CITY OF EL RENO, OKLAHOMA

ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

THE CITY OF EL RENO, OKLAHOMA

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TABLE OF CONTENTS

Page

Independent Auditor's Report on Financial Statements..... 5-6

Required Supplementary Information:
Management's Discussion and Analysis 7-16

The Basic Financial Statements:

Government-Wide Financial Statements:
Statement of Net Position 18
Statement of Activities 19

Governmental Funds Financial Statements:
Balance Sheet 21
Statement of Revenues, Expenditures and Changes in Fund Balance..... 22
Reconciliation of Governmental Fund and Government-Wide Financial Statements..... 23-24

Proprietary Funds Financial Statements:
Statement of Net Position..... 26
Statement of Revenues, Expenses and Changes in Net Position..... 27
Statement of Cash Flows..... 28-29

Fiduciary Fund Financial Statements:
Statement of Net Position..... 31
Statement of Changes in Fiduciary Net Position..... 31

Footnotes to the Basic Financial Statements 32-67

Required Supplementary Information:

Budgetary Comparison Information

Budgetary Comparison Schedule – General Fund..... 69
Footnotes to Budgetary Comparison Schedules..... 69-70

Pension Plan Information

Schedule of Proportionate Share of Net Pension Liability – Fire Pension..... 71
Schedule of City Contributions – Fire Pension..... 72
Schedule of Proportionate Share of Net Pension Asset – Police Pension..... 73
Schedule of City Contributions – Police Pension 74
Schedule of Changes in Net Pension Liability and Related Ratios - OkMRF..... 75
Schedule of Employer Contributions - OkMRF..... 76

Other Supplementary Information:

Nonmajor Governmental Combining Statements
Combining Balance Sheet – Nonmajor Governmental Funds…… 78
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
– Nonmajor Governmental Funds…… 79

General Fund Accounts Combining Schedules
Combining Balance Sheet – General Fund Accounts…….…… 80
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
– General Fund Accounts…… 81

Enterprise Fund Combining Schedules – El Reno Municipal Authority Accounts
Combining Schedule of Net Position – El Reno Municipal Authority…… 82
Combining Schedule of Revenues, Expenditures and Changes in Net Position
– El Reno Municipal Authority…… 83

State Awards Information

Schedule of Expenditures of State Awards…… 84
Footnotes to Schedule of Expenditures of State Awards

Schedule of Debt Service Coverage Requirements…… 85

Arledge
& Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of El Reno, Oklahoma

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Change in Accounting Principle

As discussed in Note 8 to the financial statements, in fiscal year 2015 the City adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension plan information, 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

The other supplementary information, combining and individual nonmajor fund financial statements, schedule of expenditures of state awards and the schedule of debt service requirements, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of state awards and the schedule of debt service requirements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Arledge & Associates, P.C.

January 21, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of El Reno's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2015, the City's total net position increased by $4 million or 10% from the prior year.
- During the year, the City's expenses for governmental activities were $13.6 million and were funded by program revenues of $3.3 million and further funded with taxes and other general revenues that totaled $14 million.
- In the City's business-type activities, such as utilities, hospital, airport, and golf program, revenues excluding transfers exceeded expenditures by $395,835.
- Sales and use taxes increased by approximately $1.5 million or 14.4% over the prior fiscal year. This translates into an increase in taxable sales of $38.4 million from the prior year.
- At June 30, 2015, the General Fund reported an unassigned fund balance of $1.4 million, which is a decrease of $186,736 or 13% from the prior year.
- For budgetary reporting purposes, the General Fund reported revenues under estimates of $908,079 or 6%, while expenditures were under the final appropriations by approximately $304,342 or 2%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of El Reno (the "City") and its component units using the integrated approach as prescribed by GASB Statements No. 14, 34, and 39 and 61. Included in this report are governmental-wide statements for each of two categories of activities – governmental and business-type, along with one discretely-presented component unit. The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets) and deferred outflows, as well as all liabilities (including all long-term debt) and deferred inflows.

<u>About the City</u>

The City of El Reno is a municipality with a population of approximately 16,749 located in central Oklahoma. The City is a Council-Manager form of government that provides for three branches of government:

- Legislative – the City Council is the governing body elected by the citizens
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Manager

The City provides typical municipal services such as public safety, street maintenance, culture, parks and recreation, airport, and certain utility services including water, wastewater, and sanitation.

(Unaudited. See accompanying auditor's report.)

The City's Financial Reporting Entity

This annual report includes all activities for which the City of El Reno City Council is fiscally responsible. These activities, defined as the City's financial reporting entity, are operated within separate legal entities that make up the primary government.

The City's financial reporting entity includes the primary government (City of El Reno), four blended component units and one discretely presented component unit as follows:

- **The City of El Reno** – that operates the public safety, streets, culture, parks and recreation, and administrative activities
- **The El Reno Municipal Trust Authority** – that operates the water, sewer, and sanitation services of the City (blended component unit)
- **The City of El Reno Hospital Authority** – that operates the hospital which serves the citizens of El Reno and the surrounding communities (blended component unit)
- **The El Reno Airpark Authority** – that operates the local non-commercial airport activities (blended component unit)
- **The El Reno Recreation Authority** – that was established to construct and operate the municipal golf course (blended component unit)
- **The El Reno Economic Development Authority** – that promotes and subsidizes efforts to create economic development within the City (discretely presented component unit), currently inactive.

Using This Annual Report

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City's financial condition and changes therein on the accrual basis of accounting at two distinct levels:

- **The City as a Whole** (a government-wide presentation)
- **The City's Funds** (a presentation of the City's major and aggregate non-major funds)

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady over the past year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the City's net position and changes in it from the prior year. You can think of the City's net position – the difference between assets, deferred outflows, liabilities and deferred inflows – as one way to measure the City's financial condition, or position. Over

time, increases or decreases in the City's net position are one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other nonfinancial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health and performance of the City.

As mentioned above, in the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.

- Business-type activities – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, sanitation, hospital, airpark and recreation activities are reported here.

- Discretely-presented component unit – This accounts for activities of the City's reporting entity that does not meet the criteria for blending, specifically the El Reno Economic Development Authority.

Reporting the City's Most Significant Funds - Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money.

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

Proprietary funds – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows. In fact, the City's enterprise funds are essentially the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

(Unaudited. See accompanying auditor's report.)

Fiduciary funds – When the City is responsible for assets that – because of a trust arrangement or other fiduciary requirement – can be used only for trust beneficiaries or others parties, these activities are reported as fiduciary funds, such as the Employee Retirement Trust Fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance operations.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the primary government, assets and deferred outflows exceeded liabilities and deferred inflows by $38 million at the close of the most recent fiscal year.

TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2015	* 2014		2015	* 2014		2015	* 2014	
Current assets	$ 12,453	$ 10,147	23%	$ 8,864	$ 8,267	7%	$ 21,317	$ 18,414	16%
Capital assets, net	34,766	34,843	0%	37,838	31,624	20%	72,604	66,467	9%
Total assets	47,219	44,990	5%	46,702	39,891	17%	93,921	84,881	11%
Deferred outfow of resources	749	-	100%	123	47	162%	872	47	1,755%
Current liabilities	3,459	1,295	167%	2,956	4,005	-26%	6,415	5,300	21%
Non-current liabilities	31,605	1,681	1,781%	16,966	35,743	-53%	48,571	37,424	30%
Total liabilities	35,064	2,976	1,078%	19,922	39,748	-50%	54,986	42,724	29%
Deferred inflow of resources	1,682	-	100%	41	-	100%	1,723	-	100%
Net position									
Net investment in capital assets	8,949	34,358	-74%	20,583	20,797	-1%	29,532	27,976	6%
Restricted	9,603	7,615	26%	1,703	1,665	2%	11,306	9,280	22%
Unrestricted	(7,330)	40	-18,632%	4,577	(22,271)	121%	(2,753)	4,948	-156%
Total net position	$ 11,222	$ 42,013	-73%	$26,863	$ 191	-13,964%	$ 38,085	$ 42,204	-10%

* MD&A prior year column not restated for reporting purposes

The largest portion of the City's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). For 2015, this net investment in capital assets amounted to $29.5 million. 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.

The increase in deferred outflows, deferred inflows, and non-current liabilities, and the decrease in unrestricted net position reported in the governmental and business-type activities are due to the implementation of GASB Pension Statements 68 and 71 in the current year.

(Unaudited. See accompanying auditor's report.)

The increase in governmental activities current assets, current liabilities and non-current liabilities is due to the transfer and reclassification of revenue bond debts along with the portion of cash associated with this debt issues from the business-type activities to the governmental activities. This is also a contributing factor to the decrease in unrestricted net position for governmental activities along with the new GASB Pension Statements listed above. These debts were transferred due to the proceeds being used to acquire governmental assets. This is also the reason for the decrease in the business-type current assets, current liabilities and non-current liabilities. The increase in unrestricted net position for the business-type activities also increased due to this transfer and the GASB Pension statements implementation mentioned above.

Changes in Net Position

For the year ended June 30, 2015, net position of the primary government changed as follows:

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2015	* 2014		2015	* 2014		2015	* 2014	
Revenues									
Charges for service	$ 1,002	$ 1,040	-4%	$ 7,354	$ 7,132	3%	$ 8,356	$ 8,172	2%
Operating grants and contributions	807	1,088	-26%	-	5	-100%	807	1,093	-26%
Capital grants and contributions	1,500	130	1,054%	335	969	-65%	1,835	1,099	67%
Taxes	13,520	11,920	13%	-	-	0%	13,520	11,920	13%
Intergovernmental revenue	186	181	3%	-	-	0%	186	181	3%
Investment income	26	32	-19%	26	24	8%	52	56	-7%
Miscellaneous	265	417	-36%	13	554	100%	278	971	-71%
Total revenues	17,306	14,808	17%	7,728	8,684	-11%	25,034	23,492	7%
Expenses									
General government	1,483	3,597	-59%	-	-		1,483	3,597	-59%
Public safety	7,403	7,740	-4%	-	-		7,403	7,740	-4%
Streets	1,886	1,778	6%	-	-		1,886	1,778	6%
Culture, parks and recreation	1,842	1,841	0%	-	-		1,842	1,841	0%
Interest on long-term debt	1,063	1,103	-4%	-	-		1,063	1,103	-4%
Water	-	-		2,461	2,461	0%	2,461	2,461	0%
Wastewater	-	-		2,223	1,731	28%	2,223	1,731	28%
Sanitation	-	-		670	702	-5%	670	702	-5%
Golf	-	-		908	984	-8%	908	984	-8%
Airport	-	-		592	555	7%	592	555	7%
Hospital	-	-		440	480	-8%	440	480	-8%
Total expenses	13,677	16,059	-15%	7,294	6,913	6%	20,971	22,972	-9%
Excess (deficiency) before transfers	3,629	(1,251)	-390%	434	1,771	-75%	4,063	520	681%
Transfers	(26,591)	1,864	-1,527%	26,591	(1,864)	1,527%	-	-	-
Increase (decrease) in net position	$ (22,962)	$ 613	-3,846%	$ 27,025	$ (93)	29,159%	$ 4,063	$ 520	681%

* MD&A prior year column not restated for reporting purposes

(Unaudited. See accompanying auditor's report.)

The increase in capital grants and contributions revenue for governmental activities of approximately $1.4 million or 1,054% is due to the money received from Chesapeake, Seven Energy, Centurion Share and Haliburton to pay for street improvements.

The significant change in transfers and net position in both business-type and governmental activities is a result of the transfer and reclassification of revenue bond debts from the Authority to governmental activities mentioned on the pervious page. This is also the reason for the decrease in interest on long-term debt for the governmental activities.

Governmental Activities

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

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

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2015	* 2014		2015	* 2014	
General government	$ 1,483	$ 3,597	-59%	$ (1,054)	$ (2,845)	-63%
Public safety	7,403	7,740	-4%	(6,321)	(6,634)	-5%
Streets	1,886	1,778	6%	(243)	(1,575)	-85%
Culture, parks and recreation	1,842	1,841	0%	(1,688)	(1,644)	3%
Interest on long-term debt	1,063	1,103	-4%	(1,063)	(1,103)	-4%
Total	$ 13,677	$ 16,059	-15%	$ (10,369)	$ (13,801)	-25%

* MD&A prior year column not restated for reporting purposes

For the year ended June 30, 2015, total expenses for governmental activities amounted to approximately $14 million which is a decrease of $2,382,653 from the prior year. Some of the more significant changes are noted above.

(Unaudited. See accompanying auditor's report.)

Business-type Activities

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

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	2015	* 2014		2015	* 2014	
Water	$ 2,461	$ 2,461	0%	$ 597	$ 520	15%
Wastewater	2,223	1,731	28%	(22)	894	-102%
Sanitation	670	702	-5%	288	246	17%
Golf	908	984	-8%	(318)	(338)	-6%
Airport	592	555	7%	(340)	(282)	21%
Hospital	440	480	-8%	191	153	25%
Total	$ 7,294	$ 6,913	6%	$ 396	$ 1,193	-67%

* MD&A prior year column not restated for reporting purposes

The City's business-type activities include utility services for water, wastewater, and sanitation. It also includes the Hospital Authority, Airpark Authority and Recreation Authority.

In reviewing the business-type activities net (expense)/revenue, the following highlights should be noted:

- Total business-type activities reported net revenue excluding transfers of $395,835 for the year ended June 30, 2015.
- Water, sanitation and hospital activities reported net revenue for the year ended June 30, 2015, and the wastewater, golf and airport activities reported net expense.

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2015 fiscal year, the governmental funds reported a combined fund balance of $11.5 million or a 22% increase from the prior year. The enterprise funds reported combined net position of $26.9 million or a 16,509% increase from 2014. This large increase is due to the transfer and reclassification of the revenue bond debts to the governmental activities for which proceeds were used to fund governmental CIP projects.

Other fund highlights include:

- For the year ended June 30, 2015, the 2013 Series STRN Bond Fund total fund balance decreased by $1.1 million or 26% due to the expenditures paid on the CIP project.

(Unaudited. See accompanying auditor's report.)

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the General Fund budget various times. The revised budget included an increase in overall revenue projections of 4.4% or $667,355 and an increase in appropriations of 5% or $742,490. Actual revenues were under estimates by $908,079 or 6%, while expenditures were under final appropriations by $304,342 or 5%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2015, the City had $72 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, streets, water lines, sewer lines and the hospital assets. (See Table 5). This is consistent with the prior year.

TABLE 5
Primary Government Capital Assets
(In Thousands)
(Net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 1,067	$ 927	$ 825	$ 825	$ 1,892	$ 1,752
Buildings	14,678	15,119	2,105	2,195	16,783	17,314
Imp. other than buildings	4,800	5,126	4,212	4,645	9,012	9,771
Machinery, furniture and equipment	1,909	2,171	2,173	2,558	4,082	4,729
Infrastructure	11,544	11,373	-	-	11,544	11,373
Intangible water rights	-	-	154	158	154	158
Utility property	-	-	19,691	20,021	19,691	20,021
Construction in progress	586	126	8,677	1,222	9,263	1,348
Totals	$ 34,584	$ 34,842	$ 37,837	$ 31,624	$ 72,421	$ 66,466

This year's more significant capital asset additions included:

Street Projects
Water and Wastewater Improvements
Patio enclosure to Hook and Slice Restaurant at golf course
Cart barn improvements

See Note 6 to the financial statements for more detail information on the City's capital assets and changes therein.

(Unaudited. See accompanying auditor's report.)

Long- Term Debt

At year-end, the City had $45 million in long-term debt outstanding which represents a $4 million or 10% increase from the prior year. The City's changes in long-term debt by type of debt are as follows:

TABLE 6
Primary Government Long-Term Debt
(In Thousands)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2015	* 2014	2015	* 2014	2015	* 2014	2014-2015
Accrued absences	$ 1,075	$ 956	$ 68	$ 73	$ 1,143	$ 1,029	11%
Sales tax refund payable	271	813	-	-	271	813	-67%
Insurance claims liability	99	435	-	-	99	435	-77%
Revenue bonds	25,385	-	6,505	32,926	31,890	32,926	-3%
Notes payable	443	-	10,738	5,105	11,181	5,105	119%
Refundable grant obligation	-	-	29	42	29	42	-31%
Deposits subject to refund	-	-	351	330	351	330	6%
Capital leases	234	484	27	50	261	534	-51%
Totals	$ 27,507	$ 2,688	$ 17,718	$ 38,526	$ 45,225	$ 41,214	10%

See Note 7 to the financial statements for more detail information on the City's long-term debt and changes therein.

The Upcoming Year

- The City is going to continue to move forward with the construction project 2013 and 2015 bond issues capital improvement projects to meet the needs of the citizens.
- The Municipal Authority will be moving forward with the construction project for the $21,530,000 loan with Oklahoma Water Resource Board to meet DEQ requirements regarding their wastewater needs, the process has started and should take about two years to complete.

Contacting the City's Financial Management

This report is designed to provide our citizens, taxpayers, customers and creditors with an understanding of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the City's Finance Director at 101 North Choctaw, El Reno, Oklahoma 73036-0700 or telephone at 405-262-4070.

(Unaudited. See accompanying auditor's report.)

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

Statement of Net Position– June 30, 2015

City of El Reno
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 10,094,372	$ 6,730,027	$ 16,824,399
Investments	274,051	445,897	719,948
Accounts receivable, net of allowance	-	874,910	874,910
Franchise tax receivable	104,634	-	104,634
Court fine receivable, net of allowance	447,659	-	447,659
Internal balances	(730,055)	730,055	-
Due from other governments	2,262,791	-	2,262,791
Inventory	-	55,327	55,327
Restricted investments	-	28,075	28,075
Net pension asset	181,708	-	181,708
Capital assets:			
Land and construction in progress	1,652,977	9,502,006	11,154,983
Other capital assets, net of depreciation	32,931,143	28,335,647	61,266,790
Total Capital Assets	34,584,120	37,837,653	72,421,773
Total Assets	47,219,280	46,701,944	93,921,224
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	749,378	83,352	832,730
Deferred amounts related to refunding	-	39,452	39,452
Total deferred outflows of resources	749,378	122,804	872,182
LIABILITIES			
Accounts payable	347,888	1,677,317	2,025,205
Accrued payroll liabilities	172,707	35,854	208,561
Accrued interest payable	479,187	145,544	624,731
Due to other governments	3,445	-	3,445
Refundable court bonds	4,242	-	4,242
Unearned revenue	1,303	736	2,039
Long-term liabilities:			
Due within one year	2,450,227	1,096,963	3,547,190
Due in more than one year	25,056,887	16,606,067	41,662,954
Net pension liability	6,548,402	360,047	6,908,449
Total liabilities	35,064,288	19,922,528	54,986,816
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pension	1,682,025	40,604	1,722,629
Total deferred outflows of resources	1,682,025	40,604	1,722,629
NET POSITION			
Net investment in capital assets	8,949,464	20,582,536	29,532,000
Restricted by:			
Enabling legislation	51,523	-	51,523
External contracts and groups:			
Permanent fund - nonexpendable	182,939	-	182,939
Permanent fund - expendable	7,735	-	7,735
Other contracts/groups	9,361,097	1,703,099	11,064,196
Unrestricted (deficit)	(7,330,413)	4,575,981	(2,754,432)
Total net position	$ 11,222,345	$ 26,861,616	$ 38,083,961

See accompanying notes to the financial statements.

Statement of Activities –Year Ended June 30, 2015

		Program Revenue			Net (Expense) Revenue and Changes in Net Position Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary government							
Governmental Activities							
General Government	$ 1,483,250	$ 416,818	$ 457	$ 11,782	$ (1,054,193)	$ -	$ (1,054,193)
Public Safety	7,402,548	454,484	619,697	7,519	(6,320,848)	-	(6,320,848)
Streets	1,886,022	1,400	168,225	1,473,808	(242,589)	-	(242,589)
Culture, parks and recreation	1,841,729	128,874	18,330	6,650	(1,687,875)	-	(1,687,875)
Interest on long-term debt	1,062,767	-	-	-	(1,062,767)	-	(1,062,767)
Total governmental activities	13,676,316	1,001,576	806,709	1,499,759	(10,368,272)	-	(10,368,272)
Business-type activities							
Water	2,460,635	3,057,578	-	-	-	596,943	596,943
Wastewater	2,222,792	1,865,014	-	335,410	-	(22,368)	(22,368)
Sanitation	670,313	958,501	-	-	-	288,188	288,188
Golf	908,177	589,851	-	-	-	(318,326)	(318,326)
Airport	591,834	252,461	-	-	-	(339,373)	(339,373)
Hospital	439,652	630,423	-	-	-	190,771	190,771
Total business-type activities	7,293,403	7,353,828	-	335,410	-	395,835	395,835
Total primary government	20,969,719	8,355,404	806,709	1,835,169	(10,368,272)	395,835	(9,972,437)
General revenues:							
Taxes:							
Sales and use taxes					12,198,004	-	12,198,004
Property taxes					102,773	-	102,773
Franchise and public service taxes					840,778	-	840,778
Hotel/motel taxes					378,693	-	378,693
Intergovernmental revenue not restricted to specific programs					185,745	-	185,745
Investment income					26,337	26,401	52,738
Miscellaneous					264,634	12,500	277,134
Transfers - Internal activity					(26,590,585)	26,590,585	-
Total general revenues and transfers					(12,593,621)	26,629,486	14,035,865
Change in net position					(22,961,893)	27,025,321	4,063,428
Net position - beginning, restated					34,184,238	(163,705)	34,020,533
Net position - ending					$ 11,222,345	$ 26,861,616	$ 38,083,961

See accompanying notes to the financial statements**.**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

Governmental Funds Balance Sheet - June 30, 2015

	General Fund	2013 Series STRN Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 3,701,442	$ 3,196,099	$ 3,189,717	$ 10,087,258
Investments	117,560	-	156,491	274,051
Due from other funds	33,969	-	-	33,969
Due from other governments	2,135,452	-	127,339	2,262,791
Franchise tax receivable	103,941	-	693	104,634
Court fine receivable, net	447,659	-	-	447,659
Total assets	6,540,023	3,196,099	3,474,240	13,210,362
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities:				
Accounts payable	66,885	979	254,929	322,793
Accrued payroll payable	200,171	-	1,076	201,247
Due to other funds	764,024	-	-	764,024
Refundable court bonds	4,242	-	-	4,242
Total liabilities	1,035,322	979	256,005	1,292,306
Deferred Inflows of resources:				
Deferred revenue	410,541	-	-	410,541
Fund balances:				
Nonspendable	-	-	182,939	182,939
Restricted	3,705,159	3,195,120	2,520,076	9,420,355
Committed	-	-	64,061	64,061
Assigned	3,062	-	451,159	454,221
Unassigned	1,385,939	-	-	1,385,939
Total fund balance	5,094,160	3,195,120	3,218,235	11,507,515
Total liabilities, deferred inflows and fund balance	$ 6,540,023	$ 3,196,099	$ 3,474,240	$ 13,210,362

See accompanying notes to the financial statements.

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

	General Fund	2013 Series STRN Bond Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 12,374,281	$ -	$ 1,144,698	$ 13,518,979
Intergovernmental	1,128,645	-	77,808	1,206,453
Licenses and permits	341,227	-	1,400	342,627
Charges for services	171,956	-	77,454	249,410
Fines and forfeitures	319,950	-	53,672	373,622
Investment income	18,936	256	6,936	26,128
Royalties	23,835	-	-	23,835
Miscellaneous	242,216	-	1,409,170	1,651,386
Total revenues	14,621,046	256	2,771,138	17,392,440
EXPENDITURES				
Current:				
General government	1,804,325	-	404,348	2,208,673
Public safety	7,139,989	-	314,397	7,454,386
Streets	896,913	-	29,000	925,913
Culture, parks, and recreation	1,270,358	-	-	1,270,358
Capital outlay	222,436	1,085,120	178,553	1,486,109
Debt service:				
Principal	1,754,066	-	191,776	1,945,842
Interest	1,041,205	-	12,600	1,053,805
Total Expenditures	14,129,292	1,085,120	1,130,674	16,345,086
Excess (deficiency) of revenues over expenditures	491,754	(1,084,864)	1,640,464	1,047,354
OTHER FINANCING SOURCES (USES)				
Transfers in	5,474,564	-	255,278	5,729,842
Transfers out	(4,541,034)	(60,920)	(521,576)	(5,123,530)
Proceeds from long-term debt	-	-	442,500	442,500
Total other financing sources and uses	933,530	(60,920)	176,202	1,048,812
Net change in fund balance	1,425,284	(1,145,784)	1,816,666	2,096,166
Fund balance - beginning	3,668,876	4,340,904	1,401,569	9,411,349
Fund balance - ending	$ 5,094,160	$ 3,195,120	$ 3,218,235	$ 11,507,515

See accompanying notes to the financial statements.

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance - Net Position Reconciliation:	$	11,507,515
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation of $17,996,147		34,584,120
Certain long-term assets are not available to pay current fund liabilities and therefore they, along with deferred outflows, are not reported in the funds:		
Net pension asset		181,708
Pension related deferred outflows		749,378
Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance costs, to individual funds. The assets and liabilities of these internal service funds are reported in the governmental activities of the Statement of Net Position:		
Internal service funds' net position		(92,223)
Certain long-term liabilities are not due and payable from current financial resources and therefore they, along with deferred inflows, are not reported in the funds:		
Deferred revenue		409,238
Net pension liability		(6,548,402)
Pension related deferred inflows		(1,682,025)
Accrued interest payable		(479,187)
Capital lease obligation		(234,337)
Sales tax refund payable		(270,864)
Notes Payable		(442,500)
Revenue bond obligations		(25,384,800)
Accrued compensated absences		(1,075,276)
		(35,708,153)
Net Position of Governmental Activities in the Statement of Net Position	$	11,222,345

See accompanying notes to the financial statements.

Changes in Fund Balance - Changes in Net Position Reconciliation:	$	2,096,166
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures while governmental activities report depreciation and amorization expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		1,486,108
Capital assets transferred from Enterprise Fund		413,465
Book value of disposed capital assets		(22,000)
Depreciation expense		(2,135,973)
		(258,400)
In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as pension expenditures. This amount represents the difference between pension contributions and calculated pension expense.		529,719
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Change in deferred revenue		13,046
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 payment on capital lease obligation		249,857
Principal payment on notes payable obligation		-
Principal payment on bonds payable obligation		1,685,950
Principal payment on sales tax refund payable obligation		541,727
Debt transferred from Enterprise Fund		(27,070,750)
Proceeds of long-term debt		(442,500)
		(25,035,716)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Change in accrued interest payable		(479,187)
Change in accrued compensated absences		(119,512)
		(598,699)
Internal service fund activity is reported as a proprietary fund in the fund financial statements, but certain net revenues are reported in governmental activities on the Statement of Activities		
Change in net position for internal service funds		291,991
Change in net position of governmental activities	$	(22,961,893)

See accompanying notes to the financial statements.

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

Proprietary Funds Statement of Net Position - June 30, 2015

	ENTERPRISE FUNDS					
	El Reno Municipal Trust Authority	The City of El Reno Hospital Authority	The City of El Reno Airpark Authority	The City of El Reno Recreational Authority	Totals	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	$ 3,613,577	$ 873,109	$ 23,159	$ 47,937	$ 4,557,782	$ 7,114
Restricted cash and cash equivalents	2,172,333	-	-	-	2,172,333	-
Investments	445,809	-	-	-	445,809	-
Due from other funds	764,024	-	-	-	764,024	-
Inventory	1,427	-	22,119	31,781	55,327	-
Accounts receivable, net	869,120	1,320	4,470	-	874,910	-
Total current assets	7,866,290	874,429	49,748	79,718	8,870,185	7,114
Non-current assets:						
Restricted investments	28,075	-	-	-	28,075	-
Capital assets:						
Land and construction in progress	8,750,573	685,499	65,934	-	9,502,006	-
Other capital assets, net of accumulated depreciation	21,778,241	2,300,639	2,850,788	1,405,979	28,335,647	-
Total non-current assets	30,556,889	2,986,138	2,916,722	1,405,979	37,865,728	-
Total assets	38,423,179	3,860,567	2,966,470	1,485,697	46,735,913	7,114
DEFERRED OUTFLOW OF RESOURCES:						
Deferred amounts related to pensions	68,084	-	-	15,268	83,352	-
Deferred amount on refunding	39,452	-	-	-	39,452	-
Total deferred outflow of resources	107,536	-	-	15,268	122,804	-
LIABILITIES						
Current liabilities:						
Accounts payable	1,521,451	100,098	500	55,268	1,677,317	-
Accrued payroll payable	26,301	-	1,326	8,227	35,854	-
Accrued interest payable	145,544	-	-	-	145,544	-
Unearned revenue	-	-	736	-	736	-
Due to other funds	-	-	-	33,969	33,969	-
Current portion of:						
Claims liability	-	-	-	-	-	82,827
Refundable grant obligation	13,873	-	-	-	13,873	-
Notes payable	334,929	45,433	50,214	-	430,576	-
Revenue bonds payable, net	630,950	-	-	-	630,950	-
Capital lease obligations	14,717	-	-	-	14,717	-
Accrued compensated absences	6,222	-	112	513	6,847	-
Total current liabilities	2,693,987	145,531	52,888	97,977	2,990,383	82,827
Non-current liabilities:						
Claims liability	-	-	-	-	-	16,510
Deposits subject to refund	350,907	-	-	-	350,907	-
Refundable grant obligation	14,664	-	-	-	14,664	-
Notes payable	9,665,193	99,636	543,072	-	10,307,901	-
Revenue bonds payable	5,858,500	-	-	-	5,858,500	-
Capital lease obligations	12,473	-	-	-	12,473	-
Accrued compensated absences	56,000	-	1,006	4,616	61,622	-
Net pension liability	294,096	-	-	65,951	360,047	-
Total non-current liabilities	16,251,833	99,636	544,078	70,567	16,966,114	16,510
Total liabilities	18,945,820	245,167	596,966	168,544	19,956,497	99,337
DEFERRED INFLOW OF RESOURCES:						
Deferred amounts related to pension	33,166	-	-	7,438	40,604	-
NET POSITION						
Net Investment in capital assets	14,012,052	2,841,069	2,323,436	1,405,979	20,582,536	-
Restricted for debt service	1,703,099	-	-	-	1,703,099	-
Unrestricted (deficit)	3,836,578	774,331	46,068	(80,996)	4,575,981	(92,223)
Total net position	$ 19,551,729	$ 3,615,400	$ 2,369,504	$ 1,324,983	$ 26,861,616	$ (92,223)

See accompanying notes to the financial statements.

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2015

	ENTERPRISE FUNDS					
	El Reno Municipal Trust Authority	The City of El Reno Hospital Authority	The City of El Reno Airpark Authority	The City of El Reno Recreational Authority	Totals	Internal Service Funds
OPERATING REVENUES						
Water charges	$ 2,949,635	$ -	$ -	$ -	$ 2,949,635	$ -
Sewer charges	1,796,632	-	-	-	1,796,632	-
Sanitation charges	922,278	-	-	-	922,278	-
Airport charges	-	-	219,270	-	219,270	-
Golf Course charges	-	-	-	447,921	447,921	-
Hook and Slice Resturant charges	-	-	-	138,549	138,549	
Water and sewer taps	13,475	-	-	-	13,475	-
Transfer fees	4,579	-	-	-	4,579	-
Returned check charges	1,270	-	-	-	1,270	-
Cut off charges	50,339	-	-	-	50,339	-
Penalties and interest	93,052	-	-	-	93,052	-
Miscellaneous	49,833	7,311	33,191	3,381	93,716	-
Rental	-	623,112	-	-	623,112	-
Self insurance charges	-	-	-	-	-	170,279
Total operating revenues	5,881,093	630,423	252,461	589,851	7,353,828	170,279
OPERATING EXPENSES						
Managerial	252,695	-	-	-	252,695	-
Administration	135,314	-	-	-	135,314	-
Billing	727,573	-	-	-	727,573	-
Water Plant	1,046,274	-	-	-	1,046,274	-
Wastewater	995,409	-	-	-	995,409	-
Utility Lines	614,868	-	-	-	614,868	-
Hospital	-	130,653	-	-	130,653	-
Airport	-	-	237,324	-	237,324	-
Golf	-	-	-	511,450	511,450	-
Claims Expense	-	-	-	-	-	(121,503)
Hook and Slice Resturant	-	-	-	222,067	222,067	-
Depreciation expense	1,203,295	300,546	333,508	174,660	2,012,009	-
Total Operating Expenses	4,975,428	431,199	570,832	908,177	6,885,636	(121,503)
Operating income (loss)	905,665	199,224	(318,371)	(318,326)	468,192	291,782
NON-OPERATING REVENUES (EXPENSES)						
Investment income	20,081	6,149	171	-	26,401	209
Miscellaneous revenue	-	12,500	-	-	12,500	-
Interest expense and fiscal charges	(378,312)	(8,453)	(21,002)	-	(407,767)	-
Total non-operating revenue (expenses)	(358,231)	10,196	(20,831)	-	(368,866)	209
Income (loss) before contributions and transfers	547,434	209,420	(339,202)	(318,326)	99,326	291,991
Capital contributions	335,410	-	-	-	335,410	-
Transfers in	47,108,196	-	-	225,000	47,333,196	-
Transfers out	(20,742,611)	-	-	-	(20,742,611)	-
Change in net position	27,248,429	209,420	(339,202)	(93,326)	27,025,321	291,991
Total net position - beginning, restated	(7,696,700)	3,405,980	2,708,706	1,418,309	(163,705)	(384,214)
Total net position - ending	$ 19,551,729	$ 3,615,400	$ 2,369,504	$ 1,324,983	$ 26,861,616	$ (92,223)

See accompanying notes to the financial statements.

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2015

	ENTERPRISE FUNDS					
	El Reno Municipal Trust Authority	The City of El Reno Hospital Authority	The City of El Reno Airpark Authority	The City of El Reno Recreational Authority	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 5,847,269	$ 630,423	$ 257,856	$ 590,726	$ 7,326,274	$ -
Payments to suppliers	(1,441,755)	(31,020)	(181,331)	(339,469)	(1,993,575)	(213,945)
Payments to employees	(1,310,997)	-	(40,188)	(403,385)	(1,754,570)	-
Receipts of customer meter deposits	75,366	-	-	-	75,366	-
Refunds of customer meter deposits	(54,481)	-	-	-	(54,481)	-
Interfund receipts/payments	(288,805)	-	-	-	(288,805)	-
Other income	-	12,500	-	-	12,500	170,279
Net cash provided by (used in) operating activities	2,826,597	611,903	36,337	(152,128)	3,322,709	(43,666)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	20,037,446	-	-	225,000	20,262,446	-
Transfers to other funds	(20,742,611)	-	-	-	(20,742,611)	-
Net cash provided by noncapital financing activities	(705,165)	-	-	225,000	(480,165)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(7,448,908)	(736,781)	-	(62,395)	(8,248,084)	-
Principal paid on capital debt	(1,129,310)	(42,690)	(48,543)	-	(1,220,543)	-
Proceeds from capital debt	7,467,161	-	-	-	7,467,161	-
Interest and fiscal agent fees paid on capital debt	(884,656)	(8,451)	(21,002)	-	(914,109)	-
Capital grants and contribution	335,410	-	-	-	335,410	-
Net cash provided by (used in) capital and related financing activities	(1,660,303)	(787,922)	(69,545)	(62,395)	(2,580,165)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Sale of investments	(18)	-	-	-	(18)	-
Interest and dividends	20,081	4,827	171	(1)	25,078	209
Net cash provided by investing activities	20,063	4,827	171	(1)	25,060	209
Net increase (decrease) in cash and cash equivalents	481,192	(171,192)	(33,037)	10,476	287,439	(43,457)
Balances - beginning of year	5,304,718	1,044,301	56,196	37,461	6,442,676	50,571
Balances - end of year	$ 5,785,910	$ 873,109	$ 23,159	$ 47,937	$ 6,730,115	$ 7,114
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	$ 3,613,577	$ 873,109	$ 23,159	$ 47,937	$ 4,557,782	$ 7,114
Restricted cash and cash equivalents - current	2,172,333	-	-	-	2,172,333	-
Total cash and cash equivalents, end of year	$ 5,785,910	$ 873,109	$ 23,159	$ 47,937	$ 6,730,115	$ 7,114

(Continued)

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2015, (continued)

	El Reno Municipal Trust Authority	The City of El Reno Hospital Authority	The City of El Reno Airpark Authority	The City of El Reno Recreational Authority	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	$ 905,665	$ 199,224	$ (318,371)	$ (318,326)	$ 468,192	$ 291,782
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	1,203,295	300,546	333,508	174,660	2,012,009	-
Miscellaneous revenue		12,500	-	-	12,500	-
Construction in progress expensed	-	-	22,830	-	22,830	-
Change in assets and liabilities:						
Due from other funds	(288,805)	-	-	-	(288,805)	-
Accounts receivable	(33,824)	-	5,395	875	(27,554)	-
Inventory	4,267	-	14,763	(11,204)	7,826	-
Accounts payable	1,055,009	99,633	(23,640)	7,312	1,138,314	-
Accrued payroll payable	(2,413)	-	1,189	(1,140)	(2,364)	-
Net pension liability	(30,281)	-	-	(6,791)	(37,072)	
Unearned revenue	-		-	-	-	-
Claims liability	-	-	-	-	-	(335,448)
Deposits subject to refund	20,885	-	-	-	20,885	-
Accrued compensated absences	(7,201)	-	663	2,486	(4,052)	-
Net cash provided by (used in) operating activities	$ 2,826,597	$ 611,903	$ 36,337	$ (152,128)	$ 3,322,709	$ (43,666)
Noncash activities:						
Contributed capital assets	$ -	$ -	$ -	$ -	$ -	$ -

See accompanying notes to the financial statements.

FIDUCIARY FUND

Fiduciary Fund Statement of Net Position – Pension Trust Fund (El Reno Employee Retirement System Reassure America Life Insurance Company) - June 30, 2015

ASSETS:		
Investments at contract value:		
Insurance contracts	$	360,393
Accrued interest receivable		10,610
Total Assets	$	371,003
NET POSITION:		
Net position held in trust for pension benefits	$	371,003

Fiduciary Fund Statement of Changes in Fiduciary Net Position – Pension Trust Fund (El Reno Employee Retirement System Reassure America Life Insurance Company) - Year Ended June 30, 2015

ADDITIONS:		
Employee forfeitures	$	6,741
Investment Income:		20,701
Total Additions		27,442
Change in net position held in trust for employees' pension benefits		27,442
Net position--beginning		343,561
Net position--ending	$	371,003

See accompanying notes to the financial statements.

FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS

Footnotes to the Basic Financial Statements:

1. Financial Reporting Entity

The City's financial reporting entity includes the primary government (City of El Reno), four blended component units, and one discretely presented component unit as noted below. This annual report includes all activities for which the City of El Reno City Council/Manager is fiscally responsible.

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

The City of El Reno – that provides the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities.

The City of El Reno has a population of approximately 16,749 located in central Oklahoma. The City is a Council/Manager form of government that provides for three branches of government:

- Legislative – the City Council is the governing body elected by the citizens
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Manager

The City provides typical municipal services such as public safety, street maintenance, culture, parks and recreation, airport, and certain utility services including water, wastewater, and sanitation.

Blended Component Units:

The El Reno Municipal Trust Authority – that operates the water, sewer, and sanitation services of the City – City Council serves as Authority trustees.

The City of El Reno Hospital Authority – that operates the hospital which serves the citizens of El Reno and the surrounding communities. City Council serves as Authority trustees.

The El Reno Airpark Authority – that operates the local non-commercial airport activities. City Council serves as Authority trustees.

The El Reno Recreation Authority – that was established to construct and operate the municipal golf course. City Council serves as Authority trustees.

Discretely Presented Component Unit:

The El Reno Economic Development Authority – that promotes and subsidizes efforts to create economic development within the City. City Council appoints trustees. There is currently no financial activity for this trust.

Each of these component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority

generated resources. In addition, the City has leased certain existing assets at the creation for the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

2. Basis of Presentation and Accounting

Government-Wide Financial Statements:

The statements of net position and activities are reported on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used.

Program revenues in the Statement of Activities, are revenues that are derived directly from each activity or from parties outside of the City's taxpayers. The City has the following program revenues in each activity:

- Public Safety – Fire, Police, Ambulance – fines and forfeitures, restricted operating grants, and restricted capital grants
- Streets – Commercial vehicle and gasoline excise tax shared by the State and other restricted operating grants.
- Culture, parks, and recreation – cemetery revenues, pool fees, operating and capital grants
- General Government – license and permits, plat and abatement fees, demolition fees, and restricted operating grants
- Water – water service charges
- Wastewater – wastewater service charges
- Sanitation – sanitation service charges
- Golf – golf course fees, restaurant services fees
- Airport – hangar rental income, fuel sales, and royalties
- Hospital – rental income

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

The funds of the financial reporting entity are described below.

Governmental Funds:

The City's governmental funds include:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds. For financial statement reporting purposes the General Fund contains the following combining accounts:
    - Gift and Contribution Account (previously Park Improvement Account)
    - Sales Tax ¼ cent Account
    - Cemetery Everlasting Care Account
    - Sales Tax Reserve Account

- 2013 Sales Tax Revenue Note Fund (reported as a capital project fund) – accounts for 2013 Sales Tax Revenue Note Construction.

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

Special Revenue Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

- Police Fund (Previously 911 Emergency Fund) – accounts for the following restricted revenues for public safety: 911 admin fee, police forfeitures, juvenile fee, drug and alcohol fees, impound fee, and any miscellaneous restricted fees.
- CDGB Fund – accounts for CDGB grant activity.
- Hotel Motel Occupancy Surcharge Fund – accounts for the Hotel/Motel tax collections and related expenditures; this was removed from the General Fund after the January 2008 election which restricts these funds to 40% for tourism and 60% for capital.
- Safety Sales Tax ¼ Cent Fund – accounts for the New Public Safety Sales Tax which was approved by voters in January 2008.
- Tax Increment Fund – accounts for revenues received from the two new Tax Increment Fund Districts.

Capital Project Funds:

- Drainage Improvement Fund – accounts for revenues and expenses for the purpose of creating and/or improving drainage basins.
- Capital Improvement Fund – accounts for an increase in Municipal Court fines. Funds are to be used for capital improvements in general.
- Infrastructure Fund - accounts for various construction projects funded through interfund transfers.
- Cemetery Care Fund – accounts for cemetery fees restricted for cemetery care.
- 2011 Sales Tax Revenue Note Fund) – accounts for 2011 Sales Tax Revenue Note Construction.
- Radio Road North Improvements – accounts for the restricted donations from Chesapeake and Seven Energy to improve the I-40 interchange.
- Evan's Road Improvements – accounts for the restricted donations from Centurion Share and Haliburton to improve the street and waterlines on Evan's Road.

Permanent Funds:

- Library Endowment Fund – accounts for funds which are restricted for library purposes.
- Cemetery Perpetual Care Fund – accounts for funds restricted for the maintenance or improvement of graves, lots, or perpetual care of the cemetery.

The governmental funds are reported on the modified accrual basis of accounting. On the modified accrual basis of accounting revenues are recorded when earned and measurable and available to pay current financial obligations, while expenditures are recorded when incurred and payable from current financial resources. The City defines revenue availability as collected within 60 days of period end.

The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the accrual basis of accounting and economic resources measurement focus at the government-wide level.

The General Fund and the 2013 Sales Tax Revenue Note Fund are considered major funds and are therefore displayed in separate columns. All other governmental funds are considered non-major funds and are aggregated under the column Other Governmental Funds. The fund balances, reported on the modified accrual basis for these aggregated non-major funds changed as follows for the year ended June 30, 2015.

Fund	Fund Balance 7/1/2014	Changes in Fund Balance	Fund Balance 6/30/2015
Special Revenue Funds:			
Police Fund	$ 35,839	$ 15,684	$ 51,523
CDBG Fund	7,876	(7,872)	4
Cemetery Care	152,031	16,710	168,741
Hotel Motel Occupancy Surcharge	316,959	288,561	605,520
Safety Sales Tax 1/4 Cent	131,129	38,332	169,461
Tax Increment Fund	-	-	-
Capital Project Funds:			
Infrastructure	218,030	100,949	318,979
Drainage Improvement	1,682	1,400	3,082
Capital Improvement	124,968	40,946	165,914
2011 Series STRN Bond Fund	222,838	(149,850)	72,988
Radio Road North Improvement	-	1,071,000	1,071,000
Evans Road Improvements	-	400,000	400,000
Permanent Funds:			
Library Endowment	31,597	4	31,601
Cemetery Perpetual Care	158,620	802	159,422
Total	$ 1,401,569	$ 1,816,666	$ 3,218,235

Proprietary Funds:

The City's proprietary funds include:

Enterprise Funds

- El Reno Municipal Trust Authority Fund that accounts for the activities of the public trust in providing water, sewer, and sanitation services to the public.
- City of El Reno Hospital Authority Fund that accounts for the activities of the public trust which operates the hospital that serves the citizens of El Reno and the surrounding communities.
- El Reno Airpark Authority Fund that operates the local non-commercial airport activities.
- El Reno Recreation Authority that was established to construct and operate the municipal golf course.

Internal Service Funds

- Self-Insurance Workers' Comp

For purposes of the statement of revenues, expenses and changes in net position, operating revenues and expenses are considered those whose cash flows are related to operating activities, while revenues and expenses related to financing, capital and investing activities are reported as non-operating or transfers and contributions.

Fiduciary Fund

The City's fiduciary fund is used to report net position and changes therein of assets held by the City in a trustee or fiduciary capacity. These funds are not available for operations of the City. The City reports one type of fiduciary fund:

- Pension Trust Fund – used to account for the net position and changes therein of the El Reno Employee Retirement System (Reassure America Life Insurance Company).

Pensions

For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (FPRS), Oklahoma Police Pension & Retirement System (OPPRS), and Oklahoma Municipal Retirement Fund (OkMRF) and additions to/deductions from FPRS's, OPPRS's, and OkMRF's fiduciary net position have been determined on the same basis as they are reported by FPRS, OPPRS, and OkMRF. 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.

3. Cash, Cash Equivalents, and Investments

For the purpose of the statements of net position, balance sheets, and statement of cash flows, cash and cash equivalents includes all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three-months or less. Trust account investments in open-ended mutual fund shares are also considered cash equivalents for reporting purposes.

At June 30, 2015, the reporting entity held the following deposits and investments:

Primary Government:

Type	Maturities	Credit Rating	Carrying Value
Deposits:			
Demand deposits			$ 9,862,848
Cash on hand			3,720
Time deposits	Due within one year		747,935
			10,614,503
Investments:			
Trustee money market accounts		AAAm	6,957,919
			6,957,919
Total deposits and investments			$ 17,572,422
Reconciliation to Statement of Net Position:			
Cash and cash equivalents			$ 16,824,399
Investments			719,948
Restricted investments			28,075
			$ 17,572,422

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

The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 110% of the uninsured deposits and accrued interest thereon. At June 30, 2015, the City was not exposed to custodial credit risk as defined above.

Investment 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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk - The City is currently working with the City Attorney to revise the investment policy for adaptation during the new re-codification. The City has limited its investment choices to state law as follows:

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

Concentration of Investment Credit Risk – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City places no limit on the amount it may invest in any one issuer. The City has the following concentration of credit risk: 100% (or $6,957,919) invested in Federated Treasury Obligations money market accounts at Bancfirst.

Restricted cash and Investments – The amounts reported as restricted assets of the Statement of Net Position are comprised of amounts restricted for utility deposits, debt service, debt reserve, or construction purposes. The restricted assets as of June 30, 2015 are as follows:

	Current Cash and cash Equivalents	Noncurrent Investments
2005 Sales Tax Revenue Bond Revenue Fund	$ 116,346	$ -
2009 Revenue Bond Principal Fund	62,793	-
2010 Drinking Water SRF Debt Service	42,864	-
2011 Sales Tax Revenue Bond Revenue Fund	234,225	-
2013 Sales Tax Revenue Bond Note Fund	30,334	-
2014 OWRB Project Account	81	-
2015 Sales Tax Revenue Construction Fund	1,360,234	-
2015 Sales Tax Revenue Interest Fund	1,766	-
Utility Deposits	323,690	28,075
Total	$ 2,172,333	$ 28,075

4. Accounts Receivable

Accounts receivable of the business-type activities consist of customers utilities services provided, both billed and unbilled, due at year end, reported net of allowance for uncollectible amounts. The governmental activities receivables include fines receivables.

Primary Government

	Court Fines Receivable	Utilities Receivable	Airpark Receivable	The City of El Reno Hospital Authority
Accounts receivable	$ 1,492,199	$ 1,710,354	$ 4,470	$ 1,320
Less: allowance for uncollectible accounts	(1,044,540)	(841,234)	-	-
Accounts receivable, net of allowance	$ 447,659	$ 869,120	$ 4,470	$ 1,320

5. Inventories

The inventories for the blended component units – El Reno Recreation Authority and the El Reno Airpark Authority – are valued at lower of cost or market using first-in, first-out or market.

6. Capital Assets and Depreciation

Capital Assets:

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, and infrastructure. Capital assets are reported at actual or estimated historical cost. Donated capital assets are recorded at their fair value at the date of donation. For the year ended June 30, 2015, capital assets balances changed as follows:

	Balance at July 01, 2014	Additions	Disposals	Transfers	Balance at June 30, 2015
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 926,927	$ 162,538	$ 22,000	$ -	$ 1,067,465
Construction in progress	126,424	585,512	126,424	-	585,512
Total capital assets not being depreciated	1,053,351	748,050	148,424	-	1,652,977
Other capital assets:					
Buildings	17,783,912	-	-	-	17,783,912
Improvements	6,598,352	24,880	-	-	6,623,232
Machinery, furniture and equipment	6,054,232	162,426	-	-	6,216,658
Infrastructure	19,212,848	1,090,640	-	-	20,303,488
Total other capital assets at historical cost	49,649,344	1,277,946	-	-	50,927,290
Less accumulated depreciation for:					
Buildings	2,665,037	440,622	-	-	3,105,659
Improvements	1,472,047	351,502	-	-	1,823,549
Machinery, furniture and equipment	3,883,210	424,441	-	-	4,307,651
Infrastructure	7,839,880	919,408	-	-	8,759,288
Total accumulated depreciation	15,860,174	2,135,973	-	-	17,996,147
Other capital assets, net	33,789,170	(858,027)	-	-	32,931,143
Governmental activities capital assets, net	$ 34,842,521	$ (109,977)	$ 148,424	$ -	$ 34,584,120
Business-type activities:					
Capital assets not being depreciated:					
Land	$ 824,573	$ -	$ -	$ -	$ 824,573
Construction in progress	1,222,176	8,129,407	674,150	-	8,677,433
Total capital assets not being depreciated	2,046,749	8,129,407	674,150	-	9,502,006
Other capital assets:					
Buildings	6,539,958	79,297	-	-	6,619,255
Improvements	11,106,207	-	-	-	11,106,207
Machinery, furniture and equipment	16,482,442	76,243	-	-	16,558,685
Intangible water rights	207,657	-	-	-	207,657
Utility property improvements	33,105,095	614,458	-	-	33,719,553
Total other capital assets at historical cost	67,441,359	769,998	-	-	68,211,357
Less accumulated depreciation for:					
Buildings	4,345,347	168,946	-	-	4,514,293
Improvements	6,461,022	433,012	-	-	6,894,034
Machinery, furniture and equipment	13,923,865	461,092	-	-	14,384,957
Intangible water rights	49,488	3,909	-	-	53,397
Utility property improvements	13,083,979	945,050	-	-	14,029,029
Total accumulated depreciation	37,863,701	2,012,009	-	-	39,875,710
Other capital assets, net	29,577,658	(1,242,011)	-	-	28,335,647
Business-type activities capital assets, net	$ 31,624,407	$ 6,887,396	$ 674,150	$ -	$ 37,837,653

Depreciation:

Depreciable capital assets are depreciated on a straight-line basis over their estimated useful lives. The capitalization threshold and range of estimated useful lives by type of asset is as follows:

Category	Threshold	Lives in Years
Buildings	$100,000	20 - 50
Improvements Other than Buildings	100,000	20 - 50
Machinery and Equipment	5,000	3 - 20
Infrastructure	500,000	20 - 50

Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset. Depreciation expense has been allocated as follows:

Governmental Activities:		Business-Type Activities:	
General Government	$ 138,351	Water	$ 603,602
Public Safety	406,412	Wastewater	599,693
Highways and Streets	997,784	Hospital	300,546
Culture & Recreation	593,426	Airpark	333,508
	$ 2,135,973	Recreation	174,660
			$ 2,012,009

7. Long-Term Debt and Debt Service Requirements

For the year ended June 30, 2015, the reporting entity's long-term debt changed as follows:

Type of Debt	Balance July 1, 2014	Additions	Reclassification of Debt	Deductions	Balance June 30, 2015	Amounts Due Within One Year
Governmental Activities:						
Sales tax refund payable	$ 812,591	$ -	$ -	$ 541,727	$ 270,864	$ 270,864
Notes payable	-	442,500	-	-	442,500	23,400
Revenue bonds payable	-	-	27,070,750	1,685,950	25,384,800	1,759,050
Insurance claims liability	434,785	204,585	-	540,033	99,337	82,827
Capital lease obligation	484,194	-	-	249,856	234,338	206,559
Accrued compensated absences	955,764	7,761,032	-	7,641,520	1,075,276	107,527
Total Governmental Activities	$ 2,687,334	$ 8,408,117	$ 27,070,750	$ 10,659,086	$ 27,507,115	$ 2,450,227
Business-Type Activities:						
Notes payable	$ 5,105,738	$ 6,067,161	$ -	$ 434,422	$ 10,738,477	$ 430,576
Revenue bonds payable	32,925,500	1,400,000	(27,070,750)	749,550	6,505,200	630,950
Refundable grant obligation	42,410	-	-	13,873	28,537	13,873
Deposits subject to refund	330,022	75,366	-	54,481	350,907	-
Capital lease obligation	49,888	-	-	22,699	27,189	14,717
Accrued compensated absences	72,521	583,576	-	587,628	68,469	6,847
Total Business-Type Activities	$ 38,526,079	$ 8,126,103	$ (27,070,750)	$ 1,862,653	$ 17,718,779	$ 1,096,963

Governmental activities long-term debt:

Revenue Bonds Payable:

Series 2008 Sales Tax and Utility Revenue Bonds. Original amount of $9,600,000 issued by the El Reno Municipal Authority, 100% of the proceeds was used in governmental activites, due in annual installments of $435,000 to $805,000 through 2029, interest at 4.20%.	$ 8,715,000
Series 2009 Sales Tax and Utility Revenue Bonds. Original amount of $4,920,000 issued by the El Reno Municipal Authority, 81% or $3,985,200 of the proceeds was used in governmental activites, due in annual installments of $195,000 to $405,000 through 2029, interest at 5.10% See Business-type note below for percentage and balance.	3,661,200
Series 2010 Sales Tax and Utility Revenue Bonds. Original amount of $8,000,000 issued by the El Reno Municipal Authority, 100% of the proceeds was used in governmental activities, due in annual installments of $255,000 to $395,000 through 2025, interest at 3.76%.	6,685,000
Series 2011 Sales Tax and Utility Revenue Bonds. Original amount of $5,100,000 issued by the El Reno Municipal Authority, 62% or $3,162,000 was used in governmental activites, due in annual installments of $140,000 to $455,000 through 2027, interest at 3.75%. See Business - type note below for water percentage and balance.	2,715,600
Series 2013 Sales Tax Revenue Bonds. Original amount of $4,500,000 issued by the El Reno Municipal Authority, 88% or 3,960,000 was used in governmental activites, due in annual installments of $200,000 to $255,000 through 2024, interest at 2.32%	3,608,000
Total Revenue Bonds Payable	$ 25,384,800
Current portion	$ 1,759,050
Non-current portion	23,625,750
Total	$ 25,384,800

Notes Payable:

Series 2015 Hotel/Motel Revenue Note, original amount of $442,500, issued by the El Reno Municipal Authority, due in monthly installments, 100% was used in governmental activites, matures in June 2025, interest at 3.5%.	$ 442,500
Current portion	$ 23,400
Non-current portion	419,100
Total	$ 442,500

Sales Tax Refund Payable:

$812,591 Sales tax refund payable to the Oklahoma Tax Commission, payable in 12 monthly installments of $67,716 with no interest through October 2015.	$ 270,864
Current portion	$ 270,864

Capital Lease Obligations:		
$92,328 lease with Welch State Bank for the purchase of a New Holland Tractor, issued May 2012 with an interest rate of 2.71% and maturing May 2016.	$	21,936
$40,162 lease with El Reno R.I.L Credit Union for the purchase of a Bobcat Loader S185 Skid-Steer, issued March 2012 with an interest rate of 2.95% and maturing March 2017.		14,669
$121,002 lease with El Reno R.I.L Credit Union for the purchase of a John Deere Loader 444K 4-Wheel, issued April 2012 with an interest rate of 2.95% and maturing April 2017.		46,471
$289,729 lease with El Reno R.I.L Credit Union for the purchase of 2014 Stuphen Fire Truck, issued April 2014 with an interest rate of 2.95% and maturing May 2016.		151,262
Total Capital Lease Obligations	$	234,338
Current portion	$	206,559
Non-current portion		27,779
Total	$	234,338

Business-type activities long-term debt:

Revenue Bonds Payable:		
El Reno Municipal Authority:		
Series 2005 Sales Tax and Utility Revenue Bonds. Original amount of $5,220,000 issued by the El Reno Municipal Authority, due in annual installments of $265,000 to $455,000 through 2020, interest at 4.05%	$	2,090,000
Series 2009 Sales Tax and Utility Revenue Bonds. Original amount of $4,920,000 issued by the El Reno Municipal Authority, 19% or $934,800 of the proceeds was used for business-type activites, due in annual installments of $195,000 to $405,000 through 2029, interest at 5.10%		858,800
Series 2015 Sales Tax Revenue Bonds. Original amount of $1,400,000 issued by the El Reno Municipal Authority, due in annual installments of $110,000 to $234,000 through 2025, interest at 2.27%		1,400,000
Series 2011 Sales Tax and Utility Revenue Bonds. Original amount of $5,100,000 issued by the El Reno Municipal Authority, 38% or $1,938,000 of the proceeds was used for business-type activities, due in annual installments of $140,000 to $455,000 through 2027, interest at 3.75%		1,664,400
Series 2013 Sales Tax Revenue Bonds. Original amount of $4,500,000 issued by the El Reno Municipal Authority, 12% or $540,000 of the proceeds was used for business-type activities, due in annual installments of $200,000 to $255,000 through 2024, interest at 2.32%		492,000
Total Revenue Bonds Payable	$	6,505,200
Less Unamortized Bond Discount		(15,750)
Net Revenue Bonds Payable	$	6,489,450
Current portion	$	630,950
Non-current portion		5,874,250
Total	$	6,505,200

Notes Payable:

El Reno Municipal Authority:	
Series 2000 OWRB Clean Water SRF Promissory Note, original amount of $504,193, issued by the El Reno Municipal Authority, due in semi-annual installments, matures in March 2020, non-interest bearing.	$ 129,280
Series 2002A OWRB Drinking Water SRF Promissory Note dated May 30, 2002, original amount of $1,829,323, issued by the El Reno Municipal Authority, due in semi-annual installments each March 15 and September 15, beginning March 2003, final installment due September 15, 2021 with an administrative fee of .5% and 0% interest	609,774
Series 2002C OWRB Clean Water SRF Promissory Note, original amount of $767,998, issued by the El Reno Municipal Authority due in semi-annual installments each March 15 and September 15, through 2022, non-interest bearing	275,692
Series 2003A OWRB SRF Promissory Note dated December 22, 2003, original amount of $643,154, issued by the El Reno Municipal Authority due in semi-annual installments each March 15 and September 15, beginning March 2010, final installment due September 15, 2023, with an administrative fee of .5% and 0% interest	273,340
Series 2008 MA Utility System Revenue Note dated July 1, 2008, original amount of $760,000, issued by the El Reno Municipal Authority due in monthly installments of $2,300 to $5,000, beginning July 2010, final installment due June 1, 2028, with a variable interest rate equal to the BBA LIBOR daily floating rate plus 125 basis points but not to exceed 14% per annum	606,100
Series 2014 OWRB Clean Water SRF Promissory Note dated August 26, 2014, original amount of $21,530,000, issued by the El Reno Municipal Authority due in semi-annual installments each March 15 and September 15, beginning March 2015, final installment due September 15, 2039 with an administrative fee of .5% and 2.20% interest, remaining funds to be drawn down at June 30, 2015 are $15,462,839	6,067,161
Series 2010 OWRB Drinking Water SRF Promissory Note dated February 1, 2010, original amount of $2,405,000, issued by the El Reno Municipal Authority, due in semi-annual installments each March 15 and September 15, beginning September 2010, final installment due March 15, 2030 with an administrative fee of .5% and 3.09% interest	2,038,775
Total Municipal Authority	$ 10,000,122
Current portion	$ 334,929
Non-current portion	9,665,193
Total	$ 10,000,122
El Reno Hospital Authority:	
Note payable to bank in monthly installments issued by the City of El Reno Hospital Authority, with interest rate of 4.99% collateralized by all inventory, equipment and fixtures.	$ 145,069
Current portion	$ 45,433
Non-current portion	99,636
Total	$ 145,069
El Reno Airpark Authority:	
Note payable to bank dated June 11, 2013 in the amount of $684,262, due in 144 monthly principal and interest payments in the amount of $5,795 begininning August 1, 2013, with an interest rate of 3.389%, maturing July 1, 2025. The note is secured by all assets and revenues for the Authority.	$ 593,286
Current portion	$ 50,214
Non-current portion	543,072
Total	$ 593,286
Total Notes Payable:	
Current portion	$ 430,576
Non-current portion	10,307,901
Total	$ 10,738,477

Refundable Grant Obligation:

El Reno Municipal Authority:

Oklahoma Department of Commerce obligation payable, original amount of $277,462, issued by the El Reno Municipal Authority, due in monthly installments of $1,154 though 2018, non-interest bearing.	$ 28,537
Current portion	$ 13,873
Non-current portion	14,664
Total	$ 28,537

Capital Lease Obligations:

ERMA:

$71,137 lease with El Reno R.I.L. Credit Union for the purchase of a International Dump Truck, issued April 2012 with an interest rate of 2.95%, maturing April 2017.	$ 27,189
Current portion	$ 14,717
Non-current portion	12,472
Total	$ 27,189

Debt Service Requirements to Maturity:

	GOVERNMENTAL ACTIVITY DEBT					
Year Ending June 30,	Capital Lease Obligations		Notes Payable		Revenue Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 206,559	$ 6,628	$ 23,400	$ 14,414	$ 1,759,050	$ 977,879
2017	27,779	381	23,700	14,292	1,825,250	915,773
2018	-	-	24,400	13,452	1,895,850	851,051
2019	-	-	25,200	12,584	1,958,950	783,536
2020	-	-	26,400	11,680	2,040,150	713,172
2021-2025	-	-	319,400	43,721	10,942,100	2,400,164
2025-2030	-	-	-	-	4,963,450	546,608
Totals	$ 234,338	$ 7,009	$ 442,500	$ 110,143	$ 25,384,800	$ 7,188,183

	BUSINESS-TYPE ACTIVITY DEBT							
Year Ending June 30,	Revenue Bonds Payable		Notes Payable		Capital Lease Obligations		Refundable Grant Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 630,950	$ 221,022	$ 430,576	$ 177,310	$ 14,717	$ 607	$ 13,873	$ -
2017	694,750	212,850	459,099	668,417	12,473	175	13,873	-
2018	719,150	189,219	471,573	658,999	-	-	791	-
2019	746,050	164,445	426,068	650,270	-	-	-	-
2020	774,850	138,466	433,507	643,048	-	-	-	-
2021-2025	2,322,900	456,124	1,664,187	3,102,652	-	-	-	-
2025-2030	616,550	99,775	3,256,306	2,899,782	-	-	-	-
2030-2034	-	-	9,410,000	2,015,955	-	-	-	-
2034-2039	-	-	9,650,000	663,525	-	-	-	-
Totals	$ 6,505,200	$ 1,481,901	$ 26,201,316	$ 11,479,958	$ 27,190	$ 782	$ 28,537	$ -
		Less principal to draw down	(15,462,839)					
			$ 10,738,477					

Non-Commitment Debt:

Original Debt	Project	Remaining Prinicipal
El Reno Municipal Authority:		
$450,000	(1) Coronado Development Corporation Tax Apportionment Note dated September 1, 2007	$286,318

(1) Crimson Creek Increment District Project Tax Apportionment Note

The Tax Apportionment Note was issued to fund the construction of the Crimson Creek North Addition. The City and Authority are not liable for this debt since payments are made solely with lease agreement proceeds from El Reno Municipal Authority primarily and Coronado Development Corporation, secondarily. In the event of default, the City or Authority only becomes liable if they are negligent in carrying out debt administration responsibilities.

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged two and ½ cents (or 63%) of future sales tax revenues to repay $32,745,000 of Series 2005, 2008, 2009, 2010, 2011, 2013 and 2015 Sales Tax Revenue Bonds. Proceeds from the bonds provided financing for utility and governmental capital assets. The bonds are payable through 2020, 2029, 2030, 2025, 2027, 2024, and 2025 respectively. The total principal and interest payable for the remainder of the life of these notes is $40,560,084. Total pledged sales taxes received in the current fiscal year were $6,067,676. Debt service payments for the current fiscal year of $3,697,744 were 61% of the pledged sales taxes.

Hotel/Motel Tax Pledge - The City has pledged 60% of the amount of money generated pursuant to the hotel/motel tax ordinance (Ordinance 5024) to repay $442,500 of Series 2015 Hotel/Motel Tax Revenue Note. Proceeds from the bond provided financing for renovation of the Centre Theatre roof and the refinancing of the 2011 Hotel/Motel Revenue Tax Revenue Note that was used for economic development and tourism capital projects. The bond is payable through 2025. The total principal and interest payable for the remainder of the life of this note is $552,643. Total pledged hotel/motel taxes received in the current fiscal year was $227,217. There were no debt service payments for the current fiscal year for the 2015 Hotel/Motel Tax Revenue Note. Debt service payments for the current fiscal year for the 2011 Hotel/Motel Tax Revenue Note were $186,474 which was 82% of the pledged hotel/motel taxes.

Utility Net Revenues Pledge – The City has also pledged future water and sewer net revenues to repay $9,394,022 of 2000, 2002A, 2002C, 2003A, 2010 and 2014 Series Oklahoma Water Resources Board Notes Payable and $606,100 of the 2008 MA Utility System Revenue Note. Proceeds from the bonds and notes provided financing for utility system capital assets. The bonds are payable through 2020, 2022, 2022, 2024, 2030, and 2030. The total principal and interest payable for the remainder of the life of these notes is $21,360,093. The notes are payable from the above-mentioned utility net revenues. The debt service payments on the notes this year were $461,700 which was 25% of pledged net utility revenues of $1,838,261.

8. Net Position and Fund Balances

Fund Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) 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 council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

It is the City's policy to first use restricted fund balance prior to the use of the unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The only exception to this policy is for assigned interest income in governmental funds other than the General Fund. In those funds, interest income is used first before other revenues.

Prior Period Adjustments:

	El Reno Municipal Trust Authority	El Reno Recreational Authority	Government-Wide	
			Governmental Activities	Business-type Activities
Beginning net position, as previously reported	$ (7,407,242)	$ 1,483,221	$ 42,013,301	$ 190,665
Implementation of GASB 68 & 71	(289,458)	(64,912)	(7,829,063)	(354,370)
Beginning net position, restated	$ (7,696,700)	$ 1,418,309	$ 34,184,238	$ (163,705)

The following tables show the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	General Fund	Major Capital Project Fund 2013 Sales Tax Revenue Note Fund	Other Governmental Funds	TOTAL
Fund Balances:				
Nonspendable:				
Library Endowment	$ -	$ -	$ 31,050	$ 31,050
Cemetery Perpetual Care	-	-	151,889	151,889
Sub-total Nonspendable	-	-	182,939	182,939
Restricted for:				
Capital outlay	-	3,195,120	328,775	3,523,895
Debt Service	1,549,199	-	-	1,549,199
Watershed construction	-	-	3,082	3,082
Cemetery capital	-	-	39,945	39,945
E-911	-	-	8,520	8,520
Radio Road North Improvements	-	-	971,000	971,000
Evans Road Improvements	-	-	400,000	400,000
Skateboard Park	181	-	-	181
Police	-	-	43,003	43,003
Library	699	-	202	901
Cemetery	103,502	-	7,533	111,035
Public Health and Safety	-	-	169,461	169,461
Care and Share Program	13	-	-	13
Mercy Sidewalk	2,500	-	-	2,500
Recreational Facilities, Public Health and Safety Facilities, Public Works Infrastructure capital outlay or debt service for said capital outlay	895,327	-	-	895,327
Emergencies	1,146,776	-	-	1,146,776
Animal Shelter	142	-	-	142
Fire Department	3,011	-	-	3,011
Legion Park Lights	3,509	-	-	3,509
Parks/ ASHB Ballfield	300			300
CDBG Grant	-	-	4	4
Tourism	-	-	52,761	52,761
Economic development and capital	-	-	495,790	495,790
Ad valorem tax levies, constructing public buildings or other permanent improvements	-	-	-	-
Sub-total Restricted	3,705,159	3,195,120	2,520,076	9,420,355
Committed to:				
Cemetery capital	-	-	64,061	64,061
Assigned to:				
Cemetery Capital	-	-	64,735	64,735
Library	-	-	349	349
Cemetery	3,062	-	-	3,062
CDBG Grant	-	-	-	-
Tourism	-	-	56,969	56,969
Radio Road North Improvement	-	-	100,000	100,000
Capital outlay	-	-	229,106	229,106
Sub-total Assigned	3,062	-	451,159	454,221
Unassigned:	1,385,939	-	-	1,385,939
TOTAL FUND BALANCES	$ 5,094,160	$ 3,195,120	$ 3,218,235	$ 11,507,515

Equity is classified as net position and displayed in three components:

f. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

g. *Restricted net position* - Consists of net position with constraints placed on the use either 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

The restrictions are as follows:

Governmental Activities		
External Contracts and Groups:		
Cemetery Care	$	39,945
Cemetery Everlasting Care		103,502
Drainage Improvement		3,082
CDBG		4
Library Endowment		31,252
Cemetery Perpetual Care		159,422
2013 Capital Improvement		3,195,120
Radio Road North Improvement		971,000
Capital Improvement		88,688
Evans Road Improvement		400,000
2011 Sales Tax Revenue Note		72,988
Safety Sales Tax 1/4 Cent		169,461
Sales Tax 1/4 Cent		895,327
Gifts and Contributions		10,355
Infrastructure Improvement		167,099
Sales Tax Reserve		1,146,776
Hotel Motel Occupancy Surcharge		548,551
	$	8,002,572
Enabling legislation:		
Police	$	51,523
Tax Increment		
	$	51,523
Contractual agreements:		
Cash and investments	$	1,549,199
BTA | El Reno Municipal Authority		
Contractual agreements:		
Cash and investments	$	1,848,643
Less: Accrued Interest Payable		(145,544)
	$	1,703,099

i. *Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

It is the City's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

9. Internal and Interfund Balances and Transfers

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

Transfers:

Internal transfers between funds and activities for the year ended June 30, 2015 were as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
ERMA	General Fund	$ 2,662,782	Operating subsidy
ERMA	2015 STNR AMR Construction	6,067,261	Loan proceeds
Public Safety 1/4 Sales Tax	General Fund	50,000	Reimbursement
General Fund	ERMA Sales Tax	3,929,411	Sales tax transfer
Hotel Motel Surcharge	ERMA	180,500	Debt payment
CDBG Grants	ERMA	81,682	Transfer of assets
Tax Increment Fund	General Fund	34,627	Close Fund
ERMA	2015 STNR AMR Construction	1,398,234	Loan proceeds
Sales Tax Reserve Account	ERMA	131,345	Transfer of assets
2011 Series STRN Bond Fund	ERMA	124,983	Transfer of assets
Sales Tax Reserve Account	Hotel Motel Surcharge	5,278	Transfer of insurance reimbursement
Sales Tax Reserve Account	City of El Reno Recreation Authority	70,000	Transfer of insurance reimbursement
ERMA Sales Tax	ERMA	3,071,529	Debt service payments
MA Clean Water SRF	ERMA Sales Tax	346,994	Reimbursement
MA Clean Water SRF	ERMA	6,462,689	Transfer of assets
General Fund	City of El Reno Recreation Authority	155,000	Operating subsidy
ERMA Sales Tax	ERMA	86,757	Transfer of assets
2015 STNR AMR Construction	ERMA	232,900	Transfer of assets
2013 STRN Construction Fund	ERMA	60,920	Transfer of assets
Sales Tax 1/4 Cent Account	Radio Road North Improvement	100,000	Operating subsidy
Sales Tax 1/4 Cent Account	Infrastructure Improvement	150,000	Operating subsidy
Infrastructure Improvement	ERMA	49,784	Transfer of assets
ERMA Sales Tax	General Fund	413,465	One-sided transfer of assets to governmental activites
Total		$ 25,866,141	

Reconcilation to Fund Financial Statements:

	Transfers In	Transfers Out	Net Transfers
Governmental Funds	$ 5,729,842	$ (5,123,530)	$ 606,312
Proprietary Funds	47,333,196	(20,742,611)	26,590,585
	$ 53,063,038	$ (25,866,141)	$ 27,196,897

Reconciliation to Statement of Activities:	
Net Transfers	$ (606,312)
Transfer of business-type activity expenses to governmental:	
Capital assets from business type activities	(413,465)
Accrued interest transferred to governmental activities	539,612
Debt transferred to governmental activities	27,070,750
Transfers - internal activity	$ 26,590,585

Balances:

Interfund receivable and payables at June 30, 2015 were comprised of the following:

Payable Fund	Receivable Fund	Amount	Nature of Interfund Balance
General Fund	ERMA Sales Tax	$ 764,024	Sales tax transfer receivable
Recreation Authority	General Fund	33,969	Loan to Recreation Authority
		$ 797,993	

Reconciliation to Fund Financial Statements:

	Due to	Due From	Net Interfund Balances
Governmental Funds	$ (764,024)	$ 33,969	$ (730,055)
Proprietary Funds	(33,969)	764,024	730,055
	$ (797,993)	$ 797,993	$ -

10. Sales Tax

Sales tax revenue represents a 4 cents tax on each dollar of taxable sales of which is recorded as follows:

- 2 cents is recorded in the General Fund. ½ cent of the 2 cents is pledged for El Reno Recreational Authority debt service on golf course capital debt and ½ cent is pledged for the 2005 Series Sales Tax Bonds.
- 1.5 cents is recorded in the General fund and then transferred to the El Reno Municipal Authority for debt service per debt agreement.
- .25 cents is recorded in the Sales Tax ¼ Cent Fund to be transferred to the El Reno Recreation Authority for debt service on golf course capital debt.
- .25 cents is recorded in the Safety Sales Tax ¼ Cent Fund to pay for costs pertaining to the provision of emergency services.

11. Risk Management

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

- General Liability and Physical Property – Covered through participation in Oklahoma Municipal Assurance Group risk entity pool.
- Workers' Compensation – Self-insured within limits of Oklahoma worker's compensation laws. 100% risk of loss retained.
- Employee's Group Medical –Covered through participation in Coventry.

The City's risk is transferred to the risk entity pool except for claim deductible amounts. The risk pool maintains deposits for claims reserves and other purposes for the benefit of the City. The portion of the reserves to which the City has access is reported as Deposits with Insurance Pool. Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

For the internal service self-insurance funds, changes in the worker's comp claims liability for the City from July 1, 2014, to June 30, 2015, are as follows:

	Workers' Compensation	Health Care	Total
Claim liability, June 30, 2012	$ 700,540	$ -	$ 700,540
Claims and changes in estimates	(604,379)	(1,019,762)	(1,624,141)
Claims payments	337,537	1,019,762	1,357,299
Claim liability, June 30, 2013	433,698	-	433,698
Claims and changes in estimates	(176,607)	-	(176,607)
Claims payments	177,694	-	177,694
Claim liability, June 30, 2014	434,785	-	434,785
Claims and changes in estimates	(540,033)	-	(540,033)
Claims payments	204,585	-	204,585
Claim liability, June 30, 2015	$ 99,337	$ -	$ 99,337

Reconciliation to Statement of Net Position:	
Current portion	$ 82,827
Noncurrent portion	16,510
Total	$ 99,337

12. Commitments and Contingencies

Litigation:

The City is party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City "Sinking Fund" for the payment of any court assessed judgment rendered against the City. These statutory provisions do not apply to the City's public trust Authorities. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

Federal and State Award Programs:

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

Construction Commitments:

At June 30, 2015 the City had awarded construction contracts totaling approximately $24,379,313 and of this amount, $15,835,644 was still outstanding and payable.

13. Pension Plan Participation

The City of El Reno participates in three pension or retirement plans:

- Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
- Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan
- Oklahoma Municipal Retirement Fund – an agent multiple-employer defined benefit plan

Firefighters' Plan:

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

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

Benefits for members hired after November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have complete 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is $165.66 per month. Benefits vest with 11 years or more of service.

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not-in-the-line-of-duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-line-of-duty disability is also limited to only those with less than 20 years of service and is $7.53 per year of service. For volunteer firefighters, the in-line-of-duty pension is $150.60 with less than 20 years of service, or $7.53 per year of service, with a maximum of 30 years.

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

***Contributions* -** The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were $228,711. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of $518,679 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of $447,351. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the City reported a liability of $5,783,277 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2015. Based upon this information, the City's proportion was 0.5623853%.

For the year ended June 30, 2015, the City recognized pension expense of $528,579. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 137,795	$ -
Net difference between projected and actual earnings on pension plan investments		875,430
City contributions subsequnt to the measurement date	228,711	-
Total	$ 366,506	$ 875,430

The $228,711 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	$ (193,198)
2017	(193,198)
2018	(193,198)
2019	(193,196)
2020	25,660
Thereafter	9,495
Total	(737,635)

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

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

Mortality rates were based on the RP2000 combined healthy with blue collar adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	5.48%
Domestic equity	37%	9.61%
International equity	20%	9.24%
Real estate	10%	7.76%
Other assets	13%	6.88%

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate-The following presents the net pension liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 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%
Employers' net pension liability	$ 7,551,738	$ 5,783,277	$ 4,300,617

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

Police Plan:

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

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

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

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

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

***Contributions*-** The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were $205,743. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of $197,439 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of $169,080. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the City reported an asset of $181,708 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2014. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2014. Based upon this information, the City's proportion was 0.5397%.

For the year ended June 30, 2015, the City recognized pension expense of $71,366. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 81,636
Net difference between projected and actual earnings on pension plan investments	-	638,674
City contributions subsequent to the measurement date	205,743	-
Total	$ 205,743	$ 720,310

The $205,743 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase/decrease of the net pension liability/asset in the year ended June 30, 2015. Other amounts reported as deferred outflows of

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

Year ended December 31:	
2015	$ (176,573)
2016	(176,573)
2017	(176,573)
2018	(176,573)
2019	(14,018)
	$ (720,310)

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

Inflation:	3%
Salary increases:	4.5% to 17% average, including inflation
Investment rate of return:	7 .5% net of pension plan investment expense
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA. Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA. Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA.

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

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

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

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

Discount Rate-The discount rate used to measure the total pension liability was 7 .5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Asset to Changes in the Discount Rate-The following presents the net pension asset of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension asset 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%
Employers' net pension liability (asset)	$ 1,081,151	$ (181,708)	$ (1,246,022)

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.

Employee Plan:

Plan Description-The City contributes to the OkMRF for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The plan is an agent multiple employer - defined benefit plan administered by OkMRF. The OkMRF plan issues a separate financial report and can be obtained from OkMRF or from their website: www.okmrf.org/reports.html. Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

Summary of Significant Accounting Policies-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's plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by OkMRF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value based on published market prices. Detailed information about the OkMRF plans' fiduciary net position is available in the separately issued OkMRF financial report.

Eligibility Factors and Benefit Provisions

Provision	As of 07/01/14 OkMRF Plan
a. Eligible to participate	Full-time employees except police, firefighters and other employees who are covered under an approved system.
b. Period Required to Vest	10 years of credited service
c. Eligibility for Distribution	-Normal retirement at age 65 with 10 years of service -Early retirement at age 55 with 10 years of service -Disability retirement upon disability with 10 years of service -Death benefit with 10 years of service for married employees
d. Benefit Determination Base	Final average salary - the average of the five highest consecutive annual salaries out of the last 10 calendar years of service
e. Benefit Determination Methods:	
Normal Retirement	-2.25% of final average salary multiplied by credited years of service
Early Retirement	-Actuarially reduced benefit based upon age, final average salary, and years of service at termination
Disability Retirement	-Same as normal retirement
Death Benefit	-50% of employees accrued benefit, but terminates upon spouse re-marriage
Prior to 10 Years of Service	-No benefits
f. Benefit Authorization	-Benefits are established and amended by City Council adoption of an ordinance in accordance with O.S. Title, 11, Section 48-101-102

g. Form of Benefit Payments	Normal form is a 60 months certain and life thereafter basis. Employee may elect, with City consent, option form based on actuarial equivalent.

Employees Covered by Benefit Terms

Active Employees	68
Deferred Vested Former Employees	19
Retirees or Retiree Beneficiaries	3
Total	90

Contribution Requirements-The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 8.43% of covered payroll as of 7-1-14; however, management elected to contribute 8.67%. For the year ended June 30, 2015 the City recognized $260,481 of employer contributions to the plan which exceeds the actuarially determined amount based on covered payroll of $3,022,811. Employees' contribution is 4.5% of covered payroll as of 7-1-14.

Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2014
a. Actuarial cost method	Entry age normal
b. Rate of Return on Investments and Discount Rate	7.75%
c. Projected Salary Increase	Varies between 7.42% and 4% based on age
d. Post Retirement Cost-of-Living Increase	Benefits (attributable to service prior to 1/1/2010) in payment status are adjusted each July 1st based on the percentage change in the CPI. The maximum increase or decrease in any year is 3%.
e. Inflation Rate	3%
f. Mortality Table	UP 1994, with projected mortality improvement
g. Percent of married employees	100%
h. Spouse age difference	3 years (female spouses younger)
i. Turnover	Select and ultimate rates Ultimate rates are age-related as shown Additional rates per thousand are Added during the first 5 years: Year 1: 215 Year 2: 140 Year 3: 95 Year 4: 65 Year 5: 40
j. Date of last experience study	September 2012 for fiscal years 2007 thru 2011

Discount Rate – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.75% since the plan's net fiduciary position is projected to be sufficient to make projected benefit payments.

The City has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, the sufficiency of pension plan assets was made without a separate projection of cash flows.

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 (3.0%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2014 are summarized in the following table:

	Target Allocation	Real Return	Weighted Return
Large cap stocks S&P 500	25%	5.40%	1.35%
Small/mid cap stocks Russell 2500	10%	7.50%	0.75%
Long/short equity MSCI ACWI	10%	6.10%	0.61%
International stocks MSCI EAFE	20%	5.10%	1.02%
Fixed income bonds Barclay's Capital Aggregate	30%	2.60%	0.78%
Real estate NCREIF	5%	4.80%	0.24%
Cash equivalents 3 month Treasury	0%	0.00%	0.00%
TOTAL	100%		

Changes in Net Pension Liability-The total pension liability was determined based on an actuarial valuation performed as of July 1, 2014 which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2014 and the City's report ending date of June 30, 2015, that would have had a significant impact on the net pension liability. The following table reports the components of changes in net pension liability:

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Balances Beginning of Year	$ 3,686,719	$ 2,325,800	$ 1,360,919
Changes for the Year:			
Service cost	240,404	-	240,404
Interest expense	298,635	-	298,635
Contributions--City	-	253,488	(253,488)
Contributions--members	-	131,503	(131,503)
Net investment income	-	395,694	(395,694)
Benefits paid	(150,337)	(150,337)	-
Plan administrative expenses	-	(5,897)	5,897
Net Changes	388,702	624,451	(235,749)
Balances End of Year	$ 4,075,421	$ 2,950,251	$ 1,125,170

Sensitivity of the net pension liability to changes in the discount rate-The following presents the net pension liability of the City, calculated using the discount rate of 7.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Net Pension Liability	$ 1,774,234	$ 1,125,172	$ 663,239

The City reported $260,481 in pension expense for the year ended June 30, 2015. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 126,889
City contributions subsequent to the measurement date	260,481	-
Total	$ 260,481	$ 126,889

Amortization of Pension Deferrals-Amounts reported as deferred outflows of resources (excluding deferred outflows of resources related to contributions made subsequent to the measurement date) and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2016	$ (31,722)
2017	(31,722)
2018	(31,722)
2019	(31,723)
	$ (126,889)

14. Use of Estimates

Certain estimates are made in the preparation of the financial statements, such as estimated lives for capital assets depreciation. Estimates are based on management's best judgments and may vary from actual results.

15. New Accounting Pronouncements

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

Statement No. 72, *Fair Value Measurement and Application* – GASB No. 72 was issued in February 2015, and addresses issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Statement is effective for financial statements for period beginning after June 15, 2015. At this time the impact to the city is unknown.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* – GASB No. 73 was issued in June 2015 and establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement is for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. . The City has not yet determined the impact that implementation of GASB 75 will have on its net position.

Statement No. 74**,** *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* - GASB No. 74 was issued in June 2015, and replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The City has not yet determined the impact that implementation of GASB 75 will have on its net position.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – GASB No. 75 was issued in June 2015, and addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For a defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for fiscal years beginning after June 15, 2017. The City has not yet determined the impact that implementation of GASB 75 will have on its net position.

GASB Statement No. 76**,** *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* – GASB No. 76 was issued in June 2015, and was issued to identify the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The City has not yet determined the impact that implementation of GASB 75 will have on its net position.

GASB Statement No. 77, *Tax Abatement Disclosures* - GASB 77 was issued in August 2015, and establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. The City has not yet determined the impact that implementation of GASB 75 will have on its net position.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule – Year Ended June 30, 2015

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 11,510,985	$ 12,143,634	$ 12,260,123	$ 116,489
Fees and fines	329,147	329,147	309,453	(19,694)
Licenses and permits	347,336	347,336	344,192	(3,144)
Intergovernmental	425,550	430,773	419,173	(11,600)
Charges for services	65,789	65,789	67,125	1,336
Investment earnings	15,664	15,664	5,772	(9,892)
Miscellaneous	521,812	523,668	337,511	(186,157)
Transfers from Other Funds	1,966,000	1,993,627	1,198,210	(795,417)
Total revenues	15,182,283	15,849,638	14,941,559	(908,079)
EXPENDITURES				
Mayor and Council	89,850	164,741	174,589	(9,848)
Administration	393,367	479,367	458,177	21,190
Finance	795,750	744,250	719,464	24,786
Police	3,706,019	3,721,019	3,701,458	19,561
Fire	2,476,053	2,521,276	2,498,259	23,017
Library	253,078	252,878	250,595	2,283
Community Development	294,590	266,590	240,061	26,529
Senior Citizens	46,868	37,568	35,987	1,581
Municipal Garage	193,738	207,738	198,781	8,957
Streets	865,158	1,035,358	957,736	77,622
Municipal Court	196,840	186,540	182,194	4,346
Legal	40,000	35,000	32,160	2,840
Parks and Recreation	694,588	849,828	780,143	69,685
Swimming Pool	92,562	76,562	58,972	17,590
Cemetery	207,753	217,053	202,852	14,201
Transfers to Other Funds	4,716,952	5,009,888	5,009,886	2
Total Expenditures	15,063,166	15,805,656	15,501,314	304,342
Excess (deficiency) of revenues over expenditures	119,117	43,982	(559,755)	(603,737)
Net change in fund balances	119,117	43,982	(559,755)	(603,737)
Fund balances - beginning	37,778	(292,083)	530,768	822,851
Fund balances - ending	$ 156,895	$ (248,101)	$ (28,987)	$ 219,114

See accompanying footnotes to this schedule.

Footnotes to Budgetary Comparison Schedules:

1. The budgetary comparison schedule is reported on a non-GAAP budgetary basis that report revenues and expenditures on a modified cash basis. For budgetary purposes expenditures are recorded in the period the invoice is received, except for payroll expenditures that are recorded when paid.

2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within a fund require the approval of the City Manager. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.

3. The budgetary basis differs from the modified accrual basis as shown in the schedule below:

	General Fund
Total revenue- budgetary basis	$ 14,941,559
Total expense- budgetary basis	(15,501,314)
Change in fund balance-budgetary basis	(559,755)
Revenue accruals	170,004
Expenditures accruals	(3,449,615)
Debt service transfers in	4,276,354
Debt service transfers out	925,475
Change in fund balance-GAAP basis	$ 1,362,463

Proportionate Share of the Net Pension Liability

Oklahoma Firefighters Pension & Retirement System

Last 10 Fiscal Years*

	2015
City's proportion of the net pension liability	0.562385%
City's proportionate share of the net pension liability	$ 5,783,577
City's covered-employee payroll	$ 1,552,304
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	373%
Plan fiduciary net position as a percentage of the total pension liability	68.12%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

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

Schedule of City Contributions

Oklahoma Firefighters Pension & Retirement System

Last 10 Fiscal Years*

	2015
Statutorially required contribution	$ 228,711
Contributions in relation to the statutorially required contribution	228,711
Contribution deficiency (excess)	$ -
City's covered-employee payroll	$ 1,633,651
Contributions as a percentage of covered-employee payroll	14.00%

Notes to Schedule:

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

Proportionate Share of the Net Pension Liability

Oklahoma Police Pension & Retirement System

Last 10 Fiscal Years*

	2015
City's proportion of the net pension liability (asset)	0.5397%
City's proportionate share of the net pension liability (asset)	$ (181,708)
City's covered-employee payroll	$ 1,512,351
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.01%
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.53%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

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

Schedule of City Contributions

Oklahoma Police Pension & Retirement System

Last 10 Fiscal Years*

	2015
Statutorially required contribution	$ 205,473
Contributions in relation to the statutorially required contribution	205,473
Contribution deficiency (excess)	$ -
City's covered-employee payroll	$ 1,581,284
Contributions as a percentage of covered-employee payroll	12.99%

Notes to Schedule:

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

Oklahoma Municipal Retirement System

Required Supplementary Information
Oklahoma Municipal Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios	**Last Fiscal Year**
	2015
Total pension liability	
Service cost	$ 240,404
Interest	298,636
Benefit payments, including refunds of member contributions	(150,337)
Net change in total pension liability	388,703
Total pension liability - beginning	3,686,719
Total pension liability - ending (a)	$ 4,075,422
Plan fiduciary net position	
Contributions - employer	$ 253,488
Contributions - member	131,503
Net investment income	395,694
Benefit payments, including refunds of member contributions	(150,337)
Administrative expense	(5,898)
Net change in plan fiduciary net position	624,450
Plan fiduciary net position - beginning	2,325,800
Plan fiduciary net position - ending (b)	$ 2,950,250
Net pension liability - ending (a) - (b)	$ 1,125,172
Plan fiduciary net position as a percentage of the total pension liability	72.39%
Covered employee payroll	$ 2,924,835
Net pension liability as a percentage of covered-employee payroll	38.47%

Notes to Schedule:

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

Oklahoma Municipal Retirement System

Schedule of Employer Contributions	**Last Fiscal Year**
	2015
Actuarially determined contribution	$ 256,939
Contributions in relation to the actuarially determined contribution	260,481
Contribution deficiency (excess)	$ (3,542)
Covered employee payroll	$ 3,022,811
Contributions as a percentage of covered-employee payroll	8.62%

Notes to Schedule:

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

2. Latest Valuation Date: July 1, 2014

3. Actuarially determined contribution rate is calculated as of July 1, 2014
   July 2014 through June 2015 contributions were at a rate of 8.43%.

4. Methods and assumptions used to determine contribution rates:
   - Actuarial cost method - Entry age normal
   - Amortization method - Level percent of payroll, closed
   - Remaining amortization period - 29 years
   - Asset valuation method - Actuarial:
     - Smoothing period - 4 years
     - Recognition method - Non-asymptotic
     - Corridor - 70% - 130%
   - Salary increases - 4.00% to 7.42% (varies by attained age)
   - Investment rate of return - 7.50%

OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2015

	Police Fund (204)	CDBG Fund (211)	Cemetery Care Fund (208)	Hotel Motel Occupancy Surcharge Fund	Safety Sales Tax 1/4 Cent Fund (616)	Infrastructure Fund (420)
ASSETS						
Cash and cash equivalents	$ 53,010	$ 4	$ 168,741	$ 606,907	$ 292,122	$ 221,772
Investments	-	-	-	-	-	97,207
Due from other governments	-	-	-	-	127,339	-
Franchise tax receivable	693	-	-	-	-	-
Total assets	53,703	4	168,741	606,907	419,461	318,979
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	2,180	-	-	311	250,000	-
Accrued payroll payable	-	-	-	1,076	-	-
Total liabilities	2,180	-	-	1,387	250,000	-
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	51,523	4	39,945	548,551	169,461	167,099
Committed	-	-	64,061	-	-	-
Assigned	-	-	64,735	56,969	-	151,880
Total fund balance	51,523	4	168,741	605,520	169,461	318,979
Total liabilities and fund balance	$ 53,703	$ 4	$ 168,741	$ 606,907	$ 419,461	$ 318,979

	Drainage Improvement Fund (422)	Capital Improvement Fund (425)	2011 Series STRN Bond Fund (411)	Radio Road North Improvement (426)	Evans Road Improvements (427)	Tax Increment Fund (217)	Library Endowment (215)	Cemetery Perpetual (820)	Total Governmental Funds
ASSETS									
Cash and cash equivalents	$ 3,082	$ 165,914	$ 75,426	$ 1,071,000	$ 400,000	$ -	$ 124	$ 131,615	$ 3,189,717
Investments	-	-	-	-	-	-	31,477	27,807	156,491
Due from other governments	-	-	-	-	-	-	-	-	127,339
Franchise tax receivable	-	-	-	-	-	-	-	-	693
Total assets	3,082	165,914	75,426	1,071,000	400,000	-	31,601	159,422	3,474,240
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	-	-	2,438	-	-	-	-	-	254,929
Accrued payroll payable	-	-	-	-	-	-	-	-	1,076
Total liabilities	-	-	2,438	-	-	-	-	-	256,005
Fund balances:									
Nonspendable	-	-	-	-	-	-	31,050	151,889	182,939
Restricted	3,082	88,688	72,988	971,000	400,000	-	202	7,533	2,520,076
Committed	-	-	-	-	-	-	-	-	64,061
Assigned	-	77,226	-	100,000	-	-	349	-	451,159
Total fund balance	3,082	165,914	72,988	1,071,000	400,000	-	31,601	159,422	3,218,235
Total liabilities and fund balance	$ 3,082	$ 165,914	$ 75,426	$ 1,071,000	$ 400,000	$ -	$ 31,601	$ 159,422	$ 3,474,240

Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2015

	Police Fund (204)	CDBG Fund (211)	Cemetery Care Fund (208)	Hotel Motel Occupancy Surcharge (203)	Safety Sales Tax 1/4 Cent Fund (616)	Infrastructure Fund (420)
REVENUES						
Taxes	$ 8,329	$ -	$ -	$ 378,693	$ 654,903	$ -
Intergovernmental	4,000	73,808	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	41,070	5,045	-	-
Fines and forfeitures	53,672	-	-	-	-	-
Investment income	285	2	969	1,860	1,356	733
Miscellaneous	-	-	100	375	-	-
Total revenues	66,286	73,810	42,139	385,973	656,259	733
EXPENDITURES						
Current:						
Streets	-	-	-	-	-	-
Public Safety	44,397	-	-	-	270,000	-
General government	-	-	-	336,202	-	-
Capital Outlay	6,205	-	25,429	19,694	102,345	-
Debt Service:						
Principal	-	-	-	-	191,776	-
Interest	-	-	-	8,794	3,806	-
Total Expenditures	50,602	-	25,429	364,690	567,927	-
Excess (deficiency) of revenues over expenditures	15,684	73,810	16,710	21,283	88,332	733
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	5,278	-	150,000
Transfers out	-	(81,682)	-	(180,500)	(50,000)	(49,784)
Proceeds form long-term debt	-	-	-	442,500	-	-
Total other financing sources and uses	-	(81,682)	-	267,278	(50,000)	100,216
Net change in fund balance	15,684	(7,872)	16,710	288,561	38,332	100,949
Fund balance - beginning	35,839	7,876	152,031	316,959	131,129	218,030
Fund balance - ending	$ 51,523	$ 4	$ 168,741	$ 605,520	$ 169,461	$ 318,979

	Drainage Improvement Fund (422)	Capital Improvement Fund (425)	2011 Series STRN Bond Fund (411)	Radio Road North Improvement (426)	Evans Road Improvements (427)	Tax Increment Fund (217)	Library Endowment (215)	Cemetery Perpetual (820)	Total-Other Governmental Funds
REVENUES									
Taxes	$ -	$ -	$ -	$ -	$ -	$ 102,773	$ -	$ -	$ 1,144,698
Intergovernmental	-	-	-	-	-	-	-	-	77,808
Licenses and permits	1,400	-	-	-	-	-	-	-	1,400
Charges for services	-	31,339	-	-	-	-	-	-	77,454
Fines and forfeitures	-	-				-	-	-	53,672
Investment income	-	912	13	-	-	-	4	802	6,936
Miscellaneous	-	8,695	-	1,000,000	400,000	-	-	-	1,409,170
Total revenues	1,400	40,946	13	1,000,000	400,000	102,773	4	802	2,771,138
EXPENDITURES									
Current:									
Streets	-	-	-	29,000	-	-	-	-	29,000
Public Safety	-	-	-	-	-	-	-	-	314,397
General government	-	-	-	-	-	68,146	-	-	404,348
Capital Outlay	-	-	24,880	-	-	-	-	-	178,553
Debt Service:									
Principal	-	-	-	-	-	-	-	-	191,776
Interest	-	-	-	-	-	-	-	-	12,600
Total Expenditures	-	-	24,880	29,000	-	68,146	-	-	1,130,674
Excess (deficiency) of revenues over expenditures	1,400	40,946	(24,867)	971,000	400,000	34,627	4	802	1,640,464
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	100,000	-	-	-	-	255,278
Transfers out	-	-	(124,983)	-	-	(34,627)	-	-	(521,576)
Proceeds form long-term debt	-	-	-	-	-	-	-	-	442,500
Total other financing sources and uses	-	-	(124,983)	100,000	-	(34,627)	-	-	176,202
Net change in fund balance	1,400	40,946	(149,850)	1,071,000	400,000	-	4	802	1,816,666
Fund balance - beginning	1,682	124,968	222,838	-	-	-	31,597	158,620	1,401,569
Fund balance - ending	$ 3,082	$ 165,914	$ 72,988	$ 1,071,000	$ 400,000	$ -	$ 31,601	$ 159,422	$ 3,218,235

Combining Balance Sheet – General Fund Accounts – June 30, 2015

	General Fund	Sales Tax 1/4 Cent Account (415)	Sales Tax Reserve Account (612)	Cemetery Everlasting Care Account (821)	Gifts and Contributions Account (210)	Total General Fund Accounts
ASSETS						
Cash and cash equivalents	$ 1,718,082	$ 767,987	$ 1,155,898	$ 48,496	$ 10,979	$ 3,701,442
Investments	59,492	-	-	58,068	-	117,560
Due from other funds	33,969	-	-	-	-	33,969
Due from other governments	2,008,112	127,340	-	-	-	2,135,452
Franchise tax receivable	103,941		-	-	-	103,941
Court fine receivable, net	447,659	-	-	-	-	447,659
Total assets	4,371,255	895,327	1,155,898	106,564	10,979	6,540,023
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE						
Liabilities:						
Accounts payable	57,139	-	9,122	-	624	66,885
Accrued payroll payable	200,171	-	-	-	-	200,171
Due to other funds	764,024	-	-	-	-	764,024
Refundable court bonds	4,242	-	-	-	-	4,242
Total liabilities	1,025,576	-	9,122	-	624	1,035,322
Deferred Inflows of resources:						
Deferred revenue	410,541	-	-	-	-	410,541
Fund Balance:						
Restricted	1,549,199	895,327	1,146,776	103,502	10,355	3,705,159
Assigned	-	-	-	3,062	-	3,062
Unassigned	1,385,939	-	-	-	-	1,385,939
Total fund balance	2,935,138	895,327	1,146,776	106,564	10,355	5,094,160
Total liabilities, deferred inflows and fund balance	$ 4,371,255	$ 895,327	$ 1,155,898	$ 106,564	$ 10,979	$ 6,540,023

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Accounts – For the Year Ended June 30, 2015

	General Fund	Sales Tax 1/4 Cent Account (415)	Sales Tax Reserve Account (612)	Cemetery Everlasting Care Account (821)	Gifts and Contributions Account (210)	Total General Fund Accounts
REVENUES						
Taxes	$ 11,719,378	$ 654,903	$ -	$ -	$ -	$ 12,374,281
Intergovernmental	1,119,424	-	9,221	-	-	1,128,645
Licenses and permits	341,227	-	-	-	-	341,227
Charges for services	163,446	-	-	8,510	-	171,956
Fines and forfeitures	319,950	-	-	-	-	319,950
Investment income	5,773	5,250	7,580	276	57	18,936
Royalties	23,835	-	-	-	-	23,835
Miscellaneous	220,320	-	7,866	-	14,030	242,216
Total revenues	13,913,353	660,153	24,667	8,786	14,087	14,621,046
EXPENDITURES						
Current:						
General government	1,785,794	350	17,960	-	221	1,804,325
Public Safety	7,138,670	-	-	-	1,319	7,139,989
Streets	896,913	-	-	-	-	896,913
Culture, parks, and recreation	1,264,997	-	-	-	5,361	1,270,358
Capital outlay	59,398	163,038	-	-	-	222,436
Debt Service:						
Principal	1,754,066	-	-	-	-	1,754,066
Interest	1,041,205	-	-	-	-	1,041,205
Total Expenditures	13,941,043	163,388	17,960	-	6,901	14,129,292
Excess (deficiency) of revenues over expenditures	(27,690)	496,765	6,707	8,786	7,186	491,754
OTHER FINANCING SOURCES (USES)						
Transfers in	5,474,564	-	-	-	-	5,474,564
Transfers out	(4,084,411)	(250,000)	(206,623)	-	-	(4,541,034)
Total other financing sources and uses	1,390,153	(250,000)	(206,623)	-	-	933,530
Net change in fund balances	1,362,463	246,765	(199,916)	8,786	7,186	1,425,284
Fund balances - beginning	1,572,675	648,562	1,346,692	97,778	3,169	3,668,876
Fund balances - ending	$ 2,935,138	$ 895,327	$ 1,146,776	$ 106,564	$ 10,355	$ 5,094,160

Combining Schedule of Net Position – El Reno Municipal Authority (ERMA) – June 30, 2015

	ERMA	ERMA Sales Tax	Utility Deposit	2015 STRN AMR Construction (414)	MA Cleanwater SRF (614)	Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ 865,343	$ 2,748,234	$ -	$ -	$ -	$ 3,613,577
Restricted cash and cash equivalents	515,787	-	296,231	1,360,234	81	2,172,333
Investments	-	445,809	-	-	-	445,809
Due from other funds	-	764,024	-	-	-	764,024
Inventory	1,427	-	-	-	-	1,427
Accounts Receivable, net	869,120	-	-	-	-	869,120
Total current assets	2,251,677	3,958,067	296,231	1,360,234	81	7,866,290
Non-current assets:						
Restricted investments	-	-	28,075	-	-	28,075
Capital Assets:						
Land and construction in progress	8,750,573	-	-	-	-	8,750,573
Other capital assets, net of accumulated depreciation	21,778,241	-	-	-	-	21,778,241
Total non-current assets	30,528,814	-	28,075	-	-	30,556,889
Total assets	32,780,491	3,958,067	324,306	1,360,234	81	38,423,179
DEFERRED OUTFLOW OF RESOURSES						
Deferred amounts related to pensions	68,084	-	-	-	-	68,084
Deferred amount on refunding	39,452	-	-	-	-	39,452
Total deferred outflow of resourses	107,536	-	-	-	-	107,536
LIABILITIES						
Current Liabilities:						
Accounts payable	82,918	67,615	-	232,900	1,138,018	1,521,451
Accrued payroll payable	26,301	-	-	-	-	26,301
Accrued interest payable	145,544	-	-	-	-	145,544
Deferred Revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to component unit	-	-	-	-	-	-
Current portion of:						
Refundable grant obligation	13,873	-	-	-	-	13,873
Notes payable	334,929	-	-	-	-	334,929
Revenue bonds payable	630,950	-	-	-	-	630,950
Capital Lease Obligations	14,717	-	-	-	-	14,717
Accrued compensated absences	6,222	-	-	-	-	6,222
Total current liabilities	1,255,454	67,615	-	232,900	1,138,018	2,693,987
Non-current liabilities:						
Deposits subject to refund	27,459	-	323,448	-	-	350,907
Refundable grant obligation	14,664	-	-	-	-	14,664
Notes payable	9,665,193	-	-	-	-	9,665,193
Revenue bonds payable, net	5,858,500	-	-	-	-	5,858,500
Capital Lease Obligations	12,473	-	-	-	-	12,473
Accrued compensated absences	56,000	-	-	-	-	56,000
Net pension liability	294,096	-	-	-	-	294,096
Total non-current liabilities	15,928,385	-	323,448	-	-	16,251,833
Total liabilities	17,183,839	67,615	323,448	232,900	1,138,018	18,945,820
DEFERRED INFLOW OF RESOURCES						
Deferred amounts related to pension	33,166	-	-	-	-	33,166
NET POSITION						
Net investment in capital assets	14,012,052	-	-	-	-	14,012,052
Restricted for debt service	1,703,099	-	-	-	-	1,703,099
Unrestricted (deficit)	(44,129)	3,890,452	858	1,127,334	(1,137,937)	3,836,578
Total net position	$ 15,671,022	$ 3,890,452	$ 858	$ 1,127,334	$ (1,137,937)	$ 19,551,729

Combining Schedule of Revenues, Expenses, and Changes in Net Position – El Reno Municipal Authority - Year Ended June 30, 2015

	EREF	ERMA Sales Tax	Utility Deposit	2015 STRN AMR Construction	MA Cleanwater SRF (614)	Total
OPERATING REVENUES						
Water charges	$ 2,949,635	$ -	$ -	$ -	$ -	$ 2,949,635
Sewer charges	1,796,632	-	-	-	-	1,796,632
Sanitation	922,278	-	-	-	-	922,278
Water and sewer taps	13,475	-	-	-	-	13,475
Transfer fees	4,579	-	-	-	-	4,579
Returned check charges	1,270	-	-	-	-	1,270
Cut off charges	50,339	-	-	-	-	50,339
Penalties	93,052	-	-	-	-	93,052
Miscellaneous	49,833	-	-	-	-	49,833
Total operating revenues	5,881,093	-	-	-	-	5,881,093
OPERATING EXPENSES						
Managerial	252,695	-	-	-	-	252,695
Administration	135,314	-	-	-	-	135,314
Billing	727,573	-	-	-	-	727,573
Water Plant	1,008,274	-	-	38,000	-	1,046,274
Wasterwater	599,884	-	-	-	395,525	995,409
Utility Lines	614,868	-	-	-	-	614,868
Depreciation expense	1,203,295	-	-	-	-	1,203,295
Total Operating Expenses	4,541,903	-	-	38,000	395,525	4,975,428
Operating income (loss)	1,339,190	-	-	(38,000)	(395,525)	905,665
NON-OPERATING REVENUES (EXPENSES)						
Investment income	5,694	14,377	-	-	10	20,081
Miscellaneous revenue	-	-	-	-	-	-
Interest expense and fiscal charges	(378,312)	-	-	-	-	(378,312)
Total non-operating revenue (expenses)	(372,618)	14,377	-	-	10	(358,231)
Income (loss) before contributions and transfers	966,572	14,377	-	(38,000)	(395,515)	547,434
Capital contributions	-	335,410	-	-	-	335,410
Transfers in	35,366,296	4,276,405	-	1,398,234	6,067,261	47,108,196
Transfers out	(10,128,277)	(3,571,751)	-	(232,900)	(6,809,683)	(20,742,611)
Change in net position	26,204,591	1,054,441	-	1,127,334	(1,137,937)	27,248,429
Total net position - beginning, restated	(10,533,569)	2,836,011	858	-	-	(7,696,700)
Total net position - ending	$ 15,671,022	$ 3,890,452	$ 858	$ 1,127,334	$ (1,137,937)	$ 19,551,729

Schedule of Expenditures of State Awards – Year Ended June 30, 2015

State Grantor/Pass Thru Agency Grantor/Program Title	or Award Number	Award Amount	Awards Expended
STATE AWARDS:			
OKLAHOMA HUMANITIES COUNCIL			
Library - Lets Talk About It	N/A	718	718
Total State Awards		$ 718	$ 718

Footnotes to Schedule of Expenditures of State Awards:

1. The Schedule of Expenditures of State Awards is prepared on an accrual basis of accounting. The expenditures are recorded when the liability is incurred regardless of when the award proceeds are received.

2. The City has not been notified of any noncompliance with state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Schedule of Debt Service Coverage Requirements – Year Ended June 30, 2015

GROSS REVENUE AVAILABLE:		
Pledged operating revenues (water and sewer systems)	$	4,922,592
Investment income		26,401
Total Gross Revenue Available		4,948,993
OPERATING EXPENDITURES:		
Total Operating Expenses (water and sewer systems, excluding depreciation and amortization)		3,110,732
Net Revenue Available for Debt Service	$	1,838,261
Maximum Annual Debt Service:		
Series 2000 Clean Water SRF Promissory Note	$	26,610
Series 2002A Drinking Water SRF Promissory Note		97,260
Series 2002C Clean Water SRF Promissory Note		40,932
Series 2003A Drinking Water SRF Promissory Note		33,666
Series 2009 Clean Water SRF Promissory Note		15,830
Series 2010 Drinking Water SRF Promissory Note		171,431
Series 2014 Clean Water SRF Promissory Note		35,859
Amended Utility System Revenue Note, Taxable Series 2008 annual debt service		40,112
Total Annual Debt Service on Revenues of the Systems	$	461,700
Computed Coverage		398%
Coverage Requirement		125%

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