAFF") received \$75 per day. 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, 2019.
- 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 definition 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%. The State of Oklahoma receives 4.5%, the City receives 4.25% and Garfield County receives .35%. The 4.25% for the City of Enid is broken down as follows:

- 2% remains in the General Fund to fund City operations.
- 1% is transferred to the Enid Municipal Authority to pay for capital infrastructure and water bond debt.
- ¼% is restricted for the Police and Fire Fund for public safety purposes.
- 1% 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, 2019 and 2018, the City's net assessed valuation of taxable real and personal property aggregated \$409,799,040 and \$395,750,905 while the property taxes levied per \$1,000 had a millage rate of .00 in 2019 and 2018.

## 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, 2019, which did not have a material effect on the City's financial statements:

- GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, issued April 2018, will be effective for the City beginning with its year ending June 30, 2019. 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. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. Implementation required additional note disclosures

The following pronouncements will be implemented in future periods. The City is currently evaluating the potential impact these statements will have on its financial statements.

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

- GASB Statement No. 84, Fiduciary Activities, issued January 2017 will be effective for the City beginning with its year ending June 30, 2020. The objective of this Statement 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.

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

***Fiscal Year Ending June 30, 2021:***

- GASB Statement No. 87, Leases, issued June 2017, will be effective for the City beginning with its year ending June 30, 2021. Statement No. 87 is designed to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**Subsequent events:** In September 2019, the Enid Municipal Authority issued a new note payable, the Series 2019B Clean Water SRF Promissory Note to pay off a portion of the Series 2010 Clean Water SRF Promissory Note to the Oklahoma Water Resources Board. The Series 2019B Clean Water SRF Promissory Note has an outstanding principal balance of \$10,431,584.09. The interest rate is 1.03% with an administrative fee of 0.5%. The payments will commence on March 15, 2020 and the note will reach maturity on March 15, 2032.



**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, 2019:

Governmental and Proprietary	Carrying Value	Credit Rating	Investment Maturities (in Years)			
			Less than 1	1 - 5	6 - 10	More than 10
Type:						
Demand deposits	\$ 25,832,835	n/a	N/A	N/A	N/A	N/A
Petty cash and change funds	7,750	n/a	N/A	N/A	N/A	N/A
Time deposits	14,749,000	n/a	600,000	13,399,000	750,000	-
Investments:						
Government money market funds	100,916,480	Aaa-mf	100,916,480	-	-	-
Negotiable certificates of deposits	26,973,000	n/a	1,723,000	23,750,000	1,500,000	-
U.S. Agency securities	22,380,138	Aaa	-	22,380,138	-	-
Total cash and cash equivalents and investments	<u>\$ 190,859,203</u>		<u>\$ 102,639,480</u>	<u>\$ 46,130,138</u>	<u>\$ 1,500,000</u>	<u>\$ -</u>
Reconciliation to statement of net position:						
Cash and cash equivalents	\$ 11,003,126					
Investments	41,742,887					
Restricted cash and investments	138,113,190					
	<u>\$ 190,859,203</u>					
Agency and Fiduciary			Investment Maturities (in Years)			
	Fair Value	Credit Rating	Less than 1	1 - 5	6 - 10	More than 10
Demand deposits	\$ 324,739	n/a	N/A	N/A	N/A	N/A
Investments:						
Negotiable certificates of deposits	8,636	n/a	2,418	5,268	950	-
Mutual funds - equities	32,612,451	n/a	32,612,451	-	-	-
Mutual funds - corporate bonds	8,635,369	Bb - Aaa	8,635,369	-	-	-
Money market fund	263,846	not rated	263,846	-	-	-
Total cash and cash equivalents and investments	<u>\$ 41,845,041</u>		<u>\$ 41,514,084</u>	<u>\$ 5,268</u>	<u>\$ 950</u>	<u>\$ -</u>

Government money market funds 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, 2019, the City had no 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	\$ -	\$ 26,973,000	\$ -	\$ 26,973,000
U.S. Agency securities	-	22,380,138	-	22,380,138
	<u>\$ -</u>	<u>\$ 49,353,138</u>	<u>\$ -</u>	<u>\$ 49,353,138</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	\$ 32,612,451	\$ -	\$ -	\$ 32,612,451
Mutual fund - corporate bonds	8,635,369	-	-	8,635,369
Money market fund	263,846	-	-	263,846
	<u>\$ 41,511,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,511,666</u>

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

**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% 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, 2019, 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 2003 Sales Tax note, 2009 OWRB note, 2010 OWRB note, 2012B OWRB note, 2015 Revenue note, 2018B OWRB note, and the 2019 OWRB 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 \$268,086 in unspent note proceeds from the 2016 OWRB Note, \$45,009,658 in unspent note proceeds from the 2018B OWRB Note and \$50,909,636 in unspent note proceeds from the 2019 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% sales tax, 1% sales tax to fund the Kaw Lake Water Supply program, 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, 2019, are as follows:

	Governmental Funds	Proprietary Funds	Totals
EMA 2009 OWRB Note	\$ -	\$ 85,480	\$ 85,480
EMA 2010 OWRB Note	-	604,238	604,238
EMA 2012B OWRB Note	-	158,226	158,226
EMA 2016 OWRB Note	-	628,524	628,524
EMA 2012 Sales Tax Note	-	131,290	131,290
EMA 2015 Revenue Note	-	1,315,312	1,315,312
1% Restricted Sales Tax	-	14,085,050	14,085,050
1% Restricted Tax for Kaw Lake	-	14,807,934	14,807,934
Sanitary Sewer Capital Improvements	-	8,302,897	8,302,897
EMA BOK 2018b OWRB Project Fund	-	45,009,658	45,009,658
EMA BOK 2018b OWRB FAP Debit SRVC	-	968,927	968,927
EMA BOK 2019 OWRB Project Fund	-	50,909,636	50,909,636
EMA BOK 2019 OWRB FAP Debit SRVC	-	1,060,140	1,060,140
EEDA Series 2015 Sales Tax Revenue Note	45,878	-	45,878
Total restricted cash and investments	<u>\$ 45,878</u>	<u>\$ 138,067,312</u>	<u>\$ 138,113,190</u>

**Receivables:** Receivables as of June 30, 2019, 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	Other	Allowance for Doubtful Accounts	Net Receivables
Governmental activities:							
Fund:							
General	\$ 5,171,825	\$ 120,683	\$ -	\$ -	\$ -	\$ (6,303)	\$ 5,286,205
Police	143,215	-	10,030	-	-	-	153,245
Fire	143,215	-	-	-	-	-	143,215
Economic Development Authority	-	-	178,000	-	4,657	-	182,657
Non-major governmental funds	221,905	-	6,060	-	-	-	227,965
Total governmental activities	<u>5,680,160</u>	<u>120,683</u>	<u>194,090</u>	<u>-</u>	<u>4,657</u>	<u>(6,303)</u>	<u>5,993,287</u>
Business-type activities:							
Fund:							
Enid Municipal Authority	-	5,226,078	-	164,837	-	(309,641)	5,081,274
Enid Event Center and Convention Hall	109,954	175,198	-	-	-	-	285,152
Woodring Airport	-	56,667	280,192	-	-	(11,923)	324,936
Non-major enterprise funds	-	2,447	34,424	-	-	(1,369)	35,502
Total business-type activities	<u>109,954</u>	<u>5,460,390</u>	<u>314,616</u>	<u>164,837</u>	<u>-</u>	<u>(322,933)</u>	<u>5,726,864</u>
Net total receivables	<u>\$ 5,790,114</u>	<u>\$ 5,581,073</u>	<u>\$ 508,706</u>	<u>\$ 164,837</u>	<u>\$ 4,657</u>	<u>\$ (329,236)</u>	<u>\$ 11,720,151</u>

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, 2019, were as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 6,308,180	\$ -	\$ -	\$ -	\$ 6,308,180
Construction in progress	15,061,430	2,754,111	(2,460,503)	(307)	15,354,731
Total capital assets, not being depreciated	21,369,610	2,754,111	(2,460,503)	(307)	21,662,911
Capital assets, being depreciated:					
Buildings	16,308,829	-	28,826	-	16,337,655
Infrastructure	88,604,202	-	2,299,843	-	90,904,045
Equipment	11,348,894	1,054,626	108,993	(481,823)	12,030,690
Vehicles	11,535,415	877,723	(147,039)	(68,554)	12,197,545
Total capital assets, being depreciated	127,797,340	1,932,349	2,290,623	(550,377)	131,469,935
Less accumulated depreciation for:					
Buildings	(8,518,393)	(668,916)	-	-	(9,187,309)
Infrastructure	(50,441,143)	(2,741,450)	-	-	(53,182,593)
Equipment	(10,268,762)	(644,204)	14,790	478,325	(10,419,851)
Vehicles	(9,898,379)	(783,906)	147,039	64,603	(10,470,643)
Total accumulated depreciation	(79,126,677)	(4,838,476)	161,829	542,928	(83,260,396)
Total capital assets, being depreciated, net	48,670,663	(2,906,127)	2,452,452	(7,449)	48,209,539
Governmental activities capital assets, net	\$ 70,040,273	\$ (152,016)	\$ (8,051)	\$ (7,756)	\$ 69,872,450
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 7,679,181	\$ -	\$ -	\$ -	\$ 7,679,181
Construction in progress	19,108,554	14,255,303	(1,374,213)	(9,502)	31,980,142
Total capital assets, not being depreciated	26,787,735	14,255,303	(1,374,213)	(9,502)	39,659,323
Capital assets, being depreciated:					
Buildings	78,430,079	-	47,079	-	78,477,158
Infrastructure	149,627,477	-	1,327,133	-	150,954,610
Equipment	25,515,651	429,535	22,841	(22,259)	25,945,768
Vehicles	7,832,697	1,563,596	147,040	(239,981)	9,303,352
Total capital assets, being depreciated	261,405,904	1,993,131	1,544,093	(262,240)	264,680,888
Less accumulated depreciation for:					
Buildings	(20,662,113)	(3,951,245)	-	-	(24,613,358)
Infrastructure	(67,902,218)	(4,268,723)	-	-	(72,170,941)
Equipment	(15,012,042)	(1,300,387)	(14,790)	22,258	(16,304,961)
Vehicles	(6,006,309)	(763,805)	(147,039)	239,982	(6,677,171)
Total accumulated depreciation	(109,582,682)	(10,284,160)	(161,829)	262,240	(119,766,431)
Total capital assets, being depreciated, net	151,823,222	(8,291,029)	1,382,264	-	144,914,457
Business-type activities capital assets, net	\$ 178,610,957	\$ 5,964,274	\$ 8,051	\$ (9,502)	\$ 184,573,780

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	\$ 800,444
Public safety	949,708
Public works	2,928,356
Cultural and recreation	21,787
Economic development	138,181
Total governmental activities	<u>\$ 4,838,476</u>

**Business-type activities:**

Utility operations	\$ 7,495,172
Airport	970,392
Golf	48,583
Transit	65,149
Event center	1,704,864
Total business-type activities	<u>\$ 10,284,160</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, 2019, the liability to customers was \$1,269,776.

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 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, 2019, were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 2,018,195	\$ 1,287,511	\$ (1,182,356)	\$ 2,123,350	\$ 1,180,492
Workers' compensation claims	1,344,760	-	(162,077)	1,182,683	553,460
Judgments	-	-	-	-	-
Capital lease Obligations	-	469,851	-	469,851	170,416
Notes payable	2,622,000	-	(634,000)	1,988,000	658,000
Tax apportionment bonds	2,117,300	-	(2,117,300)	-	-
Total governmental activities	<u>\$ 8,102,255</u>	<u>\$ 1,757,362</u>	<u>\$ (4,095,733)</u>	5,763,884	2,562,368

Reconciliation to Statement of Net Position:

Plus: Net pension liability	23,409,079	-
OPEB liability	2,162,870	-
	<u>\$ 31,335,833</u>	<u>\$ 2,562,368</u>

**Business-type activities:**

Compensated absences	\$ 283,110	\$ 191,102	\$ (203,526)	\$ 270,686	\$ 150,810
Workers' compensation claims	354,798	324	(95,364)	259,758	45,970
Landfill closure and post-closure and other long-term liabilities	3,767,520	76,939	-	3,844,459	-
Revenue notes payable	2,875,000	-	(1,130,000)	1,745,000	1,160,000
Notes payable	49,208,197	95,285,448	(4,288,979)	140,204,666	5,567,222
Add: Unamortized premium on notes payable	387,368	4,421,818	(13,358)	4,795,828	160,752
Capital lease obligations	1,915,266	856,914	(567,561)	2,204,619	823,318
Total business-type activities	<u>\$ 58,791,259</u>	<u>\$ 100,832,545</u>	<u>\$ (6,298,788)</u>	153,325,016	7,908,072

Reconciliation to Statement of Net Position:

Plus: Net pension liability	1,737,431	-
OPEB liability	94,038	-
	<u>\$ 155,156,485</u>	<u>\$ 7,908,072</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 postemployment 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 semiannual 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. \$ 178,000

Note payable in the amount of \$2,920,000 with interest in semiannual 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. 1,810,000

Capital lease obligations:

Motorola solutions dated 05/01/2019 with 7 payments of \$67,242 including an interest rate of 3.99%. This note also includes a \$50,000 down payment. The purchase of equipment for operational use and has a net book value of \$462,127 469,851

Total long-term notes and bonds payable for governmental activities \$ 2,457,851

*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 semiannual installments over 5 years, every January 1 and July 1, including interest at 1.70% for the construction of Willow Road widening, Cleveland and Chestnut intersection, well field improvements and waterline relocation. 1,745,000

Total revenue notes 1,745,000

Notes payable:

**Series 2000A:** Note payable to the Oklahoma Water Resources Board, dated December 27, 2000, in the amount of \$1,184,042 payable in semiannual 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. 88,804



City of Enid, Oklahoma

Notes to Financial Statements

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

<b>Series 2002A:</b> Note payable to the Oklahoma Water Resources Board, dated August 14, 2002, in the amount of \$1,080,000 payable in semiannual 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.	166,152
<b>Series 2009:</b> Drinking water SRF promissory note to Oklahoma Water Resources Board, dated November 20, 2009, in the amount of \$8,345,000, payable in semiannual payments over 20 years, 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.	3,331,317
<b>Series 2010:</b> 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 semiannual installments over 20 years 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.	24,910,139
<b>Series 2012:</b> Drinking water SRF promissory note to Oklahoma Water Resources Board, dated April 10, 2012, in the amount of \$5,435,000, payable in semiannual installments over 9 years, including interest at 1.75%, maturing April 2021, for the construction of a new water tower.	1,207,805
<b>Series 2012:</b> Enid Municipal Authority Taxable Sales Tax Revenue Note to Bank of Oklahoma, dated January 3, 2012, payable in semiannual 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 4.58% at June 30, 2019, maturing January 2021, to provide funds for construction of a new Events Center and renovation of Convention Hall.	1,730,000
<b>Series 2016:</b> Enid Municipal Authority Taxable promissory note to the Oklahoma Water Resources Board, dated December 21, 2016, payable in semiannual 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.	13,485,000
<b>Series 2018B:</b> Promissory note to the Oklahoma Water Resources Board September 20, 2018, payable in semiannual installments including interest rate of 3.2% with a maturity date of October 1, 2048 to provide funds for the Kaw Lake Project.	42,960,000
<b>Series 2018A:</b> Drinking Water SRF promissory note to the Oklahoma Water Resources Board, dated September 10, 2018, payable in semiannual installments including interest rate of 2.49% with a maturity date of March 15, 2050 to provide funds for the Kaw Lake Project.	4,195,449

City of Enid, Oklahoma

Notes to Financial Statements

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

Series 2019A: Promissory note to the Oklahoma Water Resources Board, dated September 20, 2018, payable in semiannual installments including interest rate of 4.2% with a maturity date of October 1, 2048 to provide funds for the Kaw Lake Project.	48,130,000
Notes payable	140,204,666
Plus: Premium on Series 2016, 2018B and 2019A promissory note	4,795,828
Total notes payable	<u>145,000,494</u>
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 \$1,190.	5,311
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 \$2,247.	10,023
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 \$143,554.	158,130
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 \$243,145.	223,053
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 \$341,623.	681,013
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 \$0.	249,493
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 \$0.	154,497
John Deere Financial dated April 1, 2019 with 36 monthly payments of \$706 including interest of 5.50% , for the purchase of a Tri-Deck roller mower with a remaining net book value of \$21,547.	22,813
Arvest Equipment Finance dated 07/25/2018 with 35 monthly payments of \$14,511 and 1 monthly payment of \$396,210 including interest at 3.86% for the purchase of three mack trash trucks with a remaining net book value of \$676,543.	<u>700,286</u>
Total capital lease obligations	<u>2,204,619</u>
Total long-term notes, bonds and capital leases payable for business-type activities	<u><u>\$ 148,950,113</u></u>

**City of Enid, Oklahoma**

**Notes to Financial Statements**

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

The City's outstanding notes from direct borrowings related to governmental activities of \$1,810,000 contain a provision that in an event of default, outstanding amounts may become immediately due if the City is unable to make payment.

The City's direct borrowings related to business-type activities for outstanding notes payable and revenue bonds of \$140,206,666 and \$1,745,000, respectively, contain accelerated payment provisions in the event of default if the City is unable to make payment. In addition, if the City defaults on any of its required payments, the amount of such default shall bear interest at the rate of 14% per annum, from the date of default until the date of payment thereof in full. The notes are secured by pledged revenues and contain debt service coverage requirements of 125% of annual debt service payments for the net revenues available for debt service. Non-compliance with the debt service coverage requirement may require an initial deposit to the debt reserve account in the amount of 1/24<sup>th</sup> of the cash reserve requirement for a period of not more than 24 months until the cash reserve requirement is fully funded.

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

Year Ending June 30,	Governmental Activities			
	Capital Lease		Notes Payable	
	Principal	Interest	Principal	Interest
2020	\$ 170,416	\$ 14,069	\$ 658,000	\$ 51,114
2021	55,295	11,947	505,000	33,343
2022	57,501	9,741	515,000	17,928
2023	59,795	7,447	310,000	3,156
2024	62,181	5,061	-	-
2025-2029	64,663	2,580	-	-
Totals	\$ 469,851	\$ 50,845	\$ 1,988,000	\$ 105,541

Year Ending June 30,	Business-Type Activities					
	Revenue Notes		Capital Lease		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	1,160,000	24,778	823,318	75,551	5,567,222	6,131,720
2021	585,000	4,973	520,641	51,048	5,199,609	5,727,034
2022	-	-	522,133	23,840	4,436,501	5,466,040
2023	-	-	338,527	7,330	4,523,510	5,314,851
2024	-	-	-	-	4,681,040	5,151,798
2025-2029	-	-	-	-	26,080,878	22,956,205
2030-2034	-	-	-	-	22,345,906	15,856,773
2035-2039	-	-	-	-	18,550,000	12,147,806
2040-2044	-	-	-	-	22,655,000	7,953,843
2045-2049	-	-	-	-	26,165,000	2,713,951
Totals	\$ 1,745,000	\$ 29,751	\$ 2,204,619	\$ 157,769	\$ 140,204,666	\$ 89,420,021

**City of Enid, Oklahoma**

**Notes to Financial Statements**

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

***Pledged Revenues***

<i>Description of Pledge</i>	<u>Remaining Principal and Interest</u>	<u>Current Year Debt Service</u>	<u>Pledged Revenues</u>	<u>Debt Payment as % of Pledged Revenue</u>
<i>Governmental Activities:</i>				
<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.	180,937	\$ 172,432	\$ 402,240	42.87%
<b>2015 Sales Tax Revenue Note:</b> The City has pledged the proceeds from a 0.125% 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.	1,912,604	532,595	1,151,342	46.26%
<i>Business-Type Activities:</i>				
<b>Series 2015 Revenue Note:</b> The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Enid Municipal Authority Sales Tax Revenue Note, Taxable Series 2015. The note is payable through 2020 and was used to make capital improvements, including street, utility line relocation, water well field improvements and replacement of wells and engineering costs associated with alternate water supply development.	1,774,750	1,174,115	37,038,273	3.17%
<b>Series 1998A:</b> The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 1998A clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2019 and was used to finance sanitary sewer system improvements.	-	47,770	37,038,273	0.13%
<b>Series 2000A:</b> The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2000A clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2021 and was used to finance Upper Boggy Creek Relief Line.	89,252	59,877	37,038,273	0.16%
<b>Series 2002A:</b> The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2002A clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2022 and was used to finance Upper North Boggy Creek Relief Line.	167,627	56,437	37,038,273	0.15%
<b>Series 2009:</b> The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2009 drinking water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2031 and was used to finance an automated meter infrastructure.	3,811,366	329,964	37,038,273	0.89%

## City of Enid, Oklahoma

### Notes to Financial Statements

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

<i>Description of Pledge</i>	<u>Remaining Principal and Interest</u>	<u>Current Year Debt Service</u>	<u>Pledged Revenues</u>	<u>Debt Payment as % of Pledged Revenue</u>
<i>Business-Type Activities (Continued):</i>				
<b>Series 2010:</b> The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2010 clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2032 and was used to finance a new wastewater treatment facility.	29,988,419	2,306,801	37,038,273	6.23%
<b>Series 2012:</b> The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2012 drinking water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2021 and was used to finance two water towers.	1,234,799	617,400	37,038,273	1.67%
<b>2012 Sales Tax Revenue Note:</b> The City has pledged the proceeds from a 0.5% of the first 1% of a 2% sales tax, to repay the Enid Municipal Authority Sales Tax Revenue Note, Taxable Series 2012. The note is payable through 2021 and was used to construct the Enid Event Center & Convention Hall renovation.	2,175,502	1,579,498	4,197,259	37.63%
<b>Series 2016:</b> The City has pledged the 0.75% of the proceeds from a 1% 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.	22,977,474	826,096	9,210,736	8.97%
<b>Series 2018B:</b> The City has pledged the proceeds from a 2 percent sales tax along with utility revenues, to repay the Series 2018B Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2048 and was used to provide funds toward the Kaw Lake Project.	74,343,759	930,399	54,715,900	1.70%
<b>Series 2018A:</b> The City has pledged the proceeds from a 2 percent sales tax along with utility revenues, to repay the Series 2018A Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2050 and was used to provide funds toward the Kaw Lake Project.	9,659,495	-	37,038,273	0.00%
<b>Series 2019:</b> The City has pledged the proceeds from a 2 percent sales tax along with utility revenues, to repay the Series 2019A Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2048 and was used to provide funds toward the Kaw Lake Project.	85,274,494	-	37,038,273	0.00%

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

City of Enid, Oklahoma

Notes to Financial Statements

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

**Interfund receivables, payables and transfers:** The composition of interfund balances as of June 30, 2019, is as follows:

	<u>Receivables</u>	<u>Payables</u>
Major governmental funds, General	\$ 108,719	\$ 2,291,439
Major enterprise funds, Enid Municipal Authority	2,291,439	-
Non-major enterprise funds	-	108,719
	<u>\$ 2,400,158</u>	<u>\$ 2,400,158</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.

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds, General	\$ 10,000,000	\$ 35,955,612
Major governmental funds, Police	9,134,380	150,000
Major governmental funds, Fire	7,229,070	50,000
Major governmental funds, Capital Improvement	3,836,095	-
Major governmental funds, Water Capital Improvement	16,903,170	-
Non-major governmental funds	10,411,608	32,262
Major enterprise funds, Enid Municipal Authority	18,421,472	42,272,511
Major enterprise funds, Enid Event Center and Convention Hall	325,000	-
Major enterprise funds, Woodring Airport	1,350,000	-
Non-major enterprise funds	849,590	-
	<u>\$ 78,460,385</u>	<u>\$ 78,460,385</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.

## City of Enid, Oklahoma

### Notes to Financial Statements

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

The \$3,844,459 reported as other noncurrent liabilities for the accrued landfill closure cost liability as of June 30, 2019, represents the cumulative amount of such cost reported to date based on the use of approximately 75% 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 \$1,258,746 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 2019.

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, 2019, are as follows:

Estimated closure costs	\$ 3,867,199
Estimated post-closure costs	1,258,746
Total estimated costs	<u>\$ 5,125,945</u>
Accrued closure costs	<u>\$ 3,844,459</u>
Current costs charged to expense	<u>\$ 76,940</u>

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

**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, 2019, the City abated \$134,702 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
Net pension liability (asset):			
Police Pension System	\$ (797,124)	\$ -	\$ (797,124)
Firefighters' Pension System	20,079,911	-	20,079,911
City of Enid Retirement Plan	4,126,292	1,737,431	5,863,723
Total net pension liability	<u>\$ 23,409,079</u>	<u>\$ 1,737,431</u>	<u>\$ 25,146,510</u>
Deferred outflows of resources:			
Police Pension System	\$ 1,454,577	\$ -	\$ 1,454,577
Firefighters' Pension System	5,018,648	-	5,018,648
City of Enid Retirement Plan	662,075	278,776	940,851
Total deferred outflows of resources	<u>\$ 7,135,300</u>	<u>\$ 278,776</u>	<u>\$ 7,414,076</u>
Deferred inflows of resources:			
Police Pension System	\$ 748,921	\$ -	\$ 748,921
Firefighters' Pension System	2,581,885	-	2,581,885
City of Enid Retirement Plan	267,483	112,627	380,110
Total deferred inflows of resources	<u>\$ 3,598,289</u>	<u>\$ 112,627</u>	<u>\$ 3,710,916</u>
Pension expense:			
Police Pension System	\$ 763,499	\$ -	\$ 763,499
Firefighters' Pension System	2,837,787	-	2,837,787
City of Enid Retirement Plan	362,377	151,334	513,711
Total pension expense	<u>\$ 3,963,663</u>	<u>\$ 151,334</u>	<u>\$ 4,114,997</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 outflows and inflows of resources related to pension: At June 30, 2019, the City reported an asset of \$797,124 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2018. The City's proportionate share was 1.6734% at June 30, 2018, which was an increase of .02290% of the City's proportion at June 30, 2017.

For the year ended June 30, 2019, the City recognized \$763,499 in pension expense. At June 30, 2019, 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
Changes of assumptions	\$ 345,653	\$ -
Differences between expected and actual experience	4,732	(746,889)
Net difference between projected and actual earnings on pension plan investments	417,552	-
Changes in proportion and differences between City contributions and proportionate share of contributions	14,561	(2,032)
Total deferred amounts to be recognized in pension expense in future years	782,498	(748,921)
City contributions subsequent to the measurement date	672,079	-
Total deferred amounts related to pensions	<u>\$ 1,454,577</u>	<u>\$ (748,921)</u>

Amortization of pension deferrals: Deferred outflows of resources related to pensions totaling \$672,079 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, 2020. The net deferred outflows related to the difference between projected and actual investment earnings is being amortized over a closed five-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 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,	
2020	\$ 415,454
2021	164,464
2022	(433,898)
2023	(148,350)
2024	22,346
	<u>\$ 33,577</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2018, 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, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

**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, 2018, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	4.53%
Domestic equity	5.86%
International equity	8.83%
Real estate	6.58%
Private equity	9.21%
Commodities	5.06%

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

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension liability (asset)	\$ 3,697,612	\$ (797,124)	\$ (4,596,913)

Payables to the pension plan: The City reported no payables to the Police Pension System at June 30, 2019.

## 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, 2019, the State of Oklahoma contributed approximately \$629,000 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, 2019, the Oklahoma Police Pension System held no related-party investments of the City of Enid or of its related entities.

#### ***Oklahoma Firefighters' Pension and Retirement System***

Pension liabilities, pension expense and deferred outflows and inflows of resources related to pension: At June 30, 2019, the City reported a net pension liability of \$20,079,911 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2018. The City's proportionate share was 1.78385% at June 30, 2018, which was a decrease of .03844% of the City's proportion at June 30, 2017.

For the year ended June 30, 2019, the City recognized \$2,837,787 in pension expense. At June 30, 2019, 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	\$ 4,194,129	\$ -
Net difference between projected and actual earnings on pension plan investments	-	(1,588,431)
Changes in proportion and differences between City contributions and proportionate share of contributions	60,084	(993,454)
Total deferred amounts to be recognized in pension expense in future years	4,254,213	(2,581,885)
City contributions subsequent to the measurement date	764,436	-
Total deferred amounts related to pensions	<u>\$ 5,018,649</u>	<u>\$ (2,581,885)</u>

Amortization of pension deferrals: Deferred outflows of resources related to pensions totaling \$764,436 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, 2020. The net deferred outflows related to the difference between projected and actual investment earnings is being amortized over a closed five-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 services lives of all Firefighters' 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,	
2020	\$ 729,045
2021	472,541
2022	(145,171)
2023	364,721
2024	251,192
	<u>\$ 1,672,328</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2018, 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, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017

City of Enid, Oklahoma

Notes to Financial Statements

**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-estimates 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 percentages 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, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	4.37%
Domestic equity	37%	7.01%
International equity	20%	8.83%
Real estate	10%	6.58%
Other assets	13%	5.70%

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension liability	\$ 26,300,713	\$ 20,079,911	\$ 14,855,409

## City of Enid, Oklahoma

### Notes to Financial Statements

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

Payables to the pension plan: The City reported no payables to the Fire Pension System at June 30, 2019.

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

On-behalf payments for retirement: For the year ended June 30, 2019, the State of Oklahoma contributed approximately \$1,856,000 to the Oklahoma Fire Pension and Retirement System on behalf of the City. These amounts have been recorded as both a revenue and expenditure of the Fire Fund in the governmental funds financial statements.

Related-party investments: As of June 30, 2019, the Oklahoma Fire 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 by 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, 2019, there were 489 plan participants. Of these participants, 220 were active, 92 have been terminated but are vested, and 177 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% 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 0.85% of average compensation for each year (up to 35 years) that the employee participates in the Plan plus 0.65% of average basic earnings in excess of \$6,600 for each year (up to 35 years) the employee participates in the Plan. After 35 years of service, the benefit is 1.2% of average compensation. Normal retirement is at age 65, but full accrued benefits are provided at age 62 with 15 years of service, or under the Rule of 85.

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% for each month the participant is from age 65. A late retirement benefit is computed in the same manner as a normal retirement based on average salary and credited service as of the termination of employment.

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

Related-party investments: As of June 30, 2019, the System held no related-party investments of the City of Enid or of its related entities.

Investments: Investments consist of the following at June 30, 2019:

Mutual fund - equities	\$ 19,611,540
Mutual funds - corporate bonds	6,568,161
Total investments	<u>\$ 26,179,701</u>

The money weighted rate of return for the year ended June 30, 2019 was 1.10%.

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, 2019, 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	\$ 32,360,475
Plan fiduciary net pension	26,496,752
Net pension liability	<u>\$ 5,863,723</u>
Plan fiduciary net position as a percentage of the total pension liability	81.88%

Actuarial assumptions: The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

<u>Valuation date:</u>	July 1, 2019
<u>Actuarial cost method:</u>	Aggregate Method
<u>Investment rate of return:</u>	6.75%
<u>Inflation:</u>	2.5%
<u>Projected salary increases:</u>	4.75%
<u>Mortality rates:</u>	Pub-2010 Public Retirement Plans General Mortality Table projected by MP-2018

Discount rate: A discount rate of 6.75% 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%. 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, 2018	\$ 30,804,006	\$ 26,793,178	\$ 4,010,828
Changes for the year:			
Service cost	516,572	-	516,572
Interest	2,069,168	-	2,069,168
Differences between expected and actual experience	471,018	-	471,018
Assumption changes	(145,714)	-	(145,714)
Contributions - employer	-	771,013	(771,013)
Contributions - employee	-	-	-
Net investment income	-	437,783	(437,783)
Benefit payments, including refunds of contributions	(1,354,575)	(1,354,575)	-
Administrative expenses	-	(150,647)	150,647
Net changes	1,556,469	(296,426)	1,852,895
Balance at June 30, 2019	\$ 32,360,475	\$ 26,496,752	\$ 5,863,723

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%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1.0% higher or lower:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
City's net pension liability (asset)	\$ 9,576,928	\$ 5,863,723	\$ 2,727,078

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions: For the year ended June 30, 2019, the City recognized pension expense of \$513,711 related to the Employee Retirement System. At June 30, 2019, 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	\$ 309,710	\$ 157,518
Changes of assumptions	149,942	222,592
Net difference between projected and actual earnings on pension plan investments	481,199	-
Total deferred amounts to be recognized in pension expense in future years	940,851	380,110
City contributions subsequent to the measurement date	-	-
Total deferred amounts related to pensions	\$ 940,851	\$ 380,110

**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 five-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,		
2020	\$	185,486
2021		(74,440)
2022		180,780
2023		268,915
	\$	<u>560,741</u>

Payables to the pension plan: The City reported no payables to the Plan at June 30, 2019.

*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% of the employees' compensation up to 4%. Contributions to the 401(k) Plan, plus earnings, constitute retirement benefits from this plan. Contributions to the 401(k) Plan over the last six 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%
2019	375,689	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, 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
Current year claims and changes in estimates	5,111,792	4,799,093
Claim payments	(4,938,592)	(5,056,211)
Balance at June 30, 2019	<u>\$ 1,021,820</u>	<u>\$ 1,442,441</u>

City of Enid, Oklahoma

Notes to Financial Statements

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**Note 6. Other Postemployment Benefits**

**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 65 years of age and qualifies for Medicare. For the year ended June 30, 2019, retirees and dependents paid the full cost of the coverage.

**Employees covered by benefit terms:** At June 30, 2019, 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
	<hr/>
	415
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City of Enid, Oklahoma

Notes to Financial Statements

**Note 6. Other Postemployment Benefits (Continued)**

**Total OPEB liability**

The City's total OPEB liability of \$2,256,908 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

**Actuarial methods and assumptions:** The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<u>Cost method</u>	Entry Age Normal
<u>Salary increases</u>	4.75%
<u>Discount rate</u>	3.50%
<u>Health care cost trend rates</u>	7.70% decreasing to 4.94%
<u>Retirees' share of benefit-related costs</u>	100%
<u>Mortality rates</u>	Pub-2010 Public Retirement Plans General Mortality Table Weighted by Headcount projectd by MP-2018
<u>Plan participation</u>	35% of future retired employees are assumed to participate

The discount rate was based on the municipal bond rate as of July 1, 2019.

The actuarial assumptions used in the June 30, 2019, 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, 2018	\$ 2,226,348
Changes for the year:	
Service cost	91,843
Interest	85,605
Changes in assumptions or other inputs	44,776
Difference between expected and actual experience	22,741
Contributions and payments made	<u>(214,405)</u>
Net changes	<u>30,560</u>
Balance as of June 30, 2019	<u><u>\$ 2,256,908</u></u>

**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 (3.94%) or 1-percentage-point higher (5.94%) than the current discount rate.

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Total OPEB liability	\$ 2,421,822	\$ 2,256,908	\$ 2,105,735

City of Enid, Oklahoma

Notes to Financial Statements

**Note 6. Other Postemployment Benefits (Continued)**

**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% decreasing to 4.00%) or 1-percentage-point higher (8.70% decreasing to 6.00%) than the current healthcare cost trend rates.

	(6.70% Decreasing to 3.94%)	Health Care Cost Trend Rates (7.70% Decreasing to 4.94%)	(8.70% Decreasing to 5.94%)
Total OPEB liability	\$ 2,040,455	\$ 2,256,908	\$ 2,512,620

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB:** For the year ended June 30, 2019, the City recognized OPEB expense of \$34,476. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following source.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,012	\$ -
Changes of assumptions or other inputs	39,403	34,307
	<u>\$ 59,415</u>	<u>\$ 34,307</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:	
2020	\$ 2,711
2021	2,711
2022	2,711
2023	2,711
2024	2,711
Thereafter	11,553
	<u>\$ 25,108</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, 2019. 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, 2019, totaled \$18,816,921.

**Deficit fund balances:** As of June 30, 2019, the following funds had deficit fund balances:

Fund	Deficit
Non-major funds:	
Enid Public Transportation Authority (enterprise fund)	(80,830)

The deficits of the Enid Public Transportation Authority 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, 2019

	2019	2018	2017	2016	2015	2014
<b>Employee Retirement System of Enid Oklahoma</b>						
Total pension liability:						
Service cost	\$ 516,572	\$ 542,182	\$ 656,371	\$ 670,226	\$ 591,646	\$ 734,106
Interest cost	2,069,168	2,051,173	1,978,963	1,779,631	1,730,996	1,577,043
Differences between expected and actual experience	471,018	(353,084)	(758,410)	916,889	184,832	151,414
Changes in assumptions	(145,714)	420,110	(3,052,454)	(1,783,421)	2,216,163	(2,970,593)
Benefit payments, including refunds of employee contributions	(1,354,575)	(1,212,812)	(1,136,264)	(1,028,439)	(888,864)	(716,211)
<b>Net change in total pension liability</b>	<b>1,556,469</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	30,804,006	29,356,437	31,668,231	31,113,345	27,278,572	28,502,813
Total pension liability, ending	<b>\$ 32,360,475</b>	<b>\$ 30,804,006</b>	<b>\$ 29,356,437</b>	<b>\$ 31,668,231</b>	<b>\$ 31,113,345</b>	<b>\$ 27,278,572</b>
Plan fiduciary net position:						
Employer contributions	\$ 771,013	\$ 851,680	\$ 794,176	\$ 614,577	\$ 604,869	\$ 594,880
Net investment income	437,783	2,182,509	3,340,476	(348,571)	334,990	3,810,457
Benefit payments, including refunds of employee contributions	(1,354,575)	(1,212,812)	(1,136,264)	(1,028,439)	(888,864)	(716,211)
Administrative expense	(150,647)	(124,372)	(140,457)	(122,015)	(152,240)	(124,792)
<b>Net change in total pension liability</b>	<b>(296,426)</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	26,793,178	25,096,173	22,238,242	23,122,690	23,223,935	19,659,601
Plan fiduciary net position, ending	<b>\$ 26,496,752</b>	<b>\$ 26,793,178</b>	<b>\$ 25,096,173</b>	<b>\$ 22,238,242</b>	<b>\$ 23,122,690</b>	<b>\$ 23,223,935</b>
<b>Net pension liability, ending</b>	<b>\$ 5,863,723</b>	<b>\$ 4,010,828</b>	<b>\$ 4,260,264</b>	<b>\$ 9,429,989</b>	<b>\$ 7,990,655</b>	<b>\$ 4,054,637</b>
Total pension liability	\$ 32,360,475	\$ 30,804,006	\$ 29,356,437	\$ 31,668,231	\$ 31,113,345	\$ 27,278,572
Plan fiduciary net position	26,496,752	26,793,178	25,096,173	22,238,242	23,122,690	23,223,935
<b>Plan's net pension liability</b>	<b>\$ 5,863,723</b>	<b>\$ 4,010,828</b>	<b>\$ 4,260,264</b>	<b>\$ 9,429,989</b>	<b>\$ 7,990,655</b>	<b>\$ 4,054,637</b>
Plan net fiduciary position as percentage of total pension liability	81.88%	86.98%	85.49%	70.22%	74.32%	85.14%
Covered payroll	\$ 9,372,085	\$ 9,618,041	\$ 10,294,018	\$ 10,436,736	\$ 9,135,300	\$ 9,477,203
Net pension liability position as percentage of covered payroll	62.57%	41.70%	41.39%	90.35%	86.99%	42.78%
Annual money-weighted rate of return, net of investment expense	1.1%	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, 2019

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
2019	\$ 1,133,638	\$ 771,013	\$ (362,625)	\$ 9,372,085	8.23%
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%

**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, 2019**

	Fiscal Year Ended June 30,				
	2019	2018	2017	2016	2015
<b>Oklahoma Police Pension and Retirement System (OPPRS)</b>					
Measurement date	7/1/2018	7/1/2017	7/1/2016	7/1/2015	7/1/2014
City's proportion of the net pension liability (asset)	1.6734%	1.6505%	1.5900%	1.6606%	1.7136%
City's proportionate share of the net pension liability (asset)	\$ 797,124	\$ 126,954	\$ 2,433,461	\$ 67,708	\$ (576,952)
City's covered payroll	\$ 5,169,838	\$ 5,104,415	\$ 4,922,146	\$ 4,686,108	\$ 47,594,546
City's proportionate share of the net pension liability as a percentage of its covered payroll	15.42%	2.49%	49.44%	1.44%	-1.21%
Plan fiduciary net position as a percentage of the total pension liability	101.89%	99.70%	93.50%	99.82%	101.53%
<b>Oklahoma Firefighters' Pension and Retirement System (OFPRS)</b>					
Measurement date	7/1/2018	7/1/2017	7/1/2016	7/1/2015	7/1/2014
City's proportion of the net pension liability (asset)	1.7838%	1.8223%	1.8671%	1.9216%	1.9056%
City's proportionate share of the net pension liability	\$ 20,079,911	\$ 22,919,477	\$ 22,810,114	\$ 20,396,061	\$ 19,596,197
City's covered payroll	\$ 5,460,257	\$ 5,301,029	\$ 5,179,200	\$ 5,222,543	\$ 5,335,993
City's proportionate share of the net pension liability as a percentage of its covered payroll	367.75%	432.36%	440.42%	390.54%	378.66%
Plan fiduciary net position as a percentage of the total pension liability	70.73%	65.42%	64.87%	68.27%	68.12%

**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, 2019**

	2019	2018	2017	2016	2015
<b>Oklahoma Police Pension and Retirement System (OPPRS)</b>					
Contractually required contribution	\$ 672,079	\$ 663,574	\$ 639,879	\$ 609,194	\$ 618,741
Actual contributions	672,079	663,574	639,879	609,194	618,741
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	5,169,838	5,104,415	4,922,146	4,686,108	4,759,546
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%	13.00%	13.00%
<b>Oklahoma Firefighters' Pension and Retirement System (OFPRS)</b>					
Contractually required contribution	\$ 764,436	\$ 742,144	\$ 725,088	\$ 731,156	\$ 747,039
Actual contributions	764,436	742,144	725,088	731,156	747,039
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	5,460,257	5,301,029	5,179,200	5,222,543	5,335,993
Contributions as a percentage of covered payroll	14.00%	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 Supplementary Information  
For Year Ended June 30, 2019**

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

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

Changes of assumptions: There were no significant changes in assumptions.

***Oklahoma Firefighters' Pension and Retirement System***

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

Changes of assumptions: There were no significant changes in assumptions.

***City of Enid Retirement Plan***

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

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.

The 2019 valuation implemented the following refinements to plan assumptions:

- Changed the mortality tables used from the RP2006 Fully Generational Scale using the MP-2017 combined mortality improvement scale to the Pub-2010 Public Retirement Plans General Mortality Table projected by MP-2018.

City of Enid, Oklahoma

**Required Supplementary Information**  
**Schedule of Changes in the City of Enid's Total OPEB Liability and Related Ratios**  
**Last 10 Fiscal Years**  
**Year Ended June 30, 2019**

	2019	2018
<b>Total OPEB liability</b>		
Service cost	\$ 91,843	\$ 85,808
Interest	85,605	82,010
Changes of benefit terms	-	-
Differences between expected and actual experience	22,741	-
Changes of assumptions or other inputs	44,776	(45,095)
Benefit payments	(214,405)	(200,951)
<b>Net change in total OPEB liability</b>	<b>30,560</b>	<b>(78,228)</b>
Total OPEB liability, beginning	2,226,348	2,304,576
Total OPEB liability, ending	<u>\$ 2,256,908</u>	<u>\$ 2,226,348</u>
Covered payroll	22,961,434	22,886,095
Total OPEB liability as a percentage of covered payroll	9.83%	9.73%

Information was not available prior to fiscal year ending June 30, 2018.

*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:

2019	3.58%
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, 2019

	General Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Fund balance, beginning</b>	\$ 12,521,054	\$ 10,527,373	\$ 10,527,373	\$ -
Resources:				
Taxes	38,628,495	38,628,495	40,551,926	1,923,431
Licenses and permits	286,900	286,900	237,293	(49,607)
Intergovernmental	102,250	102,250	267,445	165,195
Fines and forfeitures	1,295,000	1,295,000	1,224,171	(70,829)
Charges for services	127,000	127,000	120,691	(6,309)
Miscellaneous	516,000	516,000	244,869	(271,131)
Interest	45,000	45,000	178,183	133,183
Operating transfers	10,000,000	10,000,000	10,000,000	-
<b>Total resources</b>	<b>51,000,645</b>	<b>51,000,645</b>	<b>52,824,578</b>	<b>1,823,933</b>
Amounts available for appropriation	63,521,699	61,528,018	63,351,951	1,823,933
Charges to appropriations:				
Administration	617,620	617,620	476,259	141,361
Police	-	-	-	-
Fire	-	-	-	-
Human resources	429,310	417,310	386,147	31,163
Legal	1,243,935	1,255,935	1,253,779	2,156
Safety	157,180	157,180	105,672	51,508
PR/Marketing	465,490	474,264	432,110	42,154
General government	911,305	940,060	616,577	323,483
Accounting	734,470	821,070	703,229	117,841
Records and receipts	265,870	268,270	222,508	45,762
Information technology	732,640	737,260	723,099	14,161
Community development	254,820	369,430	348,932	20,497
Code enforcement	698,280	608,280	564,432	43,848
Engineering	1,469,650	1,497,903	1,198,996	298,908
Public works management	220,870	310,870	309,529	1,341
Fleet management	786,325	628,325	567,575	60,750
Park and recreation	1,404,095	1,429,242	1,241,187	188,056
Stormwater and roadway maintenance	2,274,240	2,146,975	2,109,851	37,125
Technical services	1,636,950	1,430,011	1,404,425	25,587
Library	909,215	909,215	907,692	1,523
Capital outlay	667,490	1,845,016	1,588,602	256,414
Operating transfers	35,120,890	36,130,090	35,784,512	345,578
<b>Total charges to appropriations</b>	<b>51,000,645</b>	<b>52,994,326</b>	<b>50,945,113</b>	<b>2,049,216</b>
<b>Fund balances, ending</b>	<b>\$ 12,521,054</b>	<b>\$ 8,533,692</b>	<b>\$ 12,406,838</b>	<b>\$ (225,283)</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, 2019

	Police Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Fund balance, beginning</b>	\$ 2,396,027	\$ 2,370,134	\$ 2,370,134	\$ -
Resources:				
Taxes	1,099,170	1,099,170	1,162,238	63,068
Licenses and permits	-	-	-	-
Intergovernmental	90,000	90,000	100,907	10,907
Fines and forfeitures	-	-	-	-
Charges for services	60,500	60,500	52,432	(8,068)
Miscellaneous	20,000	20,000	11,915	(8,085)
Interest	40,000	40,000	53,456	13,456
Operating transfers	9,134,380	9,134,380	9,134,380	-
<b>Total resources</b>	<b>10,444,050</b>	<b>10,444,050</b>	<b>10,515,327</b>	<b>71,277</b>
Amounts available for appropriation	12,840,077	12,814,184	12,885,461	71,277
Charges to appropriations:				
Administration	-	-	-	-
Police	9,964,300	9,990,193	9,586,519	403,674
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	525,200	525,200	507,458	17,742
Operating transfers	150,000	150,000	150,000	-
<b>Total charges to appropriations</b>	<b>10,639,500</b>	<b>10,665,393</b>	<b>10,243,977</b>	<b>421,417</b>
<b>Fund balances, ending</b>	<b>\$ 2,200,577</b>	<b>\$ 2,148,791</b>	<b>\$ 2,641,484</b>	<b>\$ (350,140)</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, 2019

	Fire Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Fund balance, beginning</b>	\$ 1,383,955	\$ 954,202	\$ 954,202	\$ -
Resources:				
Taxes	1,099,170	1,099,170	1,162,238	63,068
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	6,000	6,000	35,927	29,927
Interest	10,000	10,000	22,776	12,776
Operating transfers	7,229,070	7,229,070	7,229,070	-
<b>Total resources</b>	<b>8,344,240</b>	<b>8,344,240</b>	<b>8,450,100</b>	<b>105,770</b>
Amounts available for appropriation	9,728,195	9,298,442	9,404,212	105,770
Charges to appropriations:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	7,964,490	8,318,454	8,229,204	89,249
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	775,000	775,000	65,973	709,027
Operating transfers	50,000	50,000	50,000	-
<b>Total charges to appropriations</b>	<b>8,789,490</b>	<b>9,143,454</b>	<b>8,345,177</b>	<b>798,276</b>
<b>Fund balances, ending</b>	<b>\$ 938,705</b>	<b>\$ 154,988</b>	<b>\$ 1,059,035</b>	<b>\$ (692,506)</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, 2019**

	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	\$ 52,824,578	\$ 10,515,327	\$ 8,450,010
<u>Adjustments:</u>			
<i>Budgetary</i> general fund revenues are reported on the cash basis, rather than the modified accrual basis	(437,557)	603,985	1,847,502
Operating transfers in are reported as "other financing sources and uses" for GAAP purposes	(10,000,000)	(9,134,380)	(7,229,070)
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances—governmental funds</b>	<b>\$ 42,387,021</b>	<b>\$ 1,984,932</b>	<b>\$ 3,068,442</b>
Expenditures:			
Actual amounts (budgetary basis) "charges to appropriations" from the budgetary comparison schedules	\$ 50,945,113	\$ 10,243,977	\$ 8,345,178
<u>Adjustments:</u>			
<i>Budgetary</i> general fund expenditures are reported on the cash basis, rather than the modified accrual basis	(177,506)	544,703	1,866,176
Operating transfers out are reported as "other financing sources and uses" for GAAP purposes	(35,955,612)	(150,000)	(50,000)
<b>Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances—governmental funds</b>	<b>\$ 14,811,995</b>	<b>\$ 10,638,680</b>	<b>\$ 10,161,354</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, 2019**

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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% 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, 2019

	Special Revenue						
	Special Projects Fund	Water Assessment	Street and Alley Fund	CDBG Fund	Paving Assessment	911 Fund	Vance Development Authority
<b>Assets</b>							
Cash and cash equivalents	\$ 277,199	\$ 1,426	\$ 310,420	\$ 22,511	\$ 404	\$ 10,067	\$ 19,054
Investments	20,907	6,091	1,325,679	96,138	1,724	42,993	81,373
Receivables:							
Taxes	-	-	77,710	-	-	144,089	-
Due from other governments	-	-	-	6,060	-	-	-
Accrued interest	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid expense	3,153	-	-	-	-	6,058	-
Assets held for sale	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 301,259</b>	<b>\$ 7,517</b>	<b>\$ 1,713,809</b>	<b>\$ 124,709</b>	<b>\$ 2,128</b>	<b>\$ 203,207</b>	<b>\$ 100,427</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ -	\$ 6,665	\$ 273,396	\$ 4,690	\$ 1,888	\$ 136,721	\$ 12,741
Unearned revenue	5,199	-	-	-	-	-	-
<b>Total liabilities</b>	<b>5,199</b>	<b>6,665</b>	<b>273,396</b>	<b>4,690</b>	<b>1,888</b>	<b>136,721</b>	<b>12,741</b>
<b>Deferred inflows of resources</b>							
Federal grants related to HUD loan	-	-	-	-	-	-	-
<b>Fund balances</b>							
Nonspendable	3,153	-	-	-	-	6,058	-
Restricted:							
Public safety	292,907	-	-	-	-	59,223	-
Public works	-	-	-	-	-	-	87,686
Debt service	-	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-	-
Committed:							
Public works	-	852	1,440,413	120,019	240	-	-
Public safety	-	-	-	-	-	1,205	-
Economic development	-	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>296,060</b>	<b>852</b>	<b>1,440,413</b>	<b>120,019</b>	<b>240</b>	<b>66,486</b>	<b>87,686</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 301,259</b>	<b>\$ 7,517</b>	<b>\$ 1,713,809</b>	<b>\$ 124,709</b>	<b>\$ 2,128</b>	<b>\$ 203,207</b>	<b>\$ 100,427</b>

City of Enid, Oklahoma

Combining Balance Sheet—Non-major Governmental Funds (Continued)  
June 30, 2019

	Capital Projects				Debt Service		Totals
	Street Improvement Fund	Capital Improvement Fund	Sanitary Sewer Fund	Storm Water Fund	Capital Projects Escrow	Sinking Fund	
<b>Assets</b>							
Cash and cash equivalents	\$ 325,416	\$ 797,598	\$ 44,069	\$ 1,348,455	\$ 297,114	\$ 2,133	\$ 3,455,866
Investments	1,389,719	3,406,220	188,200	5,758,713	1,268,855	9,111	13,595,723
Receivables:							
Taxes	-	-	-	-	-	106	221,905
Due from other governments	-	-	-	-	-	-	6,060
Accrued interest	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	9,211
Assets held for sale	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,715,135</b>	<b>\$ 4,203,818</b>	<b>\$ 232,269</b>	<b>\$ 7,107,168</b>	<b>\$ 1,565,969</b>	<b>\$ 11,350</b>	<b>\$ 17,288,765</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 649,917	\$ 863,709	\$ 118,455	\$ 279,585	\$ -	\$ -	\$ 2,347,767
Unearned revenue	-	-	-	-	-	-	5,199
<b>Total liabilities</b>	<b>649,917</b>	<b>863,709</b>	<b>118,455</b>	<b>279,585</b>	<b>-</b>	<b>-</b>	<b>2,352,966</b>
<b>Deferred inflows of resources</b>							
Federal grants related to HUD loan	-	-	-	-	-	-	-
<b>Fund balances</b>							
Nonspendable	-	-	-	-	-	-	9,211
Restricted:							
Public safety	-	-	-	-	-	-	352,130
Public works	-	-	-	-	-	-	87,686
Debt service	-	-	-	-	-	11,350	11,350
Capital improvements	-	-	-	-	-	-	-
Committed:							
Public works	-	-	-	-	-	-	1,561,524
Public safety	-	-	-	-	-	-	1,205
Economic development	-	-	-	-	-	-	-
Capital improvements	1,065,218	3,340,109	113,814	6,827,583	1,565,969	-	12,912,693
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>1,065,218</b>	<b>3,340,109</b>	<b>113,814</b>	<b>6,827,583</b>	<b>1,565,969</b>	<b>11,350</b>	<b>14,935,799</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,715,135</b>	<b>\$ 4,203,818</b>	<b>\$ 232,269</b>	<b>\$ 7,107,168</b>	<b>\$ 1,565,969</b>	<b>\$ 11,350</b>	<b>\$ 17,288,765</b>



City of Enid, Oklahoma

Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Non-major Governmental Funds  
Year Ended June 30, 2019

	Special Revenue						
	Special Projects Fund	Water Assessment	Street and Alley Fund	CDBG Fund	Paving Assessment	911 Fund	Vance Development Authority
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	446,110	402,240	-	817,527	-
Charges for services	-	-	-	-	-	-	-
Other	39,355	-	-	-	-	4,118	-
Interest	4,259	146	29,673	-	41	1,610	3,283
<b>Total revenues</b>	<b>43,614</b>	<b>146</b>	<b>475,783</b>	<b>402,240</b>	<b>41</b>	<b>823,255</b>	<b>3,283</b>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	2,676
Public safety	47,348	-	-	-	-	1,139,609	-
Public works	-	-	185,783	387,930	-	-	149,771
Culture and recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay	-	-	1,420,138	-	-	-	-
<b>Total expenditures</b>	<b>47,348</b>	<b>-</b>	<b>1,605,921</b>	<b>387,930</b>	<b>-</b>	<b>1,139,609</b>	<b>152,447</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(3,734)</b>	<b>146</b>	<b>(1,130,138)</b>	<b>14,310</b>	<b>41</b>	<b>(316,354)</b>	<b>(149,164)</b>
Other financing sources (uses):							
Transfers in	-	-	1,440,000	-	-	200,000	171,100
Transfers (out)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,440,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>171,100</b>
<b>Net change in fund balances</b>	<b>(3,734)</b>	<b>146</b>	<b>309,862</b>	<b>14,310</b>	<b>41</b>	<b>(116,354)</b>	<b>21,936</b>
Fund balances, beginning	299,794	706	1,130,551	105,709	199	182,840	65,750
Fund balances, ending	<b>\$ 296,060</b>	<b>\$ 852</b>	<b>\$ 1,440,413</b>	<b>\$ 120,019</b>	<b>\$ 240</b>	<b>\$ 66,486</b>	<b>\$ 87,686</b>

City of Enid, Oklahoma

Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Non-major Governmental Funds (Continued)  
Year Ended June 30, 2019

	Capital Projects				Debt Service		Totals
	Street Improvement Fund	Capital Improvement Fund	Sanitary Sewer Fund	Storm Water Fund	Capital Projects Escrow	Sinking Fund	
<b>Revenues:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,328	\$ 2,328
Intergovernmental	-	-	-	-	-	-	1,665,877
Charges for services	-	-	-	-	127,137	-	127,137
Other	-	157,525	-	-	-	-	200,998
Interest	30,631	63,066	1,817	132,279	30,250	(71)	296,984
<b>Total revenues</b>	<b>30,631</b>	<b>220,591</b>	<b>1,817</b>	<b>132,279</b>	<b>157,387</b>	<b>2,257</b>	<b>2,293,324</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	-	-	-	-	-	-	2,676
Public safety	-	-	-	-	-	-	1,186,957
Public works	-	-	-	89,137	-	-	812,621
Culture and recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay	1,326,046	2,599,822	441,591	1,413,796	-	-	7,201,393
<b>Total expenditures</b>	<b>1,326,046</b>	<b>2,599,822</b>	<b>441,591</b>	<b>1,502,933</b>	<b>-</b>	<b>-</b>	<b>9,203,647</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(1,295,415)</b>	<b>(2,379,231)</b>	<b>(439,774)</b>	<b>(1,370,654)</b>	<b>157,387</b>	<b>2,257</b>	<b>(6,910,323)</b>
<b>Other financing sources (uses):</b>							
Transfers in	1,000,000	5,082,000	593,240	1,925,268	-	-	10,411,608
Transfers (out)	-	-	-	-	(32,262)	-	(32,262)
<b>Total other financing sources (uses)</b>	<b>1,000,000</b>	<b>5,082,000</b>	<b>593,240</b>	<b>1,925,268</b>	<b>(32,262)</b>	<b>-</b>	<b>10,379,346</b>
<b>Net change in fund balances</b>	<b>(295,415)</b>	<b>2,702,769</b>	<b>153,466</b>	<b>554,614</b>	<b>125,125</b>	<b>2,257</b>	<b>3,469,023</b>
Fund balances (deficit), beginning	1,360,633	637,340	(39,652)	6,272,969	1,440,844	9,093	11,466,776
Fund balances, ending	<b>\$ 1,065,218</b>	<b>\$ 3,340,109</b>	<b>\$ 113,814</b>	<b>\$ 6,827,583</b>	<b>\$ 1,565,969</b>	<b>\$ 11,350</b>	<b>\$ 14,935,799</b>

City of Enid, Oklahoma

Combining Statement of Net Position—Non-major Proprietary Funds  
June 30, 2019

	Business-Type Activities		
	Enterprise Funds		
	Enid Public Transportation Authority	Meadowlake Golf Course	Total
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ -	\$ 20,265	\$ 20,265
Investments	-	57,557	57,557
Receivables:			
Accounts (net of allowance for uncollectibles)	1,078	-	1,078
Due from other governments	34,424	-	34,424
Inventories	-	52,291	52,291
Prepaid expenses	-	140	140
<b>Total current assets</b>	<b>35,502</b>	<b>130,253</b>	<b>165,755</b>
<b>Noncurrent assets:</b>			
Capital assets (net of accumulated depreciation)	221,485	392,159	613,644
<b>Total assets</b>	<b>256,987</b>	<b>522,412</b>	<b>779,399</b>
<b>Deferred outflows of resources</b>			
Deferred amounts related to pensions	21,375	20,605	41,980
<b>Total deferred outflows of resources</b>	<b>21,375</b>	<b>20,605</b>	<b>41,980</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	16,135	67,629	83,764
Current portion of noncurrent liabilities	33,925	11,027	44,952
Due to other funds	108,719	-	108,719
Unearned revenue	-	15,705	15,705
Accrued interest payable	-	369	369
<b>Total current liabilities</b>	<b>158,779</b>	<b>94,730</b>	<b>253,509</b>
<b>Noncurrent liabilities:</b>			
Compensated absences	-	13,885	13,885
Capital lease obligations	-	38,147	38,147
Workers' compensation claims	58,559	4,088	62,647
Net pension liability	133,218	128,415	261,633
<b>Total noncurrent liabilities</b>	<b>191,777</b>	<b>184,535</b>	<b>376,312</b>
<b>Total liabilities</b>	<b>350,556</b>	<b>279,265</b>	<b>629,821</b>
<b>Deferred inflows of resources</b>			
Deferred amounts related to pensions	8,636	8,324	16,960
<b>Total deferred inflows of resources</b>	<b>8,636</b>	<b>8,324</b>	<b>16,960</b>
<b>Net position</b>			
Net investment in capital assets	221,485	354,012	575,497
Restricted	-	-	-
Unrestricted (deficit)	(302,315)	(98,584)	(400,899)
<b>Total net position (deficit)</b>	<b>\$ (80,830)</b>	<b>\$ 255,428</b>	<b>\$ 174,598</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, 2019

	Business-Type Activities		
	Enterprise Funds		
	Enid Public Transportation Authority	Meadowlake Golf Course	Total
Operating revenues:			
Charges for services - other	\$ 109,569	\$ 548,569	\$ 658,138
<b>Total operating revenues</b>	<b>109,569</b>	<b>548,569</b>	<b>658,138</b>
Operating expenses:			
Other	677,976	681,006	1,358,982
Depreciation and amortization	65,149	48,583	113,732
<b>Total operating expenses</b>	<b>743,125</b>	<b>729,589</b>	<b>1,472,714</b>
<b>Net operating loss</b>	<b>(633,556)</b>	<b>(181,020)</b>	<b>(814,576)</b>
Nonoperating revenues (expenses):			
Miscellaneous revenues	-	6,060	6,060
Interest income	397	313	710
Government grants	387,210	-	387,210
Gain (loss) on disposition of assets	1,111	1,265	2,376
Interest expense and fiscal charges	-	(1,290)	(1,290)
<b>Total nonoperating revenues (expenses)</b>	<b>388,718</b>	<b>6,348</b>	<b>395,066</b>
<b>Net loss before contributions and transfers</b>	<b>(244,838)</b>	<b>(174,672)</b>	<b>(419,510)</b>
Capital contributions	-	47,080	47,080
Transfers in	389,590	460,000	849,590
<b>Change in net position</b>	<b>144,752</b>	<b>332,408</b>	<b>477,160</b>
Net position, beginning	(225,582)	(76,980)	(302,562)
Net position, ending	\$ (80,830)	\$ 255,428	\$ 174,598

City of Enid, Oklahoma

Combining Statement of Cash Flows—Non-major Proprietary Funds/Enterprise Funds  
Year Ended June 30, 2019

	Business-Type Activities		
	Enterprise Funds		
	Enid Public Transportation Authority	Meadowlake Golf Course	Total
Cash flows from operating activities:			
Receipts from customers and grantors	\$ 102,312	\$ 548,569	\$ 650,881
Payments to suppliers	(190,429)	(324,583)	(515,012)
Payments to employees	(516,649)	(353,199)	(869,848)
<b>Net cash provided (used) by operating activities</b>	<b>(604,766)</b>	<b>(129,213)</b>	<b>(733,979)</b>
Cash flows from noncapital financing activities:			
Taxes	-	-	-
Interfund payments	19,264	(232,471)	(213,207)
Miscellaneous revenues	-	6,060	6,060
Government grants	-	-	-
Operating transfers in	389,590	460,000	849,590
Operating transfers out	-	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>408,854</b>	<b>233,589</b>	<b>642,443</b>
Cash flows from capital and related financing activities:			
Proceeds from issuance of debt	-	10,837	10,837
Principal paid on long-term debt	-	-	-
Interest expense and fiscal charges	-	(1,080)	(1,080)
Capital grants	387,210	-	387,210
Proceeds from sale of capital assets	1,111	1,265	2,376
Acquisition/construction of capital assets	(192,806)	(37,889)	(230,695)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>195,515</b>	<b>(26,867)</b>	<b>168,648</b>
Cash flows from investing activities:			
Purchase of investments	-	(57,557)	(57,557)
Interest income	397	313	710
<b>Net cash provided (used) by investing activities</b>	<b>397</b>	<b>(57,244)</b>	<b>(56,847)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>20,265</b>	<b>20,265</b>
Cash and cash equivalents, beginning	-	-	-
Cash and cash equivalents, ending	\$ -	\$ 20,265	\$ 20,265
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Net operating income (loss)	\$ (633,556)	\$ (181,020)	\$ (814,576)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	65,149	48,583	113,732
(Increases) decrease in assets:			
Receivables	(7,257)	-	(7,257)
Prepaid expenses	36	(140)	(104)
Inventory	-	(10,457)	(10,457)
Due from other funds	-	-	-
Pension related deferred outflows	(14,907)	(11,914)	(26,821)
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	(46,769)	32,704	(14,065)
Unearned revenue	-	3,149	3,149
Pension related deferred inflows	(29,762)	(43,262)	(73,024)
Net pension liability	62,300	33,144	95,444
<b>Total adjustments</b>	<b>28,790</b>	<b>51,807</b>	<b>80,597</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (604,766)</b>	<b>\$ (129,213)</b>	<b>\$ (733,979)</b>

City of Enid, Oklahoma

Combining Statement of Fiduciary Net Position—Fiduciary Funds  
June 30, 2019

	Agency Funds			Pension Trust Funds		
	CLEET Fund	Court Bonds	Total	Retirement Defined Benefit	Retirement 401(k)	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 2,022	\$ 12,825	\$ 14,847	\$ 309,892	\$ -	\$ 309,892
Investments	8,636	-	8,636	-	-	-
Mutual fund - equities	-	-	-	19,611,540	13,000,911	32,612,451
Mutual fund - corporate bonds	-	-	-	6,568,161	2,067,208	8,635,369
Money market funds	-	-	-	-	263,846	263,846
Receivables:						
Accrued interest	-	-	-	7,159	-	7,159
Participant loans	-	-	-	-	425,944	425,944
<b>Total assets</b>	<b>\$ 10,658</b>	<b>\$ 12,825</b>	<b>\$ 23,483</b>	<b>26,496,752</b>	<b>15,757,909</b>	<b>42,254,661</b>
<b>Liabilities</b>						
Funds held in custody for others	-	12,825	12,825	-	-	-
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 12,825</b>	<b>\$ 12,825</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position</b>				<b>\$ 26,496,752</b>	<b>\$ 15,757,909</b>	<b>\$ 42,254,661</b>

City of Enid, Oklahoma

Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019

	Pension Trust Funds		Totals
	Retirement Defined Benefit	Retirement 401(k)	
<b>Additions</b>			
Contributions:			
Employer	\$ 771,013	\$ 375,689	\$ 1,146,702
Plan members	-	642,554	642,554
<b>Total contributions</b>	<b>771,013</b>	<b>1,018,243</b>	<b>1,789,256</b>
Investment earnings:			
Net increase (decrease) in the fair value of investments	(126,010)	765,768	639,758
Interest and dividends	563,752	-	563,752
<b>Total investment earnings</b>	<b>437,742</b>	<b>765,768</b>	<b>1,203,510</b>
<b>Total additions</b>	<b>1,208,755</b>	<b>1,784,011</b>	<b>2,992,766</b>
<b>Deductions</b>			
Benefits and withdrawals	1,354,575	1,284,665	2,639,240
Administrative expenses	150,606	46,169	196,775
<b>Total deductions</b>	<b>1,505,181</b>	<b>1,330,834</b>	<b>2,836,015</b>
<b>Change in net position</b>	<b>(296,426)</b>	<b>453,177</b>	<b>156,751</b>
Net position restricted for pensions, beginning	26,793,178	15,304,732	42,097,910
Net position restricted for pensions, ending	\$ 26,496,752	\$ 15,757,909	\$ 42,254,661

**City of Enid, Oklahoma**

**Schedule of Debt Service Coverage  
Year Ended June 30, 2019**

	OWRB Notes	Sales Tax Revenue Note Series 2015
Gross revenue available for debt service:		
Charges for services:		
Water	\$ 20,700,036	\$ 20,700,036
Wastewater	8,786,543	8,786,543
Stormwater	1,887,192	1,887,192
Solid waste	4,793,017	4,793,017
Landfill	1,039,816	1,039,816
Other	703,087	703,087
Sales tax collections pledged and transferred	9,210,736	9,210,736
<b>Total gross revenue</b>	<b>47,120,427</b>	<b>47,120,427</b>
Operating expenses, excluding depreciation and amortization:		
Utility services	587,382	587,382
Water production	2,093,513	2,093,513
Wastewater management services	3,407,043	3,407,043
Solid waste	2,259,672	2,259,672
Landfill	76,940	76,940
Other	1,028,344	1,028,344
<b>Total operating expenses</b>	<b>9,452,894</b>	<b>9,452,894</b>
Other expenses:		
Required transfers to other funds	10,000,000	10,000,000
Payment to schools	-	-
<b>Total other expenses</b>	<b>10,000,000</b>	<b>10,000,000</b>
<b>Net revenues available for debt service</b>	<b>\$ 27,667,533</b>	<b>\$ 27,667,533</b>
<b>Debt service requirements</b>	<b>\$ 8,037,186</b>	<b>\$ 8,037,186</b>
<b>Computed coverage</b>	344%	344%
<b>Coverage requirement</b>	125%	125%

**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, 2019**

<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>\$ 46,408</u>
<b>Oklahoma Department of Commerce:</b>		
Oklahoma Strategic Military Planning Commission		<u>127,000</u>
<b>Oklahoma Aeronautics Commission:</b>		
Terminal Building	WDG-19-FS	<u>408,807</u>
<b>Total Expenditures of State Awards</b>		<u><u>\$ 582,215</u></u>