



THE CITY OF MIAMI, OKLAHOMA

**ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

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

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015**

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Miami, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Miami, Ottawa County, Oklahoma (City), as of and for the year ended June 30, 2015, and the related notes to the 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. 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, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Management's discussion and analysis and budgetary comparison information and are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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 schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Management's discussion and analysis and budgetary comparison information and notes, which are the responsibility of management, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

TURNER & ASSOCIATES, PLLC

Vinita, Oklahoma
March 8, 2016

**CITY OF MIAMI, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015**

MANAGEMENT DISCUSSION AND ANALYSIS

**CITY OF MIAMI, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015**

Our discussion and analysis of the City of Miami'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 \$2,147,886 or 6.3% from the prior year.
- During the year, the City's expenses for governmental activities were \$12.8 million and were funded by program revenues of \$1.4 million and further funded with taxes and other general revenues that totaled \$7.4 million.
- In the City's business-type activities, such as utilities, program revenues exceeded expenses by \$6.1 million.
- At June 30, 2015, the General Fund reported an unassigned fund balance of \$235,712.
- For budgetary reporting purposes, the General Fund reported revenues under estimates of \$17,383 or .2%, while expenditures were under the final appropriations by \$602,029 or 21.2%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Miami (the "City") and its component units using the integrated approach as prescribed by GASB Statements No. 14, 34, 39, and 61. Included in this report are governmental-wide statements for each of three categories of activities – governmental, business-type, and discretely presented component units. 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 of resources, as well as all liabilities (including all long-term debt) and deferred inflows of resources.

About the City

The City of Miami is an incorporated municipality with a population of approximately 13,570 located in northeastern Oklahoma. The City operates under a council-manager form of government with a charter that provides for three branches of government.

- Legislative – the governing body includes an elected five-member City Council and Mayor
- 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 Council

**CITY OF MIAMI, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015**

The City's Financial Reporting Entity

This annual report includes all activities for which the City Council of the City of Miami is fiscally responsible. These activities are operated within several separate legal entities that are reported together to make up the City's financial reporting entity.

The City's financial reporting entity includes the City of Miami, two blended component units, and four discretely presented component units.

Primary Government:

The City of Miami – incorporated municipality that operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities as a home rule charter city

Blended Component Units:

Miami Special Utility Authority (MSUA) – public trust that operates the electric, water, wastewater, and solid waste/sanitation services of the City.

Miami Development Authority (MDA) – public trust created to promote the development of housing in Miami.

Discretely Presented Component Units (separate legal entities for which the City Council is fiscally responsible, but appoints a separate governing body):

Miami Education Facilities Authority (MEFA) – public trust that promotes the development of educational facilities within the city. The trust is currently inactive.

Miami Downtown Redevelopment Authority (MDRA) – public trust created to promote the redevelopment of the downtown area. The Authority does not issue separate financial statements.

Miami Industrial and Public Facilities Authority (MIPFA) – public trust that promotes the use of facilities in the City of Miami area. The Authority does not issue separate financial statements.

Miami Community Facilities Authority (MCFA) – public trust that promotes the development of commerce, housing, recreation, education and public facilities within the city. The Authority does not issue separate financial statements.

Miami Industrial Development Authority (MIDA) – public trust that promotes industry in and around the City of Miami. The Authority issues separate financial statements.

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 position and changes therein 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)

The City's various government-wide and fund financial statements are presented throughout this annual report and are accompanied by:

- **Management's Discussion and Analysis** – that provides useful analysis that facilitates a better understanding of the City's financial condition and changes therein.
- **Footnotes** - that elaborate on the City's accounting principles used in the preparation of the financial statements and further explain financial statement elements.
- **Supplemental Information** – that provide additional information about specified elements of the financial statements, such as budgetary comparison information, and capital assets and long-term debt information.

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 them 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.

**CITY OF MIAMI, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015**

- 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, electric, airport, and sanitation activities are reported here.
- Discretely- presented component units -- Accounts for various activities related to economic development, facility management, facility construction, and downtown development.

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, the City Council 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 und 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.

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 City, assets and deferred outflows exceeded liabilities and deferred inflows by \$36,160,235 at the close of the most recent fiscal year.

**CITY OF MIAMI, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015**

**TABLE 1
NET POSITION (In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2015	Restated, 2014		2015	Restated, 2014		2015	Restated, 2014	
Current assets	\$ 10,789	\$ 10,579	2%	\$ 13,096	\$ 14,618	-10%	\$ 23,885	\$ 25,197	-5%
Capital assets, net	27,042	27,981	-3%	18,581	17,974	3%	45,623	45,955	-1%
Total assets	37,831	38,560	-2%	31,677	32,592	-3%	69,508	71,152	-2%
Deferred outflows	741	597	24%	314	276	14%	1,055	873	21%
Current liabilities	2,836	3,683	-23%	2,694	4,012	-33%	5,530	7,695	-28%
Non-current liabilities	17,173	19,724	-13%	9,797	10,571	-7%	26,970	30,295	-11%
Total liabilities	20,009	23,407	-15%	12,491	14,583	-14%	32,500	37,990	-14%
Deferred inflows	1,565	23	6704%	313	-	100%	1,878	23	8065%
Net position									
Net investment capital assets	16,967	18,508	-8%	10,621	9,787	9%	27,588	28,295	-2%
Restricted	2,286	2,844	-20%	858	803	7%	3,144	3,647	-14%
Unrestricted (deficit)	(2,255)	(5,625)	-60%	7,708	7,695	0%	5,453	2,070	163%
Total net positin	\$ 16,998	\$ 15,727	8%	\$ 19,187	\$ 18,285	5%	\$ 36,185	\$ 34,012	6%

The largest portion of the City's net position reflects its net investment capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. For 2015, the net investment in capital assets amounted to \$27,588,182. 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 capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A major portion of the City's net position, \$3,143,412 also represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$5,428,641, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole.

Explanations of significant changes displayed in Table 1 are as follows:

Governmental Activities:

Deferred outflows and deferred inflows – Increases due to the implementation of GASB's 68 and 71 related to pension accounting and the related deferrals.

Non-current liabilities – Decrease of \$2.6 million (13%) due to a decrease in the net pension liability for OkMRF.

Net investment in capital assets – Decrease of \$1.5 (8%) million due to depreciation and the reductions of construction proceeds.

**CITY OF MIAMI, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015**

Business-Type Activities:

Current assets – Decrease of \$1.5 million (10%) due mainly to a receivable from the FAA of \$1.3 million of grant proceeds in the prior year that were received.

Current liabilities – Decrease of \$1.3 million (33%) due to payable decreases related to the airport project.

Long-term debt outstanding – Decrease of \$.8 million (7%) due to the payment of current debt and the city not issuing any new debt in the current year.

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	Restated, 2014		2015	Restated, 2014		2015	Restated, 2014	
Revenues									
Charges for service	\$ 683	\$ 702	-3%	\$ 25,347	\$ 24,247	5%	\$ 26,030	\$ 24,949	4%
Operating grants and contributions	724	753	-4%	-	-	-	724	753	-4%
Capital grants and contributions	-	621	-100%	1,357	1,345	1%	1,357	1,966	-31%
Taxes	7,204	6,931	4%	-	-	-	7,204	6,931	4%
Investment income	13	11	18%	1	5	-80%	14	16	-13%
Miscellaneous	200	90	122%	22	1	2100%	222	91	144%
Total revenues	8,824	9,108	-3%	26,727	25,598	4%	35,551	34,706	2%
Expenses									
General government	2,067	1,689	22%	-	-	-	2,067	1,689	22%
Public safety	4,751	4,226	12%	-	-	-	4,751	4,226	12%
Streets	3,460	3,128	11%	-	-	-	3,460	3,128	11%
Culture and recreation	1,289	1,129	14%	-	-	-	1,289	1,129	14%
Economic development	585	467	25%	-	-	-	585	467	25%
Interest on debt	622	743	-16%	-	-	-	622	743	-16%
Water	-	-	-	1,597	1,541	4%	1,597	1,541	4%
Wastewater	-	-	-	1,436	1,440	-	1,436	1,440	-
Sanitation	-	-	-	1,513	1,448	4%	1,513	1,448	4%
Electric	-	-	-	15,848	15,509	2%	15,848	15,509	2%
Airport	-	-	-	235	276	-15%	235	276	-15%
Total expenses	12,774	11,382	12%	20,629	20,214	2%	33,403	31,596	-6%
Excess (deficiency) before transfers	(3,950)	(2,274)	-74%	6,098	5,384	13%	2,148	3,110	-31%
Transfers	5,195	2,678	94%	(5,195)	(2,678)	94%	-	-	-
Change in net position	1,245	404	208%	903	2,706	-67%	2,148	3,110	-31%

**CITY OF MIAMI, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015**

Explanations of significant changes in Table 2 are as follows:

Governmental Activities:

Capital grants and contributions – Decrease of \$.6 million (100%) due to a decrease in grants received for capital acquisition.

General Government – Increase of \$.3 million (22%) due to an increase in operational cost.

Public Safety – Decrease of \$.5 million (12%) due to increase in operational cost and retirement expense.

Transfers – increase in budgetary subsidy from the MSUA to the governmental funds.

Business-Type Activities:

Transfers – increase in budgetary subsidy from the MSUA to the governmental funds.

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)**

	<u>Total Expense</u>		<u>% Inc. (Dec.)</u>	<u>Net Revenue</u>		<u>% Inc. (Dec.)</u>
	<u>of Services</u>			<u>(Expense)</u>		
	<u>2015</u>	<u>Restated, 2014</u>		<u>2015</u>	<u>Restated, 2014</u>	
General government	\$ 2,067	\$ 1,689	22%	(\$1,932)	\$ (1,492)	29%
Public safety	4,751	4,226	12%	(3,978)	(3,468)	15%
Streets	3,460	3,128	11%	(3,230)	(2,306)	40%
Culture, parks and recreation	1,289	1,129	14%	(1,028)	(856)	20%
Economic development	585	467	25%	(576)	(441)	31%
Interest on long-term debt	622	743	16%	(622)	(743)	-16%
Total	<u>\$ 12,774</u>	<u>\$ 11,382</u>	12%	<u>(\$11,367)</u>	<u>\$ (9,306)</u>	22%

**CITY OF MIAMI, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015**

For the year ended June 30, 2015 total expenses for governmental activities amounted to approximately \$12.8 million which was an increase from the prior year of 12%. See Table 2 above for explanations of changes.

Business-type Activities

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

	<u>Total Expense of Services</u>		<u>% Inc. Dec.</u>	<u>Net Revenue (Expense) of Services</u>		<u>% Inc. Dec.</u>
	<u>2015</u>	Restated,		<u>2015</u>	Restated,	
		<u>2014</u>			<u>2014</u>	
Water	\$ 1,597	\$ 1,541	4%	\$ 858	\$ 625	37%
Wastewater	1,436	1,440	-	338	392	-14%
Sanitation	1,513	1,448	4%	716	696	3%
Electric	15,848	15,509	2%	3,036	2,365	28%
Airport	235	276	-15%	1,126	1,300	-13%
Total	\$ 20,629	\$ 20,214	2%	\$ 6,074	\$ 5,378	13%

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

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

- Total business-type activities reported net revenues of \$6,074,310 for the year ended June 30, 2015.
- All utilities saw an increase in net revenues due to the annual rate increases.
- Airport operations saw net revenues due to the receipt of a capital grant for runway construction.

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 \$7.8 million or a 11% increase of approximately \$776,857 mainly due to transfers from the enterprise fund for an operational subsidy. The enterprise funds reported combined net position of \$18.6 million or an 4.4% increase from 2014 mainly related to an increase in operational revenue and the receipt of grant funds for the airport.

**CITY OF MIAMI, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015**

<u>Fund Balance/Net Position</u>			
Governmental Funds		Proprietary Funds	
Restricted	\$ 2,282,677	Net investment in capital assets	\$ 10,621,381
Committed	2,340,547	Restricted for debt service and other	857,610
Assigned	2,965,410	Unrestricted	7,075,017
Unassigned	<u>231,689</u>		
Total Fund Balance	<u>\$ 7,820,323</u>	Total Net Position	<u>\$ 18,554,008</u>

General Fund Budgetary Highlights

For budgetary reporting purposes, the General Fund reported revenues under estimates of \$17,383 or .2%, while expenditures were under the final appropriations by \$602,029 or 21.2%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2015, the City had \$45.6 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, electrical infrastructure, water lines and sewer lines. (See table below). This represents a net decrease of \$.3 million or .7% from last year.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 5,487	\$ 5,487	\$ 751	\$ 751	6,238	\$ 6,238
Buildings	4,932	5,205	7,528	7,877	12,460	13,082
Machinery, furniture and equipment	2,785	3,128	3,801	3,682	6,586	6,810
Infrastructure	11,697	11,217	3,238	3,598	14,935	14,815
Construction in progress	<u>2,141</u>	<u>2,944</u>	<u>3,263</u>	<u>2,066</u>	<u>5,404</u>	<u>5,010</u>
Totals	<u>\$ 27,042</u>	<u>\$ 27,981</u>	<u>\$ 18,581</u>	<u>\$ 17,974</u>	<u>\$ 45,623</u>	<u>\$ 45,955</u>

This year's more significant capital asset additions included:

Street projects	\$2,405,500
Airport improvement projects	\$1,074,200

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

Long-Term Debt

At year-end, the City had \$19.8 million in long-term debt outstanding which represents a \$1.1 million decrease, or 5.2%, from the prior year. The City's changes in long-term debt by type of debt are as follows:

**CITY OF MIAMI, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015**

**TABLE 6
Long-Term Debt
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	Restated, <u>2014</u>	<u>2015</u>	Restated, <u>2014</u>	<u>2015</u>	Restated, <u>2014</u>
Accrued absences	\$ 595	\$ 562	\$ 176	\$ 160	\$ 771	\$ 722
Revenue Bonds	9,790	10,510	1,375	1,560	11,165	12,070
Bond Premium (Discount)	(64)	(71)	(9)	(11)	(73)	(82)
Notes Payable	-	-	5,887	6,455	5,887	6,455
Capital Leases	1,259	1,439	763	244	2,022	1,683
Totals	\$ 11,580	\$ 12,440	\$ 8,192	\$ 8,408	\$ 19,772	\$ 20,848

See Note 8 to the financial statements for more detail information on the City's long-term debt and changes therein.

The Upcoming Year

The City of Miami continues to experience level operational revenues. The City will spend the upcoming year completing projects with an emphasis on facility's rehabilitation, evaluation process, implementing the approved comprehensive plan, updating written policy, bringing meter reading back in-house, street and utility improvements, and continuing to progress on a new animal shelter.

The FY 2015-2016 budget will remain level. The City expects to continue to be impacted by a struggling economy but by building financial capacity via a reshaping of budget priorities the City will improve budget stabilization for the future.

During FY 2015-2016 the City plans to continue revenue bond projects on various utility improvements such as completing the well south of town. Utility funds will continue to repay the debt.

The primary sources of revenue for the City of Miami are Sales Tax and water and electric revenue. Sales tax requires a vote of the people and cannot be adjusted without the people's consent. The City continues to look for ways to enhance our revenue base that will assist in the completion of major infrastructure and development projects.

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:

City of Miami
PO Box 1288
Miami, OK 74355-1288

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015**

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015

Statement of Net Position– June 30, 2015

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Equivalents	\$ 8,778,648	\$ 5,237,933	\$ 14,016,581	\$ 690,602
Investments	628,824	2,843,286	3,472,110	39,645
Interest receivable	-	809	809	-
Accounts receivable, net	857,301	3,483,499	4,340,800	-
Due from other governments	984,310	12,615	996,925	-
Other receivable	-	25,812	25,812	-
Internal balances	(608,482)	608,482	-	-
Inventory	-	883,790	883,790	-
Net pension asset	148,685	-	148,685	-
Capital Assets				
Land and construction in progress	7,628,522	4,013,851	11,642,373	8,776,776
Other capital assets, net of depreciation	19,413,476	14,567,530	33,981,006	1,162,326
Total Assets	<u>37,831,284</u>	<u>31,677,607</u>	<u>69,508,891</u>	<u>10,669,349</u>
DEFERRED OUTFLOWS:				
Deferred amounts related to pensions	<u>740,735</u>	<u>313,875</u>	<u>1,054,610</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued liabilities	516,304	1,597,438	2,113,742	47,907
Claims liability	1,175,219	-	1,175,219	-
Accrued interest payable	28,461	46,937	75,398	2,831
Unearned revenue	24,054	-	24,054	-
Long-term liabilities				
Due within one year	1,116,491	1,049,881	2,166,372	250,013
Due in more than one year	17,172,696	9,797,399	26,970,095	9,908,673
Total liabilities	<u>20,033,225</u>	<u>12,491,655</u>	<u>32,524,880</u>	<u>10,209,424</u>
DEFERRED INFLOWS:				
Deferred amounts related to pensions	<u>1,565,190</u>	<u>313,196</u>	<u>1,878,386</u>	<u>-</u>
Total deferred inflows	<u>1,565,190</u>	<u>313,196</u>	<u>1,878,386</u>	<u>-</u>
NET POSITION:				
Net investment in capital assets	16,966,801	10,621,381	27,588,182	(57,289)
Restricted	2,285,802	857,610	3,143,412	-
Unrestricted (deficit)	(2,278,999)	7,707,640	5,428,641	517,214
Total net position	<u>\$ 16,973,604</u>	<u>\$ 19,186,631</u>	<u>\$ 36,160,235</u>	<u>\$ 459,925</u>

See accompanying notes to the basic financial statements.

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015

Statement of Activities – Year Ended June 30, 2015

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Discretely Presented Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental Activities								
General Government	\$ 2,067,088	\$ 88,859	\$ 46,638	\$ -	\$ (1,931,591)		\$ (1,931,591)	
Public Safety	4,751,013	269,959	502,770	-	(3,978,284)		(3,978,284)	
Public Works and Streets	3,459,928	99,915	129,692	-	(3,230,321)		(3,230,321)	
Culture and Recreation	1,288,776	215,847	44,570	-	(1,028,359)		(1,028,359)	
Economic Development	584,940	8,865	-	-	(576,075)		(576,075)	
Interest on Long-term debt	622,304	-	-	-	(622,304)		(622,304)	
Total governmental activities	<u>12,774,049</u>	<u>683,445</u>	<u>723,670</u>	<u>-</u>	<u>(11,366,934)</u>		<u>(11,366,934)</u>	
Business-type activities								
Water	1,596,992	2,305,166	-	150,000		858,174	858,174	
Wastewater	1,436,059	1,774,496	-	-		338,437	338,437	
Sanitation	1,513,092	2,229,102	-	-		716,010	716,010	
Electric	15,847,908	18,883,780	-	-		3,035,872	3,035,872	
Airport	235,215	154,149	-	1,206,883		1,125,817	1,125,817	
Total business-type activities	<u>20,629,266</u>	<u>25,346,693</u>	<u>-</u>	<u>1,356,883</u>		<u>6,074,310</u>	<u>6,074,310</u>	
Total primary government	<u>33,403,315</u>	<u>26,030,138</u>	<u>723,670</u>	<u>1,356,883</u>	<u>(11,366,934)</u>	<u>6,074,310</u>	<u>(5,292,624)</u>	
Component Units								
Culture and Recreation	876,649	136,525	76,513	-				(663,611)
Economic Development	78,809	111,972	-	-				33,163
Total component units	<u>955,458</u>	<u>248,497</u>	<u>76,513</u>	<u>-</u>				<u>(630,448)</u>
General revenues:								
Taxes:								
Sales and use taxes					6,651,376	-	6,651,376	-
Property tax					18,850	-	18,850	-
Franchise and public service taxes					329,213	-	329,213	-
Hotel/motel taxes					205,022	-	205,022	-
Investment income					13,438	1,005	14,443	-
Miscellaneous					200,000	21,606	221,606	-
Transfers - internal activity					5,195,345	(5,195,345)	-	-
Total general revenues and transfers					<u>12,613,244</u>	<u>(5,172,734)</u>	<u>7,440,510</u>	-
Change in net position					1,246,310	901,576	2,147,886	(630,448)
Net position - beginning, restated					15,727,294	18,285,055	34,012,349	1,090,373
Net position - ending					<u>\$ 16,973,604</u>	<u>\$ 19,186,631</u>	<u>\$ 36,160,235</u>	<u>\$ 459,925</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015**

Governmental Funds Balance Sheet - June 30, 2015

	<u>General Fund</u>	<u>G.O. Street Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,611,584	\$ 1,522,754	\$ 4,229,610	\$ 7,363,948
Investments	18,243	-	-	18,243
Receivables:				
Accounts receivable	99,931	-	44,350	144,281
Due from other funds	95,510	-	43,231	138,741
Due from other governments and entities	708,594	139,091	92,275	939,960
Total assets	<u>\$ 2,533,862</u>	<u>\$ 1,661,845</u>	<u>\$ 4,409,466</u>	<u>\$ 8,605,173</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 176,935	\$ 78,576	\$ 68,697	\$ 324,208
Wages payable	188,796	-	5,800	194,596
Due to other funds	74,003	-	40,597	114,600
Total liabilities	<u>439,734</u>	<u>78,576</u>	<u>115,094</u>	<u>633,404</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	<u>69,510</u>	<u>-</u>	<u>81,936</u>	<u>151,446</u>
Fund balances:				
Restricted	7,446	1,583,269	691,962	2,282,677
Committed	-	-	2,340,547	2,340,547
Assigned	1,781,460	-	1,183,950	2,965,410
Unassigned (deficit)	235,712	-	(4,023)	231,689
Total fund balances	<u>2,024,618</u>	<u>1,583,269</u>	<u>4,212,436</u>	<u>7,820,323</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,533,862</u>	<u>\$ 1,661,845</u>	<u>\$ 4,409,466</u>	<u>\$ 8,605,173</u>

See accompanying notes to the basic financial statements.

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015

Governmental Funds Statement of Changes in Fund Balances – Year Ended June 30, 2015

	<u>General Fund</u>	<u>G.O. Street Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 5,542,030	\$ 1,115,835	\$ 404,384	\$ 7,062,249
Intergovernmental	794,001	-	134,692	928,693
Charges for services	197,931	-	129,434	327,365
Fines and forfeitures	225,639	-	-	225,639
Licenses and permits	81,289	-	-	81,289
Investment income	13,101	20	317	13,438
Miscellaneous	144,999	-	115,317	260,316
Total revenues	<u>6,998,990</u>	<u>1,115,855</u>	<u>784,144</u>	<u>8,898,989</u>
EXPENDITURES				
Current:				
General government	2,093,074	-	3,767	2,096,841
Public Safety	4,896,051	-	4,370	4,900,421
Public works and streets	1,070,766	140,788	196,285	1,407,839
Culture and recreation	1,092,655	-	56,402	1,149,057
Economic development	477,857	-	-	477,857
Capital Outlay	241,814	1,380,183	352,030	1,974,027
Debt Service:				
Principal	125,272	720,000	168,627	1,013,899
Interest and other charges	39,017	355,837	15,876	410,730
Total expenditures	<u>10,036,506</u>	<u>2,596,808</u>	<u>797,357</u>	<u>13,430,671</u>
Excess (deficiency) of revenues over	(3,037,516)	(1,480,953)	(13,213)	(4,531,682)
OTHER FINANCING SOURCES (USES)				
Capital lease and note proceeds	113,194	-	-	113,194
Transfers in	9,127,018	1,125,707	1,835,098	12,087,823
Transfers out	(5,178,028)	(1,114,450)	(600,000)	(6,892,478)
Total other financing sources and uses	<u>4,062,184</u>	<u>11,257</u>	<u>1,235,098</u>	<u>5,308,539</u>
Net change in fund balances	1,024,668	(1,469,696)	1,221,885	776,857
Fund balances - beginning	999,950	3,052,965	2,990,551	7,043,466
Fund balances - ending	<u>\$ 2,024,618</u>	<u>\$ 1,583,269</u>	<u>\$ 4,212,436</u>	<u>\$ 7,820,323</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015**

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance – Net Position Reconciliation:

Total fund balance, governmental funds	\$	7,820,323
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 this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		27,041,998
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds.		127,392
Certain other long-term assets are not available to pay current period expenditures and therefore they, along with deferred outflows, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Net pension asset		148,685
Pension related deferred outflows		740,735
Some liabilities are not due and payable in the current period and, along with deferred inflows, are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:		
Capital lease obligations		(1,258,792)
Interest payable		(28,461)
Net pension liability		(6,494,151)
Pension related deferred inflows		(1,565,190)
Other post employment benefit obligation		(215,246)
Accrued compensated absences		(595,451)
Unamortized debt discount		64,453
Note payable		(9,790,000)
Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance, to individual funds. The net position of the internal service funds are reported in governmental activities:		
Internal service fund net position		977,309
Net Position of Governmental Activities in the Statement of Net Position	<u>\$</u>	<u>16,973,604</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015**

Changes in Fund Balances – Changes in Net Position Reconciliation:

Net change in fund balances - total governmental funds:	\$	776,857
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		1,846,024
Depreciation expense		(2,785,103)
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 expenditures. This amount represents the difference between pension contributions and calculated pension expense.		
		442,526
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		(5,626)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Debt proceeds		(113,194)
Capital lease principal payments		293,899
Revenue bond principal payments		720,000
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		1,801
Change in accrued compensated absences		(33,131)
Change in other post employment benefits		(72,305)
Change in amortization of bond discount		(6,187)
Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain net revenues are reported in governmental activities on the Statement of Activities:		
Total change in net position for internal service funds		180,749
Change in net position of governmental activities	<u>\$</u>	<u>1,246,310</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015**

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015

Proprietary Funds Statement of Net Position - June 30, 2015

	Miami Special Utility Authority	Airport Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,654,723	\$ 49,639	\$ 3,704,362	\$ 1,417,200
Cash and cash equivalents, restricted	1,098,049	-	1,098,049	-
Investments	2,656,657	-	2,656,657	610,581
Accounts receivable, net	3,445,665	37,834	3,483,499	-
Other receivable	632	37,795	38,427	757,370
Accrued interest receivable	809	-	809	-
Inventory	847,207	36,583	883,790	-
Due from other funds	37,493	30,128	67,621	-
Total current assets	<u>11,741,235</u>	<u>191,979</u>	<u>11,933,214</u>	<u>2,785,151</u>
Non-current assets:				
Cash and cash equivalents, restricted	435,522	-	435,522	-
Investments, restricted	186,629	-	186,629	-
Capital assets:				
Land, construction in progress, and water rights	1,185,692	2,828,159	4,013,851	-
Other capital assets, net of accumulated depreciation	13,687,073	880,457	14,567,530	-
Total non-current assets	<u>15,494,916</u>	<u>3,708,616</u>	<u>19,203,532</u>	<u>-</u>
Total assets	<u>27,236,151</u>	<u>3,900,595</u>	<u>31,136,746</u>	<u>2,785,151</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts related to pensions	311,744	2,131	313,875	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,492,552	3,020	1,495,572	-
Claims liability	-	-	-	1,175,219
Wages payable	100,382	1,484	101,866	-
Due to other funds	90,174	1,588	91,762	-
Accrued interest payable	46,937	-	46,937	-
Accrued compensated absences	17,607	-	17,607	-
Refundable deposits	42,480	-	42,480	-
Capital lease payable	223,799	-	223,799	-
Revenue bond payable	185,000	-	185,000	-
Notes payable	580,995	-	580,995	-
Total current liabilities	<u>2,779,926</u>	<u>6,092</u>	<u>2,786,018</u>	<u>1,175,219</u>
Non-current liabilities:				
Accrued compensated absences	158,456	-	158,456	-
Claims liability	-	-	-	-
Net pension liability	2,099,797	14,354	2,114,151	-
Net OPEB obligation	116,355	-	116,355	-
Refundable deposits	382,321	-	382,321	-
Capital lease payable	539,526	-	539,526	-
Revenue bond payable	1,180,525	-	1,180,525	-
Notes payable, net	5,306,065	-	5,306,065	-
Total non-current liabilities	<u>9,783,045</u>	<u>14,354</u>	<u>9,797,399</u>	<u>-</u>
Total liabilities	<u>12,562,971</u>	<u>20,446</u>	<u>12,583,417</u>	<u>1,175,219</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	311,070	2,126	313,196	-
NET POSITION				
Net investment in capital assets	6,912,765	3,708,616	10,621,381	-
Restricted for debt service	857,610	-	857,610	-
Unrestricted	6,903,479	171,538	7,075,017	1,609,932
Total net position	<u>\$ 14,673,854</u>	<u>\$ 3,880,154</u>	<u>\$ 18,554,008</u>	<u>\$ 1,609,932</u>

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

	\$ 632,623
Total net position per Government-Wide financial statements	<u>\$ 19,186,631</u>

See accompanying notes to the basic financial statements.

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015

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

	<u>Miami Special Utility Authority</u>	<u>Airport Fund</u>	<u>Total</u>	<u>Internal Service Fund</u>
REVENUES				
Charges for services	\$ 24,339,350	\$ 152,951	\$ 24,492,301	\$ 1,933,256
Miscellaneous	846,846	22,811	869,657	18,235
Total operating revenues	<u>25,186,196</u>	<u>175,762</u>	<u>25,361,958</u>	<u>1,951,491</u>
OPERATING EXPENSES				
Personal services	3,736,420	32,428	3,768,848	-
Materials and supplies	12,393,469	115,663	12,509,132	-
Other services and charges	2,852,337	20,803	2,873,140	113,667
Insurance claims and expense	-	-	-	1,532,481
Depreciation expense	1,338,078	66,321	1,404,399	-
Total operating expenses	<u>20,320,304</u>	<u>235,215</u>	<u>20,555,519</u>	<u>1,646,148</u>
Operating income (loss)	<u>4,865,892</u>	<u>(59,453)</u>	<u>4,806,439</u>	<u>305,343</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	1,005	-	1,005	2,274
Miscellaneous	6,341	-	6,341	-
Interest expense and fiscal charges	(200,615)	-	(200,615)	-
Total non-operating revenue (expenses)	<u>(193,269)</u>	<u>-</u>	<u>(193,269)</u>	<u>2,274</u>
Income (loss) before contributions and transfers	<u>4,672,623</u>	<u>(59,453)</u>	<u>4,613,170</u>	<u>307,617</u>
Contributed capital revenue	150,000	1,206,883	1,356,883	-
Transfers in	6,858,065	-	6,858,065	-
Transfers out	(12,053,410)	-	(12,053,410)	-
Change in net position	<u>(372,722)</u>	<u>1,147,430</u>	<u>774,708</u>	<u>307,617</u>
Total net position - beginning, restated	15,046,576	2,732,724	17,779,300	1,302,315
Total net position - ending	<u>\$ 14,673,854</u>	<u>\$ 3,880,154</u>	<u>\$ 18,554,008</u>	<u>\$ 1,609,932</u>
Change in net position above			\$ 774,708	
Some amounts reported for business-type activities in the Statement of Activities are difference because the net revenue of certain internal service funds is reported with business-type activities			126,868	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements			<u>\$ 901,576</u>	

See accompanying notes to the basic financial statements.

CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015

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

	Miami			Internal Service
	Special Utility Authority	Airport Fund	Total	Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 24,955,349	\$ 181,209	\$ 25,136,558	\$ 2,547,987
Payments to suppliers	(15,134,901)	(130,450)	(15,265,351)	(113,667)
Payments to employees	(3,856,351)	(31,844)	(3,888,195)	-
Receipts from other funds	(4,093)	175	(3,918)	-
Payments to other funds	(7,647)	(1,386)	(9,033)	-
Receipts of customer meter deposits	199,985	-	199,985	-
Refunds of customer meter deposits	(197,605)	-	(197,605)	-
Claims and judgments paid	-	-	-	(2,258,658)
Net cash provided by operating activities	5,954,737	17,704	5,972,441	175,662
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	6,858,065	-	6,858,065	-
Transfers to other funds	(12,053,410)	-	(12,053,410)	-
Net cash provided by (used in) noncapital financing activities	(5,195,345)	-	(5,195,345)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(937,608)	(1,074,211)	(2,011,819)	-
Change in accounts payable related to capital assets	-	(1,586,757)	(1,586,757)	-
Principal paid on debt	(1,028,624)	-	(1,028,624)	-
Proceeds of capital grants	150,000	2,509,052	2,659,052	-
Proceeds from debt	795,295	-	795,295	-
Interest and fiscal agent fees paid on debt	(203,028)	-	(203,028)	-
Net cash provided by (used in) capital and related financing activities	(1,223,965)	(151,916)	(1,375,881)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(1,075)	-	(1,075)	(2,274)
Interest and dividends	1,006	-	1,006	2,274
Net cash provided by (used in) investing activities	(69)	-	(69)	-
Net increase in cash and cash equivalents	(464,642)	(134,212)	(598,854)	175,662
Balances - beginning of year	5,652,936	183,851	5,836,787	1,241,538
Balances - end of year	\$ 5,188,294	\$ 49,639	\$ 5,237,933	\$ 1,417,200
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 3,654,723	\$ 49,639	\$ 3,704,362	\$ 1,417,200
Restricted cash and cash equivalents - current	1,098,049	-	1,098,049	-
Restricted cash and cash equivalents - noncurrent	435,522	-	435,522	-
Total cash and cash equivalents, end of year	\$ 5,188,294	\$ 49,639	\$ 5,237,933	\$ 1,417,200
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 4,865,892	\$ (59,453)	\$ 4,806,439	\$ 305,343
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	1,338,078	66,321	1,404,399	-
Other nonoperating revenue	6,341	-	6,341	-
Change in assets and liabilities:				
Receivables, net	(237,188)	5,447	(231,741)	596,496
Due from other funds	(4,093)	(1,386)	(5,479)	-
Inventory	(12,740)	6,086	(6,654)	-
Deferred outflows related to pension	(37,529)	(257)	(37,786)	-
Accounts payable	123,645	(70)	123,575	-
Claims liability	-	-	-	(726,177)
Due to other funds	(7,647)	175	(7,472)	-
Due to employees	30,993	1,243	32,236	-
Refundable deposits	2,380	-	2,380	-
Unfunded OPEB obligation	(70,669)	-	(70,669)	-
Net pension liability	(369,861)	(2,528)	(372,389)	-
Accrued compensated absences	16,065	-	16,065	-
Deferred inflows related to pension	311,070	2,126	313,196	-
Net cash provided by operating activities	\$ 5,954,737	\$ 17,704	\$ 5,972,441	\$ 175,662

See accompanying notes to the basic financial statements.

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BASIC FINANCIAL STATEMENTS – DISCRETELY PRESENTED COMPONENT UNITS

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Discretely Presented Component Units Combining Statement of Net Position - June 30, 2015

	<u>MCFA</u>	<u>MDRA</u>	<u>MIDA</u>	<u>MIPFA</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 258,003	\$ 42,839	\$ 193,608	\$ 196,152	\$ 690,602
Cash and cash equivalents, restricted	39,645	-	-	-	39,645
Total current assets	<u>297,648</u>	<u>42,839</u>	<u>193,608</u>	<u>196,152</u>	<u>730,247</u>
Non-current assets:					
Capital assets:					
Land, construction in progress, and water rights	8,528,830	-	103,517	144,429	8,776,776
Other capital assets, net of accumulated depreciation	-	17,678	829,268	315,380	1,162,326
Total non-current assets	<u>8,528,830</u>	<u>17,678</u>	<u>932,785</u>	<u>459,809</u>	<u>9,939,102</u>
Total assets	<u>8,826,478</u>	<u>60,517</u>	<u>1,126,393</u>	<u>655,961</u>	<u>10,669,349</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	39,030	7,027	350	1,500	47,907
Interest payable	1,058	-	1,773	-	2,831
Notes payable	77,646	122,650	49,717	-	250,013
Total current liabilities	<u>117,734</u>	<u>129,677</u>	<u>51,840</u>	<u>1,500</u>	<u>300,751</u>
Non-current liabilities:					
Notes payable, net	9,364,007	-	544,666	-	9,908,673
Total non-current liabilities	<u>9,364,007</u>	<u>-</u>	<u>544,666</u>	<u>-</u>	<u>9,908,673</u>
Total liabilities	<u>9,481,741</u>	<u>129,677</u>	<u>596,506</u>	<u>1,500</u>	<u>10,209,424</u>
NET POSITION					
Net investment in capital assets	(873,178)	17,678	338,402	459,809	(57,289)
Unrestricted (deficit)	217,915	(86,838)	191,485	194,652	517,214
Total net position	<u>\$ (655,263)</u>	<u>\$ (69,160)</u>	<u>\$ 529,887</u>	<u>\$ 654,461</u>	<u>\$ 459,925</u>

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Discretely Presented Component Units Combining Statement of Changes in Net Position - Year Ended June 30, 2015

	<u>MCFA</u>	<u>MDRA</u>	<u>MIDA</u>	<u>MIPFA</u>	<u>Total</u>
REVENUES					
Charges for services	\$ 61,500	\$ 136,525	\$ 66,841	\$ 44,944	\$ 309,810
Total operating revenues	<u>61,500</u>	<u>136,525</u>	<u>66,841</u>	<u>44,944</u>	<u>309,810</u>
OPERATING EXPENSES					
Materials and supplies	283,156	19,955	576	-	303,687
Other services and charges	194,334	158,088	-	14,407	366,829
Depreciation expense	-	2,526	20,727	21,481	44,734
Total operating expenses	<u>477,490</u>	<u>180,569</u>	<u>21,303</u>	<u>35,888</u>	<u>715,250</u>
Operating income (loss)	<u>(415,990)</u>	<u>(44,044)</u>	<u>45,538</u>	<u>9,056</u>	<u>(405,440)</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	2	-	1	186	189
Miscellaneous income	2,447	76,513	-	-	78,960
Bond issuance cost	-	(4,395)	-	-	(4,395)
Interest expense and fiscal charges	(218,590)	-	(21,618)	-	(240,208)
Total non-operating revenue (expenses)	<u>(216,141)</u>	<u>72,118</u>	<u>(21,617)</u>	<u>186</u>	<u>(165,454)</u>
Change in net position	(632,131)	28,074	23,921	9,242	(570,894)
Total net position - beginning, restated	(23,132)	(97,234)	505,966	645,219	1,030,819
Total net position - ending	<u>\$ (655,263)</u>	<u>\$ (69,160)</u>	<u>\$ 529,887</u>	<u>\$ 654,461</u>	<u>\$ 459,925</u>

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FOOTNOTES TO BASIC FINANCIAL STATEMENTS

Footnotes to the Basic Financial Statements:

1. Financial Reporting Entity

In determining the financial reporting entity, the City uses the integrated approach as prescribed by Governmental Accounting Standards Board Statements No. 14 “The Financial Reporting Entity”, and Statement No. 61, “*The Financial Reporting Entity: Omnibus*”, and includes all component units for which the City is financially accountable/fiscally responsible. The City’s financial reporting entity primary government presentation includes the City of Miami and the certain component units as follows:

The City of Miami – that operates the public safety, health and welfare, streets and highways, culture and recreation, and administrative activities.

The City of Miami is an incorporated municipality with a population of approximately 13,570 located in northeastern Oklahoma. The City operates under a council-manager form of government with a charter that provides for three branches of government:

- Legislative – the governing body includes an elected five-member City Council and Mayor
- 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 Council

Blended Component Units (separate legal entities for which the City Council is fiscally responsible, and for which the City Council members serve as the trustees/governing body of the entity):

Miami Special Utility Authority (MSUA) – public trust that operates the electric, water, wastewater, and solid waste/sanitation services of the City.

Miami Development Authority (MDA) – public trust created to promote the development of housing in Miami.

Discretely Presented Component Units (separate legal entities for which the City Council is fiscally responsible, but appoints a separate governing body):

Miami Education Facilities Authority (MEFA) – public trust that promotes the development of educational facilities within the city. Complete financial statements of the MEFA component unit can be obtained from: Board of Trustees, Miami Educational Facilities Authority, 2 N. Main, Suite 404, Miami, OK 74354. The trust is currently inactive.

Miami Downtown Redevelopment Authority (MDRA) – public trust created to promote the redevelopment of the downtown area. The authority does not issue separate financial statements.

Miami Industrial and Public Facilities Authority (MIPFA) – public trust that promotes the use of facilities in the City of Miami area. The authority does not issue separate financial statements.

Miami Community Facilities Authority (MCFA) – public trust that promotes the development of commerce, housing, recreation, education and public facilities within the city. The authority does not issue separate financial statements.

Miami Industrial Development Authority (MIDA) – public trust that promotes industry in and around the City of Miami. Complete financial statements can be obtained from the office of the City Clerk. MIDA’s fiscal year end is July 31.

Each of these component units listed above 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. In accordance with state law, the City Council must approve, by two-thirds vote, all debt obligations of these public trusts prior to incurring the obligation. 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

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 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)

Government-Wide Financial Statements:

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, parks and recreation. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities; and

Business-type activities – Services where the City charges a fee to customers to help it cover all or most of the cost of these services it provides. The City’s airport, water, sewer, electric and sanitation systems activities are reported here.

Discretely presented component units -- Accounts for various activities related to economic development, facility management, facility construction, and downtown development.

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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.

Fund Financial Statements:

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. Governmental funds report their activities on the modified accrual basis of accounting and current financial resources measurement focus that is different from other funds. For example, these funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The City's governmental funds include:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds. For reporting purposes the General Fund includes the activities of the Municipal Court Account, Drug & Safety Account, and Demolition Account. The General Fund's major funding source is a three cent sales tax, franchise fees, hotel/motel tax, and miscellaneous charges for services.
- G.O. Street Project Fund – is a capital project fund that accounts for a .65 cent sales tax restricted for streets and bond proceeds for street construction.

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

Special Revenue Funds include the Fishing License Fund, Street and Alley, Drug Forfeiture Fund, Summer Recreation Program, Flood 2007 Fund, RFC 07-09 Grant, MDA Housing Construction, Housing Infrastructure, Coleman Project, Airport T-Hanger Taxiway, Police Grant, and Cemetery Perpetual Care Interest.

Debt Service Funds – accounts for ad-valorem taxes levied by the City for use in retiring court-assessed judgments, general obligation bonds, and their related interest expenses.

Capital Project Funds:

- Pool Improvements Fund accounts for recreation fees used to rehabilitate the municipal pool.
- Parks Department Projects accounts for general obligation bond proceeds used to acquire, construct, and equip city park and recreation facilities.
- Main Street Project accounts for projects related to the revitalization of Main Street.
- Capital Improvement Fund accounts for use tax used for city capital projects for various departments.
- Cemetery Perpetual Care Fund accounts for cemetery fees that are restricted for capital improvements.

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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 normally due 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.

Proprietary Funds:

When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-like activities provided to other funds or departments of the City. Proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability.

The City's proprietary funds include the following:

Enterprise Funds

Major Funds:

- Miami Special Utility Authority (MUSA) that accounts for the activities of the public trust in providing water, sewer, electric, and sanitation/solid waste services to the public.
- Airport Fund accounts for activities of the municipal airport.

Internal Service Funds (combined for reporting purposes)

- Group Insurance Fund that accounts for the cost of providing various group health and life insurance services to other funds and departments of the City.
- Workers Compensation Fund that accounts for the cost of providing workers compensation insurance to the other funds and departments of the City.
- Unemployment Compensation Reimbursement that accounts for the cost of providing unemployment benefits.

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3. Cash and Cash Equivalents, Deposits and Investments

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, and money market investments. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

Investments consist of long-term certificates of deposit, U.S. Treasury bonds and notes, U.S. agency securities, government money market funds, and common stock in the employee retirement fund only. Certificates of deposit are reported at cost, while the U.S. Treasury and agency securities and common stock are reported at fair value.

Deposits and Investments Risks

The City of Miami primary government and component units are governed by the deposit and investment limitations of state law and trust indentures. The deposits and investments held at June 30, 2015 by these entities are as follows:

Type	Fair Value	Credit Rating	Maturities in Years	
			On Demand	Less Than One
Demand deposits	\$ 11,778,027	N/A	\$ 11,778,027	\$ -
Cash on hand	\$ 2,346	N/A	-	-
Time deposits	3,472,110	N/A	-	3,472,110
Government Money Market Accounts	2,236,208	N/A	2,236,208	-
Sub-Total	<u>\$ 17,488,691</u>		<u>\$ 14,014,235</u>	<u>\$ 3,472,110</u>
Reconciliation to Financial Statements:				
Cash and cash equivalents	\$ 14,016,581			
Investments	<u>3,472,110</u>			
	<u>\$ 17,488,691</u>			

Component Unit:

The bank deposit of the MDRA component unit of \$42,839 at June 30, 2015 and was fully insured by the F.D.I.C.

The bank deposits of the MCFA component unit of \$297,648 at June 30, 2015 and was fully insured by the F.D.I.C.

The bank deposits of the MIPFA component unit of \$196,152 at June 30, 2015 and was fully insured by the F.D.I.C.

The bank deposits of the MIDA component unit of \$193,608 at June 30, 2015 and was fully insured by the F.D.I.C.

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

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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 102% of the uninsured deposits and accrued interest thereon. The City's policy limits acceptable collateral to U.S. Treasury securities, federally insured obligations, or direct debt obligations of municipalities, counties, and school districts in Oklahoma.

Also, as required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2015, the City was not exposed to custodial credit risk.

Investment Credit Risk – The City's investment policy limits investments, excluding retirement trust fund investments, to the following:

- a. Obligations of the U. S. Government, its agencies and instrumentalities;
- b. Collateralized or insured non-negotiable certificates of deposit or other evidences of deposit that are either insured or secured with acceptable collateral with an in-state financial institution, and fully insured deposits in out-of-state institutions;
- c. Insured or fully collateralized negotiable certificates of deposit;
- d. Repurchase agreements that have underlying collateral consisting of those items specified in paragraph a above; and
- e. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraph a.

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

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 discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments by date range.

As noted in the schedule of deposits and investments above, at June 30, 2015, the investments held by the City mature between 2015 through 2016.

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).

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Restricted Cash and Investments

The amounts reported as restricted assets of the Enterprise Funds on the Statement of Net Position are comprised of amounts held by the MSUA Enterprise Fund in accounts for the Oklahoma Water Resources Board promissory notes, 2001 Utility Revenue Bond and other accounts with restricted uses. The restricted assets as of June 30, 2015 are as follows:

Cash and cash equivalents:	
Cash Restricted for Refundable deposits	\$ 49,500
Money Markets Restricted for Construction	674,766
Money Markets Restricted for Debt Service	373,783
	<u>\$ 1,098,049</u>
Cash and cash equivalents, noncurrent:	
Money Markets Restricted for Debt Service	\$ 366,177
Cash Restricted for Refundable deposits	69,345
	<u>\$ 435,522</u>
Investments:	
Refundable deposits	\$ 186,629
	<u>\$ 186,629</u>

4. Receivables

Material receivables in the governmental fund types and the governmental activities include revenue accruals such as court fines and economic development loans. These are reported as *Due From Other Governments*. Non-exchange transactions collectible but not available are deferred in the fund financial statements. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Business-type activities and the proprietary type fund consist of revenues earned at year-end and not yet received. Billed and unbilled utility accounts receivable comprise the majority of these receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Taxes	\$ 933,642	\$ -	\$ 933,642
Due from other governments	50,668	-	50,668
Court fines	294,283	(206,339)	87,944
Other	769,357	-	769,357
Total Governmental Activities	<u>\$ 2,047,950</u>	<u>\$ (206,339)</u>	<u>\$ 1,841,611</u>
Reconciliation to Statement of Net Position:			
Accounts receivable, net			\$ 857,301
Due from other governmental agencies			984,310
Total			<u>\$ 1,841,611</u>
Business-Type Activities:			
Utilities	<u>\$ 4,853,642</u>	<u>\$ (1,370,143)</u>	<u>\$ 3,483,499</u>

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The Internal Service Funds \$.7 million receivable is due from insurance companies for claims that exceeded the stop loss insurance.

5. Inventories

Inventories are valued at average cost. Inventories in the proprietary funds relate to fuel at the airport and material and supplies for the water, wastewater and electric systems. The cost of proprietary funds inventories are recorded as expenses when consumed rather than when purchased.

6. Capital Assets and Depreciation

Capital Assets:

For the primary government and component units, capital assets are reported at actual or estimated historical cost, net of accumulated depreciation where applicable. Donated capital assets are reported at their fair value at date of donation. Estimated historical cost was used to value the majority of the capital assets acquired prior to June 30, 1992. The capitalization threshold is capital assets with a cost of \$5,000 or more.

For the year ended June 30, 2015, capital assets balances changed as follows:

	Balance at July 1, 2014	Additions	Deductions	Balance at June 30, 2015
PRIMARY GOVERNMENT:				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 5,487,269	\$ -	\$ -	\$ 5,487,269
Construction in progress	2,944,208	1,607,507	2,410,462	2,141,253
Total capital assets not being depreciated	<u>8,431,477</u>	<u>1,607,507</u>	<u>2,410,462</u>	<u>7,628,522</u>
Other capital assets:				
Buildings	19,840,251	59,738	-	19,899,989
Infrastructure	39,598,104	2,425,385	-	42,023,489
Machinery, furniture and equipment	10,941,073	163,858	90,543	11,014,388
Total other capital assets at historical cost	<u>70,379,428</u>	<u>2,648,981</u>	<u>90,543</u>	<u>72,937,866</u>
Less accumulated depreciation for:				
Buildings	14,635,435	332,935	-	14,968,370
Infrastructure	28,381,370	1,945,600	-	30,326,970
Machinery, furniture and equipment	7,813,025	506,568	90,543	8,229,050
Total accumulated depreciation	<u>50,829,830</u>	<u>2,785,103</u>	<u>90,543</u>	<u>53,524,390</u>
Other capital assets, net	19,549,598	(136,122)	-	19,413,476
Governmental activities capital assets, net	<u>\$ 27,981,075</u>	<u>\$ 1,471,385</u>	<u>\$ 2,410,462</u>	<u>\$ 27,041,998</u>

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	Balance at July 1, 2014	Additions	Deductions	Balance at June 30, 2015
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 750,530	\$ -	\$ -	\$ 750,530
Construction in progress	2,065,716	1,197,605	-	3,263,321
Total capital assets not being depreciated	<u>2,816,246</u>	<u>1,197,605</u>	<u>-</u>	<u>4,013,851</u>
Other capital assets:				
Buildings and utility infrastructure	17,538,564	-	-	17,538,564
Machinery, furniture and equipment	12,912,627	814,213	54,827	13,672,013
Infrastructure	15,658,858	-	-	15,658,858
Total other capital assets at historical cost	<u>46,110,049</u>	<u>814,213</u>	<u>54,827</u>	<u>46,869,435</u>
Less accumulated depreciation for:				
Buildings and utility infrastructure	9,661,005	348,251	-	10,009,256
Machinery, furniture and equipment	9,230,567	695,760	54,827	9,871,500
Infrastructure	12,060,761	360,388	-	12,421,149
Total accumulated depreciation	<u>30,952,333</u>	<u>1,404,399</u>	<u>54,827</u>	<u>32,301,905</u>
Other capital assets, net	<u>15,157,716</u>	<u>(590,186)</u>	<u>-</u>	<u>14,567,530</u>
Business-type activities capital assets, net	<u>\$ 17,973,962</u>	<u>\$ 607,419</u>	<u>\$ -</u>	<u>\$ 18,581,381</u>

Depreciation:

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

- Buildings 25-50 years
- Improvements other than buildings 20-50 years
- Utility property and improvements 15-50 years
- Infrastructure 15-50 years
- Machinery, furniture, and equipment 3-10 years

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:	
General Government	\$ 39,359
Public Safety	190,863
Streets	2,034,441
Culture and Recreation	461,497
Economic Development	58,943
Total	<u>\$ 2,785,103</u>
Business-Type Activities:	
Airport	\$ 66,321
Electric	611,350
Water	239,580
Wastewater	452,799
Sanitation	34,349
Total	<u>\$ 1,404,399</u>

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Capital assets of the component units were:

	Balance at August 1, 2014	Additions	Deductions	Balance at July 31, 2015
<i>MIDA - Discreetly Presented Component unit</i>				
Capital assets not being depreciated:				
Land	\$ 103,517	\$ -	\$ -	\$ 103,517
Total capital assets not being depreciated	<u>103,517</u>	<u>-</u>	<u>-</u>	<u>103,517</u>
Other capital assets:				
Buildings and utility infrastructure	1,036,353	-	-	1,036,353
Less accumulated depreciation for:				
Buildings and utility infrastructure	186,358	20,727	-	207,085
Other capital assets, net	849,995	(20,727)	-	829,268
MIDA capital assets, net	<u>\$ 953,512</u>	<u>\$ (20,727)</u>	<u>\$ -</u>	<u>\$ 932,785</u>
	Balance at July 1, 2014	Additions	Deductions	Balance at June 30, 2015
<i>MDRA - Discreetly Presented Component unit</i>				
Other capital assets:				
Buildings	6,500	-	-	6,500
Machinery, furniture and equipment	18,756	-	-	18,756
Total other capital assets at historical cost	<u>25,256</u>	<u>-</u>	<u>-</u>	<u>25,256</u>
Less accumulated depreciation for:				
Buildings	1,300	650	-	1,950
Machinery, furniture and equipment	3,752	1,876	-	5,628
Total accumulated depreciation	<u>5,052</u>	<u>2,526</u>	<u>-</u>	<u>7,578</u>
Other capital assets, net	20,204	(2,526)	-	17,678
MDRA capital assets, net	<u>\$ 20,204</u>	<u>\$ (2,526)</u>	<u>\$ -</u>	<u>\$ 17,678</u>
	Balance at July 1, 2014	Additions	Deductions	Balance at June 30, 2015
<i>MIPFA - Discreetly Presented Component unit</i>				
Capital assets not being depreciated:				
Land	\$ 144,429	\$ -	\$ -	\$ 144,429
Total capital assets not being depreciated	<u>144,429</u>	<u>-</u>	<u>-</u>	<u>144,429</u>
Other capital assets:				
Buildings	574,724	-	-	574,724
Machinery, furniture and equipment	75,000	-	-	75,000
Total other capital assets at historical cost	<u>649,724</u>	<u>-</u>	<u>-</u>	<u>649,724</u>
Less accumulated depreciation for:				
Buildings	237,863	21,481	-	259,344
Machinery, furniture and equipment	75,000	-	-	75,000
Total accumulated depreciation	<u>312,863</u>	<u>21,481</u>	<u>-</u>	<u>334,344</u>
Other capital assets, net	336,861	(21,481)	-	315,380
MIPFA capital assets, net	<u>\$ 481,290</u>	<u>\$ (21,481)</u>	<u>\$ -</u>	<u>\$ 459,809</u>

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	Balance at July 1, 2014	Additions	Deductions	Balance at June 30, 2015
<i>MCFA - Discreetly Presented Component unit</i>				
Construction in progress	\$ 6,139,191	\$ 2,389,639	\$ -	\$ 8,528,830
MIPFA capital assets, net	\$ 6,139,191	\$ 2,389,639	\$ -	\$ 8,528,830

7. Internal and Interfund Balances and Transfers

Internal and Interfund Balances:

The City's policy is to eliminate interfund receivable and payables between funds in the Statement of Net Position to avoid the grossing up of balances. Only the residual balances due between governmental and business-type activities are reported as internal balances and then offset in the total column.

Receivable Fund	Payable Fund	Amount	Nature of Interfund Balance
General Fund	* MSUA	\$ 3,679	To cover negative balance in pooled cash
General Fund	* Cemetery Perpetual Care Interest	4,023	To cover negative balance in pooled cash
General Fund	* Airport Fund	1,313	Payroll reimbursement
General Fund	* MSUA	86,495	Payroll reimbursement
Street and Alley	Capital Improvement Fund	36,574	Expense reimbursement
Capital Improvement Fund	General Fund	6,657	Reclassification
MSUA	General Fund	275	Expense reimbursement
MSUA	* General Fund	37,218	Expense reimbursement
MSUA	General Fund	30,128	Posting correction
Total		<u>\$ 206,362</u>	

* Denotes major fund.

	Due From Other Funds	Due To Other Funds	Net Internal Balances
Reconciliation to Fund Financial Statements:			
Governmental Funds	\$ 138,741	\$ (114,600)	\$ 24,141
Proprietary Funds	67,621	(91,762)	(24,141)
Total	<u>\$ 206,362</u>	<u>\$ (206,362)</u>	<u>\$ -</u>

Reconciliation to Statement of Net Position:	
Net Internal Balances	\$ (24,141)
Internal Service Fund Activity reported in Business-type Activities	632,623
Net Internal Balance	<u>\$ 608,482</u>

Internal and Interfund Transfers:

The City's policy is to eliminate interfund transfers between funds in the Statement of Activities to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and then offset in the total column. Internal activities between funds and activities for the year ended June 30, 2015 were as follows:

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<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Nature of Interfund Transfer</u>	
* General Fund	* MSUA	\$ 9,127,018	Operating subsidy	
* General Fund	* Street Project	1,125,707	Pledged sales tax	
Street project	* MSUA	1,114,450	Debt Service payments	
Flood 07	* General Fund	9,413 A	Closing of fund	
Street and alley	* MSUA	1,000,000 A	Operating subsidy	
Capital Improvement Fund	* General Fund	25,000 A	Capital project	
Capital Improvement Fund	* MSUA	65,685 A	Debt Service payments	
Capital Improvement Fund	* MSUA	735,000 A	Operating subsidy	
* MSUA	Capital Improvement Fund	600,000 B	Capital project	
* MSUA	* General Fund	5,143,615	Operating subsidy	
		<u>\$ 18,945,888</u>		
* Denotes Major Fund				
	Subtotal non-major Governmental Funds transfers in	\$ 1,835,098 A		
	Subtotal non-major Governmental Funds transfers out	\$ 600,000 B		
			Transfers to	Transfers from
			<u>Other Funds</u>	<u>Other Funds</u>
Reconciliation to fund financial statements:				Net
Governmental Funds		\$ (6,892,478)	\$ 12,087,823	\$ 5,195,345
Enterprise Funds		(12,053,410)	6,858,065	(5,195,345)
Totals		<u>\$ (18,945,888)</u>	<u>\$ 18,945,888</u>	<u>\$ -</u>

8. Long-Term Debt

The City's long term debt consists of revenue bonds and notes, capital lease obligations, accrued compensated absences and long-term deposits subject to refund.

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

Primary Government:

<u>Type of Debt</u>	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
Governmental Activities:					
Revenue Bond Discount	\$ (70,640)	\$ -	\$ (6,187)	\$ (64,453)	\$ -
Revenue Bonds	10,510,000	-	720,000	9,790,000	745,000
Capital Lease Obligations	1,439,497	113,194	293,899	1,258,792	311,946
Accrued Compensated Absences	562,320	33,131	-	595,451	59,545
Total Governmental Activities	<u>\$ 12,441,177</u>	<u>\$ 146,325</u>	<u>\$ 1,007,712</u>	\$ 11,579,790	\$ 1,116,491
Plus: Net OPEB obligation				215,246	-
Net pension liability				6,494,151	-
				<u>\$ 18,289,187</u>	<u>\$ 1,116,491</u>
Reconciliation to Statement of Net Position:					
Due within one year				\$ 1,116,491	
Due in more than one year				17,172,696	
				<u>\$ 18,289,187</u>	

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<u>Type of Debt</u>	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Notes Payable	\$ 6,454,763	\$ -	\$ 567,702	\$ 5,887,061	\$ 580,995
Unamortized Bond Discount	(10,952)		(1,476)	(9,476)	-
Revenue Bonds	1,560,000	-	185,000	1,375,000	185,000
Capital Lease Obligations	243,951	795,295	275,921	763,325	223,799
Accrued Compensated Absences	159,999	16,064	-	176,063	17,607
	<u>\$ 8,407,761</u>	<u>\$ 811,359</u>	<u>\$ 1,027,147</u>	<u>\$ 8,191,973</u>	<u>\$ 1,007,401</u>
Plus: OPEB obligation				116,355	-
Net pension obligation				2,114,151	-
Refundable deposits				424,801	42,480
				<u>\$ 10,847,280</u>	<u>\$ 1,049,881</u>
Reconciliation to Statement of Net Position:					
Due within one year				\$ 1,049,881	
Due in more than one year				9,797,399	
				<u>\$ 10,847,280</u>	

Governmental activities long-term debt payable from property tax levies or other governmental revenues includes the following:

Revenue Bond Payable –

2010 Sales Tax Revenue Bond for \$12,455,000 with interest from 2.15% to 5.00%

Debt service payments are due semi-annually through December 2026. Bonds are Secured with net revenues of the Special Utility Authority and a pledged sales tax.

\$9,790,000

Current portion	\$745,000
Non-current portion	<u>9,045,000</u>
	<u>\$9,790,000</u>

Capital Lease Obligations:

\$109,380 capital lease obligation for the purchase of a 2013 loader, matures January 2018 with a stated interest rate of 2.79%.	\$58,327
\$100,362 capital lease obligation for the purchase of a dump truck, matures March 2017 with a stated interest rate of 2.79%.	36,699
\$86,689 capital lease obligation for the purchase of a boom mower, matures August 2018 with a stated interest rate of 3.77%.	40,931
\$95,400 capital lease obligation for the purchase of a backhoe/loader, matures November 2016 with a stated interest rate of 3.24%.	28,589
\$42,200 capital lease obligation for the purchase of a caterpillar drum roller, matures September 2016 with a stated interest rate of 3.24%.	11,176
\$90,154 capital lease obligation for the purchase of a crawler/dozer, matures September 2021 with a stated interest rate of 3.81%.	60,218
\$100,495 capital lease obligation for the purchase of a wheel loader, matures June 2017 with a stated interest rate of 4.45%	31,967

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\$993,730 capital lease obligation for the purchase of fire trucks, matures July 2020 with a stated interest rate of 5.00%	677,074
\$220,000 capital lease obligation for the purchase of the a gradall excavator, matures January 2017 with a stated interest rate of 4.40%	55,839
\$94,641 capital lease obligation for the purchase of 2014 police svu's, matures December 23, 2016 With a stated interest rate of 1.80%	47,739
\$158,325 capital lease obligation for the purchase of street sweeper, matures May 29, 2018 with a stated interest rate of 1.94%.	94,216
\$32,758 capital lease obligation for the purchase of a tandem roller, matures September 2015 with a stated interest rate of 2.88%	2,823
\$113,194 capital lease obligation for the purchase of two Torro mowers, matures July 2020 with a stated interest rate of 2.15%	<u>113,194</u>
Total capital lease obligations	<u>\$1,258,792</u>
Current portion	\$311,946
Non-current portion	<u>946,846</u>
	<u>\$1,258,792</u>

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

Capital Lease Obligation:

\$127,800 capital lease obligation for the purchase of a TV Truck, matures September 2015 with a stated interest rate of 3.59%	\$6,892
\$127,450 capital lease obligation for the purchase of a sanitation truck, matures October 2016 with a stated interest rate of 3.24%	35,960
\$209,365 capital lease obligation for the purchase of a bucket truck, matures October 2019 with a stated interest rate of 2.300%	182,644
\$503,720 capital lease obligation for the purchase of a trash truck, matures July 2019 with a stated interest rate of 1.97%	415,044
\$82,210 capital lease obligation for the purchase of a work truck, matures July 2019 with a stated interest rate of 2.13%	67,786
\$115,100 capital lease obligation for the purchase of a digger derrick truck, matures April 2017 with a stated interest rate of 2.96%.	44,155
\$297,583 capital lease obligation for the purchase of a Jet Vac Truck, matures August 2015 with a stated interest rate of 3.75%	<u>10,844</u>
Total Capital Leases	<u>\$763,325</u>

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Current portion	\$223,799
Non-current portion	<u>539,526</u>
	<u>\$763,325</u>

Revenue Bond Payable –

2011 SUA Revenue Bond for \$1,915,000 with interest from 1.45% to 2.90%
 Debt service payments are due semi-annually through December 2021. Bonds are
 Secured with net revenues of the Special Utility Authority. \$1,375,000

Current portion	\$185,000
Non-current portion	<u>1,190,000</u>
	<u>\$1,375,000</u>

Notes Payable –

Oklahoma Water Resources Board:

Series 2003A for \$1,760,000 with no interest charged; however, there is a .5% annual
 administrative fee. Debt service payments are due semi-annually
 through March, 2023. Notes are secured by the revenues of the Miami Special
 Utility Authority’s (the “Authority”), sanitary and pledged revenue of the Utility Fund
 for water and sewer. \$748,000

Series 2003B for \$3,020,000 with interest rate of 1.78% and .5% annual administrative fee.
 debt service payments are due semi-annually through December 2023. Secured by
 revenues of the water, sewer, and garbage collection and disposal systems. 1,657,740

Series 2004A for \$1,595,538 with no interest rate and .5% annual administrative fee.
 debt service payments are due semi-annually through June 2024. Secured by revenues
 of the water, sewer, and garbage collection and disposal systems. 717,992

Series 2004B for \$2,740,000 with interest rate of 1.78% and .5% annual administrative fee.
 debt service payments are due semi-annually through June 2025. Secured by revenues of
 the water, sewer, and garbage collection and disposal systems. 1,522,260

Series 2004C for \$1,620,000 with interest rate of 3.0% and .5% annual administrative fee.
 debt service payments are due semi-annually through October 2024. Secured by revenues
 of the water, sewer, and garbage collection and disposal systems. 911,949

Series 2005 for \$563,000 with no interest and .5% annual administrative fee.
 debt service payments are due semi-annually through September 2025. Secured by
 revenues of the water, sewer, and garbage collection and disposal systems. 329,120

Total Notes Payable – Oklahoma Water Resources Board \$5,887,061

Current portion	\$580,995
Non-current portion	<u>5,306,066</u>
	<u>\$5,887,061</u>

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Long-term debt service requirements to maturity are as follows:

Governmental-Type Activities						
Year Ending June 30,	Revenue Bonds Payable		Capital Leases			
	Principal	Interest	Principal	Interest		
2016	\$ 745,000	\$ 33,528	\$ 311,946	\$ 45,803		
2017	770,000	316,665	263,759	35,076		
2018	785,000	297,213	178,024	27,145		
2019	810,000	274,061	127,225	20,974		
2020	845,000	247,141	131,654	15,317		
2021-2025	4,760,000	723,411	246,184	1,310		
2026	1,075,000	22,844	-	-		
Total	<u>\$ 9,790,000</u>	<u>\$ 1,914,863</u>	<u>\$ 1,258,792</u>	<u>\$ 145,625</u>		

Business-Type Activities						
Year Ending June 30,	Notes Payable		Revenue Bonds Payable		Capital Leases Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 580,995	\$ 154,575	\$ 185,000	\$ 28,321	\$ 223,799	\$ 12,746
2017	589,627	140,211	190,000	25,460	187,960	6,804
2018	602,819	120,341	190,000	22,230	161,717	3,508
2019	630,255	100,182	195,000	18,473	164,976	1,010
2020	641,594	85,068	200,000	14,025	24,872	64
2021-2025	2,795,685	161,423	415,000	11,903	-	-
2026-2028	46,086	115	-	-	-	-
Total	<u>\$ 5,887,061</u>	<u>\$ 761,915</u>	<u>\$ 1,375,000</u>	<u>\$ 120,412</u>	<u>\$ 763,324</u>	<u>\$ 24,132</u>

MDRA Debt:

The MDRA issued the 2005 note payable to First national Bank of Miami, payable in monthly installments of \$129.10 with interest at 4.75% maturity date of August 5, 2013	\$19,650
The MDRA issued the 2010 note payable to First National Bank of Miami, payable in one annual installment, with interest of 4.75%, maturity date of December 2014	<u>103,000</u>
Total debt outstanding – MDRA - current	<u>\$122,650</u>

<u>Type of Debt</u>	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
Component Unit:					
MDRA notes payable	\$ 133,000	\$ -	\$ 10,350	\$ 122,650	\$ 122,650

MCFA:

The MCFA issued a bond anticipation note for \$8,798,611 in May 2013. The note will mature on December 1, 2018 with a value of \$9,870,000. During FY 2014 accreted interest added to the value of the note totaled \$170,284. The note carries an accretion rate of 2.10%. The note is to be used for the purpose of constructing, equipping and improving a community center and stadium complex to be located on the Northeastern Oklahoma A&M College Campus. The note is an unsecured indebtedness.

The MCFA issued a note payable for \$403,000 in October 2014 for the purchase of a scoreboard at the football facility. The note matures in June 2019.

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<u>Type of Debt</u>	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
Component Unit:					
MCFA Bond Anticipation Note	\$ 8,984,799	\$ 189,583	\$ -	\$ 9,174,382	\$ -
MCFA Bond Anticipation Note Discount	(70,655)	-	15,997	(54,658)	-
Note payable	-	403,000	81,071	321,929	77,646
	<u>\$ 8,914,144</u>	<u>\$ 592,583</u>	<u>\$ 65,074</u>	<u>\$ 9,441,653</u>	<u>\$ 77,646</u>

Component Unit - MCFA

<u>Year Ending June 30,</u>	<u>Bond Anticipation Note</u>		<u>Note Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ -	\$ -	\$ 77,646	\$ 12,877
2017	-	-	80,751	9,771
2018	-	-	83,981	6,541
2019	-	-	79,551	3,182
2020	9,174,382	-	-	-
2021-2025	-	-	-	-
2026	-	-	-	-
Total	<u>\$ 9,174,382</u>	<u>\$ -</u>	<u>\$ 321,929</u>	<u>\$ 32,371</u>

MIDA Debt:

The MIDA issued the 2005 note payable to the Miami Area Economic Development Services, Inc, payable in monthly Installments of \$3,300 with interest at 5.00% maturity date of February 1, 2020 \$314,032

The MIDA issued the 2005 note payable to the Miami Area Economic Development Services, Inc, payable in monthly Installments of \$1,918, with interest of 1.25%, maturity date of February 1, 2020 219,678

The MIDA issued the 2005 note payable to the Miami Area Economic Development Services, Inc., payable in monthly Installments of \$607, with interest of 4.00%, maturity date of February 1, 2020 60,673

Total debt outstanding – MIDA - current \$594,383

<u>Type of Debt</u>	<u>Balance August 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance July 31, 2015</u>	<u>Due Within One Year</u>
Component Unit:					
MIDA Note payable	\$ 638,604	\$ -	\$ 44,221	\$ 594,383	\$ 49,717

Component Unit - MIDA

<u>Year Ending June 30,</u>	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 49,717	\$ 20,173
2017	51,478	18,412
2018	53,261	16,629
2019	55,123	14,766
2020	384,804	7,794
Total	<u>\$ 594,383</u>	<u>\$ 77,774</u>

Pledge of Future Revenues

Utility Net Revenues Pledge - The City and Special Utility Authority have pledged net utility revenues of the water, electric and wastewater systems to repay the OWRB Series 2003 B, 2003 A, 2004 A, 2004 B, 2004C, and 2005 promissory notes payable. Proceeds from the notes provided financing for capital assets. The notes are payable from net utility revenues and are payable through 2025. The total principal and interest payable for the remainder of the life of these notes is \$6,648,976. Net utility revenues received in the current year were \$5,301,548. Debt service payments of \$720,566 for the current fiscal year were 13.6% of pledged net utility revenues.

Pledged Sales Tax – The City has pledged 3.65 cents (or 100%) of future sales tax revenues to repay \$12,455,000 of Series 2010 SUA Sales Tax Revenue Bonds and \$1,915,000 of the Series 2011 Revenue Bonds. Three cents of the sales tax was voted by the citizens for general operations and .65 cent is legally restricted by a vote of the citizens for street purposes. The 2010 Sales Tax Revenue Bonds are for the construction and improvements to streets. The 2011 Revenue bonds are for water improvements. The .65 sales tax is used to pay the debt service on the 2010 bonds and the three cents is sent back to the general fund if not needed for debt service. The bonds are payable from pledged sales tax and net utility revenues and are payable through 2026 and 2021, respectively. The total principal and interest payable for the remainder of the life of these bonds is \$13,500,274. Pledged sales taxes received in the current year were \$6,258,065. Net revenues and sales tax pledged during the year was \$11,559,613. Debt service payments of \$1,288,850 for the current fiscal year were 11.1% of the pledged revenue.

9. Net Position and Fund Balances

Government-wide net position is displayed in three components:

- a. *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.
- b. *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.
- c. *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.

At June 30, 2015 net position restricted by enabling legislation totaled \$209,026.

Fund Balance:

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:

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- 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 – included 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 (city manager) when the city council has delegated that authority. Assignments for revenues in other governmental funds are made through 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.

The City’s policy for the use of 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 following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	General Fund	Major Capital Project Fund		Other Governmental Fund	Total
		2010 Street Bond Project			
Fund Balance:					
Restricted For:					
Police operations - grants	\$ -	\$ -	\$ -	\$ 3,385	\$ 3,385
General obligation debt service	-	-	-	67,898	67,898
Capital improvements	-	-	-	238,878	238,878
Street improvements	-	1,583,269	-	45,292	1,628,561
Culture and rec programs	7,446	-	-	226,586	234,032
Economic development	-	-	-	106,256	106,256
Police - drug programs	-	-	-	3,667	3,667
Sub-total restricted	7,446	1,583,269	-	691,962	2,282,677
Committed for:					
Street operations	-	-	-	2,340,547	2,340,547
Assigned for:					
Capital improvements	-	-	-	1,183,950	1,183,950
Demolition	219,959	-	-	-	219,959
Culture and rec programs	13,763	-	-	-	13,763
Supplement next year's budget	1,547,738	-	-	-	1,547,738
Sub-total assigned	1,781,460	-	-	1,183,950	2,965,410
Unassigned (deficit):	235,712	-	-	(4,023)	231,689
TOTAL FUND BALANCE	\$ 2,024,618	\$ 1,583,269	\$ -	\$ 4,212,436	\$ 7,820,323

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Beginning net position of the governmental activities, business-type activities, proprietary funds, and internal service funds were restated due to an understatement of capital leases:

Statement of Activities:	<u>Governmental Activities:</u>	<u>Business-type Activities:</u>	
	<u>Government-wide</u>	<u>Fund Level</u>	<u>Government-wide</u>
Beginning net position as previously reported	\$23,234,057	\$19,866,196	\$20,371,951
Implementation of GASB Pension Statements 68 & 71, recognition of beginning net pension liability (asset) deferred outflows, and deferred inflows	<u>(7,506,763)</u>	<u>(2,086,896)</u>	<u>(2,086,896)</u>
Beginning net position, restated	<u><u>\$15,727,294</u></u>	<u><u>\$17,779,300</u></u>	<u><u>\$18,285,055</u></u>

11. Revenues

Program Revenues:

Program revenues within the statement of activities that are derived directly from each activity or from parties outside of the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

- Public Safety – Fire, Police, Emergency Management, Court, Civil Defense, fire run charges, officer's training charges for services, police sentinel charges for services, restricted operating grants, 911 revenue, court and restricted capital grants
- Streets – Commercial vehicle and gasoline excise tax shared by the State
- Culture and recreation –pool fees, library fees, fishing permits, softball fees, recreation fees operating and capital grants
- General Government – license and permits, fines and forfeitures, cemetery revenue, impact fees, and operating grants
- Economic Development – rents, operating grants

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

Sales Tax Revenue:

Sales tax revenue represents a 3.65 cents tax on each dollar of taxable sales of which is collected by the Oklahoma Tax Commission and remitted to the City and recorded in the General Fund. The sales tax is deposited 3 cents in the general fund and .65 cents in the 2010 Street Bond Project Fund. The entire sales tax is then transferred to the MSUA per the bond indenture pledged then transferred back to the appropriate funds. The .65 cents is legally restricted for street purposes by a vote of the citizens.

Property Tax Revenue:

In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City. The City's property taxes are billed and collected by the County and remitted to the City. Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable

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lien on property in the following October. For the year ended June 30, 2015, the City did not assess a property tax. Ad valorem collections related to delinquent taxes collected in the current year.

12. 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 – Covered through purchased insurance
- Physical Property – Covered through purchased insurance with a \$35,000 deductible.
- Workers’ Compensation – Workers’ compensation is covered through self-insurance using a third party processor to process claims. The City also has a stop-loss policy which covers individual claims in excess \$400,000 for electric, police and firefighters and \$350,000 for all other classes of employees per occurrence.
- Employee’s Group Medical –Covered through self-insurance using a third party processor to process medical claims. The City uses the third party processor’s estimates to record group insurance claims payable. The City also has a stop-loss policy which covers individual claims in excess of \$70,000.
- Unemployment – the City is self-insured.

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 two fiscal years.

	<u>Worker's Compensation</u>	<u>Health Care</u>	<u>Unemployment Fund</u>	<u>Total</u>
Claim liability, June 30, 2013	\$ 2,409,481	\$ 189,048	\$ -	\$ 2,598,529
Claims and changes in estimates	139,675	1,278,572	1,301	1,419,548
Claims payments	<u>(731,273)</u>	<u>(1,384,880)</u>	<u>(528)</u>	<u>(2,116,681)</u>
Claim liability, June 30, 2014	\$ 1,817,883	\$ 82,740	\$ 773	\$ 1,901,396
Claims and changes in estimates	(173,237)	1,689,513	16,205	1,532,481
Claims payments	<u>(681,521)</u>	<u>(1,565,813)</u>	<u>(11,324)</u>	<u>(2,258,658)</u>
Claim liability, June 30, 2015	<u>\$ 963,125</u>	<u>\$ 206,440</u>	<u>\$ 5,654</u>	<u>\$ 1,175,219</u>

13. Retirement Plan Participation

Oklahoma Municipal Retirement Plan (OMRF) – Defined Benefit Plan

A. 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.

B. 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.

C. Eligibility Factors and Benefit Provisions

<u>Provision</u>	<u>As of 07/01/14 OkMRF Plan</u>
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	-1.875% 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 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

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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.

D. Employees Covered by Benefit Terms

Active Employees	117
Deferred Vested Former Employees	7
Retirees or Retiree Beneficiaries	<u>80</u>
Total	<u>204</u>

E. 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 13.22% of covered payroll as of 7-1-14. For the year ended June 30, 2015, the City recognized \$616,160 of employer contributions to the plan which equals the actuarially determined amount based on covered payroll of \$4,661,027. Employees contribute 3.75% to the plan in accordance with the plan provisions adopted by the City Council. Employee contributions for FY 2015 were \$174,609

F. 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	None
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)

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- 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

G. 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:

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	<u>Target Allocation</u>	<u>Real Return</u>	<u>Weighted Return</u>
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%
	<hr/>		<hr/>
TOTAL	<u>100%</u>		
Average Real Return			4.75%
Inflation			<u>3.00%</u>
Long-term expected return			<u>7.75%</u>

H. 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:

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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	\$ 13,564,650	\$ 8,437,357	\$ 5,127,293
Changes for the Year:			
Service cost	276,403	-	276,403
Interest expense	1,034,763	-	1,034,763
Contributions--City	-	569,542	(569,542)
Contributions--members	-	166,578	(166,578)
Net investment income	-	1,363,071	(1,363,071)
Benefits paid	(997,138)	(997,138)	-
Plan administrative expenses	-	(20,151)	20,151
Net Changes	<u>314,028</u>	<u>1,081,902</u>	<u>(767,874)</u>
Balances End of Year	<u>\$ 13,878,678</u>	<u>\$ 9,519,259</u>	<u>\$ 4,359,419</u>

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	\$ 5,998,636	\$ 4,359,419	\$ 3,008,841

The City reported \$569,302 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	\$ -	\$ 645,817
City contributions subsequent to the measurement date	647,216	-
Total	<u>\$ 647,216</u>	<u>\$ 645,817</u>

The \$647,216 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. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended December 31:

2016	\$	(161,454)
2017		(161,454)
2018		(161,454)
2019		(161,455)
		\$ (645,817)

Oklahoma Firefighter’s Pension – Statewide Cost Sharing Plan

Plan description - The City of Miami, 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

Summary 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 Oklahoma Firefighters Pension & Retirement System (FPRS) and additions to/deductions from FPRS’s fiduciary net position have been determined on the same basis as they are reported by FPRS. 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.

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.

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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 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 \$160,255. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$393,770 this is reported as both a revenue and an expenditure 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 \$328,662. 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 \$4,248,882 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, 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, 2014. Based upon this information, the City's proportion was .4131756%.

For the year ended June 30, 2015, the City recognized pension expense of \$381,606. 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	\$ 101,236	\$ -
Net difference between projected and actual earnings on pension plan investments		643,164
City contributions subsequent to the measurement date	160,255	-
Total	\$ 261,491	\$ 643,164

The \$160,255 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	\$	(141,939)
	2017		(1,419,398)
	2018		(141,939)
	2019		(141,939)
	2020		18,852
	Thereafter		6,976

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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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability	\$ 5,548,143	\$ 4,248,882	\$ 3,159,595

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 .

Oklahoma Police Pension – Statewide Cost Sharing Plan

Plan description - The City of Miami, 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

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 Oklahoma Firefighters Pension & Retirement System (OPPRS) and additions to/deductions from OPPRS's fiduciary net position have been determined on the same basis as they are reported by OPPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 \$145,903. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$141,593 this is reported as both a revenue and an expenditure 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 \$138,352. 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 a asset of \$148,685 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2014. The City's proportion of

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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 .4416%.

For the year ended June 30, 2015, the City recognized pension expense of \$54,499. 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	\$ -	\$ 66,800
Net difference between projected and actual earnings on pension plan investments		522,605
City contributions subsequent to the measurement date	145,903	-
Total	\$ 145,903	\$ 589,405

The \$145,903 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	\$ (144,481)
	2017	(144,481)
	2018	(144,481)
	2019	(144,481)
	2020	(11,481)
	Thereafter	-

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.

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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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
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 Liability/Asset 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 (asset)	\$ 884,655	\$ (148,685)	\$ (1,019,562)

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.

City of Miami 457 Deferred Compensation Plan (DC Plan)

Plan Description – The City of Miami makes available to all full-time employees two Section 457 deferred compensation plans. The DC Plan was created in accordance with Section 457 of the *Internal Revenue Code*, and permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to the employee until retirement, termination, death, or unforeseeable emergency. Employees may choose investments offered by International City/County Management Association (ICMA) or the DC Plan. Separate audited financial statements are not available.

Funding Policy – DC Plan participants may contribute up to \$15,000 of eligible compensation per year. During the year ended June 30, 2015, employees contributed \$88,749 and the employer contributed \$9,904 to the DC Plan.

ICMA Retirement Deferred Compensation Plan

In addition to the above plans, the City of Miami offers a retirement plan through ICMA which is funded 18% by the employer and zero percent by employee contributions. Employee and employer contributions to the plan for the year ended June 30, 2015, were \$0, and \$4,067, respectively. Separate audited financial statements are not available.

14. Postemployment Healthcare Plan

Plan Description. The City sponsors Medical, Rx, and Dental insurance to qualifying retirees and their dependents. Coverage is provided through fully-insured arrangements that collectively operate as a substantive single-employer defined benefit plan. Qualifying retirees are those employees who are eligible for immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter’s Pension and Retirement System, or the City of Miami Retirement Plan. Retirees may continue coverage with the City by paying the carrier premium rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amended benefit provisions rest with the City Council. Retirees may continue coverage with the City by paying the premium rate. Benefits are paid from general operating assets of the City.

Funding Policy. The contribution requirements of plan members and the City are established by the City Council. Annual health insurance premium amounts are established by the city council. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2015, the actuarially expected City contribution in the form of net age adjustment was \$194,286 to the Plan. Plan members receiving benefits contributed zero of the total premiums, through their payment of the full determined premium in FY 2015.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The following table shows the components of the City's annual OPEB cost the amount actually contributed to the plan, and changes in the City's net OPEB obligation to for the year ended June 30, 2015:

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Normal Cost		\$	221,646
Interest on ARC			15,673
Amortization of Actuarial Accrued Liability (AAL)			(42,215)
Annual OPEB cost (expense)			195,104
Expected net benefits during the year			(194,286)
Increase in net OPEB obligation			818
Net OPEB obligation - beginning of year			330,783
Net OPEB obligation - end of year		\$	331,601

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

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$105,076	37%	\$66,123
6/30/10	108,217	36%	135,639
6/30/11	84,160	30%	194,323
6/30/12	90,722	24%	262,933
6/30/13	90,722	26%	329,965
6/30/14	195,104	100%	330,783
6/30/15	195,104	100%	331,601

Funded Status and Funding Progress. As of July 1, 2014, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability (AAL) for benefits was \$1,632,033, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,632,033. The covered payroll (annual payroll of active employees covered by the plan) was \$6.7 million, and the ratio of the UAAL to the covered payroll was 24 percent. Because the plan is a substantive plan there are no plan assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.75 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the Plan at the valuation date, and an annual healthcare cost trend rate of 7 percent initially, reduced by decrements to an ultimate rate of 5 percent in 2014. The UAAL is being amortized over 30 years based on a level percent-of-pay open-period basis. The remaining amortization period at July 1, 2014, was twenty-six years. As of the date of this valuation, there are no plan assets. Retiree premiums are paid as they come due from general operating assets of the City.

15. Commitments and Contingencies

Litigation

The City is a 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. 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.

Grant Programs

The City of Miami participates in various federal or state grant/loan programs from year to year. In 2015, the City's involvement in federal and state award programs is relatively material. 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. The City has not been notified of any noncompliance with federal or 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.

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REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2015

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
	Original	Final	(Budget basis)	Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 112,241	\$ 112,241	\$ 530,494	\$ 418,253
Resources (Inflows):				
Taxes and assessments	6,511,500	6,769,565	6,796,766	27,201
Fees, licenses and permits	62,750	62,750	76,020	13,270
Charges for services	200,600	204,266	170,459	(33,807)
Fines and forfeitures	196,350	196,350	214,548	18,198
Interest earned	9,500	9,500	13,088	3,588
Miscellaneous	23,000	168,901	91,928	(76,973)
Intergovernmental	88,949	143,029	174,169	31,140
Total Resources (Inflows)	<u>7,092,649</u>	<u>7,554,361</u>	<u>7,536,978</u>	<u>(17,383)</u>
Amounts available for appropriation	<u>7,204,890</u>	<u>7,666,602</u>	<u>8,067,472</u>	<u>400,870</u>
Charges to Appropriations (Outflows):				
General Government				
Municipal Court	\$ 7,155	\$ 8,494	\$ 4,444	\$ 4,050
General Government	1,104,591	895,835	833,519	62,316
MCVB	151,659	171,646	167,339	4,307
Community Development	82,720	52,134	10,270	41,864
Human Resources	106,794	169,794	162,649	7,145
Legal	2,025	61,101	4,340	56,761
Public Safety				
Police	262,759	282,758	189,897	92,861
Fire	217,960	218,060	177,679	40,381
Emergency Management	16,644	40,144	34,773	5,371
Police Communications	58,536	58,536	18,486	40,050
Risk Management	16,493	16,493	11,924	4,569
Public Works and Streets				
Streets	224,555	224,555	152,395	72,160
Cemetery	63,419	77,272	53,776	23,496
Municipal Building	136,800	136,800	82,014	54,786
Culture and Recreation				
Swimming pool	53,100	53,100	48,901	4,199
Parks	246,767	246,767	184,734	62,033
Library	92,151	123,778	98,098	25,680
Total Charges to Appropriations	<u>\$ 2,844,128</u>	<u>\$ 2,837,267</u>	<u>\$ 2,235,238</u>	<u>\$ 602,029</u>
Other financing sources (uses)				
Transfers from other funds	8,926,167	8,946,166	9,127,018	180,852
Transfers to other funds	(13,286,929)	(13,718,251)	(13,301,622)	416,629
Total other financing sources (uses)	<u>(4,360,762)</u>	<u>(4,772,085)</u>	<u>(4,174,604)</u>	<u>597,481</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 57,250</u>	<u>\$ 1,657,630</u>	<u>\$ 1,600,380</u>

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Schedule Footnotes to Budgetary Comparison:

1. The budgetary comparison schedules and budgetary fund balance amounts are reported on a non-GAAP basis that report revenues on a cash basis, and expenditures in the period the invoice is received, except for payroll expenditures that are recorded when paid. In addition, obligations that are required to be funded from ending budgetary fund balances are subtracted from total ending budgetary fund balances to arrive at the unassigned budgetary fund balance. This presentation of unassigned fund balances on a budgetary basis is used to demonstrate compliance with Article 10, § 26 of the Oklahoma State Constitution.

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 (GAAP) basis as shown in the schedule below:

	Fund Balance July 1, 2014	Net Change in Fund Balance	Fund Balance June 30, 2015
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$999,950	\$1,024,668	\$2,024,618
Increases (Decreases):			
Revenues:			
Receivable from other governments and entities	(691,093)	(118,218)	(809,311)
Accounts receivable	(105,340)	5,409	(99,931)
State on behalf pension payments	(464,407)	(70,956)	(535,363)
Combining accounts	(236,621)	16,467	(220,154)
Expenditures:			
Accrued payroll	139,550	49,246	188,796
Other expenditures	424,048	291,476	715,524
State on behalf pension payments	464,407	(70,956)	393,451
Fund Balance - Budgetary Basis	\$530,494	\$1,127,136	\$1,657,630

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Pension Information

**Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF MIAMI'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years***

	2014
City's proportion of the net pension liability	0.413176%
City's proportionate share of the net pension liability	\$ 4,887,039
City's covered-employee payroll	\$ 1,144,680
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	427%
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**

	2014
Statutorially required contribution	\$ 160,255
Contributions in relation to the statutorially required contribution	160,255
Contribution deficiency (excess)	\$ -
City's covered-employee payroll	\$ 1,144,680
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.

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**Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF MIAMI PORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years***

	<u>2014</u>
City's proportion of the net pension liability (asset)	0.4416%
City's proportionate share of the net pension liability (asset)	\$ (148,685)
City's covered-employee payroll	\$ 1,131,472
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(13.14%)
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**

	<u>2014</u>
Statutorially required contribution	\$ 145,903
Contributions in relation to the statutorially required contribution	<u>145,903</u>
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	\$ 1,131,472
Contributions as a percentage of covered-employee payroll	12.89%

Notes to Schedule:

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

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Required Supplementary Information
Oklahoma Municipal Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios	Last Fiscal Year
	2014
Total pension liability	
Service cost	\$ 276,403
Interest	1,034,763
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(997,138)
Net change in total pension liability	314,028
Total pension liability - beginning	13,564,650
Total pension liability - ending (a)	\$ 13,878,678
Plan fiduciary net position	
Contributions - employer	\$ 569,542
Contributions - member	166,578
Net investment income	1,363,071
Benefit payments, including refunds of member contributions	(997,138)
Administrative expense	(20,151)
Other	-
Net change in plan fiduciary net position	1,081,902
Plan fiduciary net position - beginning	8,437,357
Plan fiduciary net position - ending (b)	\$ 9,519,259
Net pension liability (asset) - ending (a) - (b)	\$ 4,359,419
Plan fiduciary net position as a percentage of the total pension liability	68.59%
Covered employee payroll	\$ 4,461,027
Net pension liability as a percentage of covered-employee payroll	97.72%

*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.

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**Required Supplementary Information
Oklahoma Municipal Retirement Fund**

Schedule of Employer Contributions	Last Fiscal Year
	2014
Actuarially determined contribution	\$ 616,160
Contributions in relation to the actuarially determined contribution	616,160
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 4,661,027
Contributions as a percentage of covered-employee payroll	13.22%

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, 2013
July 2014 through June 15 contributions were at a rate of 13.22%.
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%

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Required Supplementary Information – OPEB

The funded status and funding progress of the City’s defined benefit OPEB plan for the most recent actuarial valuations is as follows:

	July 1, 2009	July 1, 2010	July 1, 2012	July 1, 2014
Actuarial accrued liability - AAL (a)	\$785,142	\$723,628	\$782,605	\$1,632,033
Actuarial value of plan assets (b)	-	-	-	-
Unfunded actuarial accrued liability – UAAL (funding excess) (a) – (b)	\$785,142	\$723,628	\$782,605	\$1,632,033
Funded ratio (b)/(a)	0%	0%	0%	0%
Covered payroll (c)	\$6,900,000	\$6,446,000	\$7,134,999	\$6,741,735
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	11%	11%	11%	24%

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OTHER SUPPLEMENTARY INFORMATION

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

	General Fund	Municipal Court Account	Demolition Account	Total General Fund
ASSETS				
Cash and cash equivalents	\$ 1,376,285	\$ 15,881	\$ 219,418	\$ 1,611,584
Investments	18,243	-	-	18,243
Receivables:				
Accounts receivable	99,931	-	-	99,931
Due from other funds	95,510	-	-	95,510
Due from other accounts	8,763	-	-	8,763
Receivable from other governments	705,038	-	3,556	708,594
Total assets	2,303,770	15,881	222,974	2,542,625
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	166,997	6,923	3,015	176,935
Wages payable	188,796	-	-	188,796
Due to other funds	74,003	-	-	74,003
Due to other accounts	-	8,763	-	8,763
Total liabilities	429,796	15,686	3,015	448,497
 DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	69,510	-	-	69,510
 Fund balances:				
Restricted	7,446	-	-	7,446
Assigned	1,561,501	-	219,959	1,781,460
Unassigned	235,517	195	-	235,712
Total fund balances	1,804,464	195	219,959	2,024,618
Total liabilities, deferred inflows and fund balances	\$ 2,303,770	\$ 15,881	\$ 222,974	\$ 2,542,625

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

	<u>General Fund</u>	<u>Municipal Court Account</u>	<u>Demolition Account</u>	<u>Total General Fund</u>
REVENUES				
Taxes	\$ 5,542,030	\$ -	\$ -	\$ 5,542,030
Intergovernmental	794,001	-	-	794,001
Charges for services	197,931	-	-	197,931
Fines and forfeitures	219,366	-	6,273	225,639
Licenses and permits	79,349	-	1,940	81,289
Investment income	13,101	-	-	13,101
Miscellaneous	144,981	-	18	144,999
Total revenues	<u>6,990,759</u>	<u>-</u>	<u>8,231</u>	<u>6,998,990</u>
EXPENDITURES				
Current:				
General government	2,068,376	-	24,698	2,093,074
Public safety	4,896,051	-	-	4,896,051
Public works and streets	1,070,766	-	-	1,070,766
Culture and recreation	1,092,655	-	-	1,092,655
Economic development	477,857	-	-	477,857
Capital Outlay	241,814	-	-	241,814
Debt Service:				
Principal	125,272	-	-	125,272
Interest and fiscal charges	39,017	-	-	39,017
Total expenditures	<u>10,011,808</u>	<u>-</u>	<u>24,698</u>	<u>10,036,506</u>
Excess (deficiency) of revenues over expenditures	<u>(3,021,049)</u>	<u>-</u>	<u>(16,467)</u>	<u>(3,037,516)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	113,194	-	-	113,194
Transfers in	9,127,018	-	-	9,127,018
Transfers out	(5,178,028)	-	-	(5,178,028)
Total other financing sources and uses	<u>4,062,184</u>	<u>-</u>	<u>-</u>	<u>4,062,184</u>
Net change in fund balances	1,041,135	-	(16,467)	1,024,668
Fund balances - beginning	763,329	195	236,426	999,950
Fund balances - ending	<u>\$ 1,804,464</u>	<u>\$ 195</u>	<u>\$ 219,959</u>	<u>\$ 2,024,618</u>

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Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2015

	SPECIAL REVENUE FUNDS				
	FISHING LICENSE FUND	STREET AND ALLEY	DRUG FORFEITURE FUND	SUMMER RECREATION PROGRAM	FLOOD 2007 FUND
ASSETS					
Cash and cash equivalents	\$ 55,552	\$ 2,319,321	\$ 3,667	\$ 151,391	\$ -
Accounts receivable	-	-	-	-	-
Due from other governments	-	10,152	-	-	-
Due from other funds	-	36,574	-	-	-
Total assets	\$ 55,552	\$ 2,366,047	\$ 3,667	\$ 151,391	\$ -
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 25,500	\$ -	\$ 16,598	\$ -
Wages payable	-	-	-	5,800	-
Due to other funds	-	-	-	-	-
Total liabilities	-	25,500	-	22,398	-
Deferred Inflows:					
Deferred revenue	-	-	-	-	-
Fund balances:					
Restricted	55,552	-	3,667	128,993	-
Committed	-	2,340,547	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	55,552	2,340,547	3,667	128,993	-
Total liabilities, deferred inflows and fund balances	\$ 55,552	\$ 2,366,047	\$ 3,667	\$ 151,391	\$ -

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Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2015, Continued

	SPECIAL REVENUE FUNDS				
	RFC 07-09 GRANT FUND	MDA-HOUSING CONSTRUCTION FUND	HOUSING INFRASTRUCTURE FUND	COLEMAN PROJECT	POLICE GRANTS
ASSETS					
Cash and cash equivalents	\$ 17,693	\$ 80,218	\$ 8,345	\$ 18,850	\$ 3,385
Accounts receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 17,693</u>	<u>\$ 80,218</u>	<u>\$ 8,345</u>	<u>\$ 18,850</u>	<u>\$ 3,385</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Wages payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows:					
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted	17,693	80,218	8,345	18,850	3,385
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>17,693</u>	<u>80,218</u>	<u>8,345</u>	<u>18,850</u>	<u>3,385</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 17,693</u>	<u>\$ 80,218</u>	<u>\$ 8,345</u>	<u>\$ 18,850</u>	<u>\$ 3,385</u>

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Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2015, Continued

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS		
	CEMETERY PERPETUAL CARE INTEREST	G.O. BOND SINKING FUND	CEMETERY PERPETUAL CARE	MAIN STREET PROJECT	CAPITAL IMPROVEMENT FUND
ASSETS					
Cash and cash equivalents	\$ -	\$ 67,711	\$ 139,995	\$ 45,292	\$ 1,196,116
Accounts receivable	-	-	-	-	44,350
Due from other governments	-	58,069	-	24,054	-
Due from other funds	-	-	-	-	6,657
Total assets	<u>\$ -</u>	<u>\$ 125,780</u>	<u>\$ 139,995</u>	<u>\$ 69,346</u>	<u>\$ 1,247,123</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 26,599
Wages payable	-	-	-	-	-
Due to other funds	4,023	-	-	-	36,574
Total liabilities	<u>4,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,173</u>
Deferred Inflows:					
Deferred revenue	-	57,882	-	24,054	-
Fund balances:					
Restricted	-	67,898	139,995	45,292	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	1,183,950
Unassigned (deficit)	(4,023)	-	-	-	-
Total fund balances	<u>(4,023)</u>	<u>67,898</u>	<u>139,995</u>	<u>45,292</u>	<u>1,183,950</u>
Total liabilities, deferred inflows and fund balances	<u>\$ -</u>	<u>\$ 125,780</u>	<u>\$ 139,995</u>	<u>\$ 69,346</u>	<u>\$ 1,247,123</u>

CITY OF MIAMI, OKLAHOMA
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Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2015, Continued

	CAPITAL PROJECT FUNDS		
	POOL IMPROVEMENT FUND	PARK DEPARTMENT PROJECTS	TOTALS
ASSETS			
Cash and cash equivalents	\$ 80,033	\$ 42,041	\$ 4,229,610
Accounts receivable	-	-	44,350
Due from other governments	-	-	92,275
Due from other funds	-	-	43,231
Total assets	\$ 80,033	\$ 42,041	\$ 4,409,466
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 68,697
Wages payable	-	-	5,800
Due to other funds	-	-	40,597
Total liabilities	-	-	115,094
Deferred Inflows:			
Deferred revenue	-	-	81,936
Fund balances:			
Restricted	80,033	42,041	691,962
Committed	-	-	2,340,547
Assigned	-	-	1,183,950
Unassigned (deficit)	-	-	(4,023)
Total fund balances	80,033	42,041	4,212,436
Total liabilities, deferred inflows and fund balances	\$ 80,033	\$ 42,041	\$ 4,409,466

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

	SPECIAL REVENUE FUNDS				
	FISHING LICENSE FUND	STREET AND ALLEY	DRUG FORFEITURE FUND	SUMMER RECREATION PROGRAM	FLOOD 2007 FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,000	129,692	-	-	-
Charges for services	-	-	-	55,699	-
Investment income	-	-	-	-	-
Miscellaneous	-	875	958	-	-
Total revenues	<u>5,000</u>	<u>130,567</u>	<u>958</u>	<u>55,699</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	1,964	-	-
Public works	-	196,285	-	-	-
Culture and recreation	8,760	-	-	47,642	-
Capital Outlay	-	-	-	-	-
Debt Service					
Principal retirement	-	107,480	-	-	-
Interest and fiscal charges	-	10,438	-	-	-
Total Expenditures	<u>8,760</u>	<u>314,203</u>	<u>1,964</u>	<u>47,642</u>	<u>-</u>
Revenues over (under) expenditures	(3,760)	(183,636)	(1,006)	8,057	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,000,000	-	-	9,413
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>9,413</u>
Net change in fund balances	(3,760)	816,364	(1,006)	8,057	9,413
Fund balances - beginning	59,312	1,524,183	4,673	120,936	(9,413)
Fund balances - ending	<u>\$ 55,552</u>	<u>\$ 2,340,547</u>	<u>\$ 3,667</u>	<u>\$ 128,993</u>	<u>\$ -</u>

(continued)

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

	SPECIAL REVENUE FUNDS				
	RFC 07-09 GRANT FUND	MDA-HOUSING CONSTRUCTION FUND	HOUSING INFRASTRUCTURE FUND	COLEMAN PROJECT	POLICE GRANTS
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	-	3,766	-	1	-
Public safety	-	-	-	-	2,406
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital Outlay	-	10,600	-	30,911	-
Debt Service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>14,366</u>	<u>-</u>	<u>30,912</u>	<u>2,406</u>
Excess (deficiency) of revenues over expenditures	-	(14,366)	-	(30,912)	(2,406)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(14,366)	-	(30,912)	(2,406)
Fund balances - beginning	17,693	94,584	8,345	49,762	5,791
Fund balances - ending	<u>\$ 17,693</u>	<u>\$ 80,218</u>	<u>\$ 8,345</u>	<u>\$ 18,850</u>	<u>\$ 3,385</u>

(continued)

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

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS		
	CEMETERY PERPETUAL CARE INTEREST	G.O. BOND SINKING FUND	CEMETERY PERPETUAL CARE	MAIN STREET PROJECT	CAPITAL IMPROVEMENT FUND
REVENUES					
Taxes	\$ -	\$ 18,851	\$ -	\$ -	\$ 385,533
Intergovernmental	-	-	-	-	-
Charges for services	-	-	10,925	-	-
Investment earnings	-	-	-	-	317
Miscellaneous	-	764	-	-	112,720
Total revenues	<u>-</u>	<u>19,615</u>	<u>10,925</u>	<u>-</u>	<u>498,570</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital Outlay	-	-	-	-	310,519
Debt Service					
Principal retirement	-	-	-	-	61,147
Interest and fiscal charges	-	900	-	-	4,538
Total Expenditures	<u>-</u>	<u>900</u>	<u>-</u>	<u>-</u>	<u>376,204</u>
Excess (deficiency) of revenues over expenditures	-	18,715	10,925	-	122,366
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	825,685
Transfers out	-	-	-	-	(600,000)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,685</u>
Net change in fund balances	-	18,715	10,925	-	348,051
Fund balances - beginning	(4,023)	49,183	129,070	45,292	835,899
Fund balances - ending	<u>\$ (4,023)</u>	<u>\$ 67,898</u>	<u>\$ 139,995</u>	<u>\$ 45,292</u>	<u>\$ 1,183,950</u>

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

	CAPITAL PROJECT FUNDS		TOTALS
	POOL IMPROVEMENT FUND	PARK DEPARTMENT PROJECTS	
REVENUES			
Taxes	\$ -	\$ -	\$ 404,384
Intergovernmental	-	-	134,692
Charges for services	62,810	-	129,434
Investment earnings	-	-	317
Miscellaneous	-	-	115,317
Total revenues	<u>62,810</u>	<u>-</u>	<u>784,144</u>
EXPENDITURES			
Current:			
General government	-	-	3,767
Public safety	-	-	4,370
Public works	-	-	196,285
Culture and recreation	-	-	56,402
Capital Outlay	-	-	352,030
Debt Service			
Principal retirement	-	-	168,627
Interest and fiscal charges	-	-	15,876
Total Expenditures	<u>-</u>	<u>-</u>	<u>797,357</u>
Excess (deficiency) of revenues over expenditures	62,810	-	(13,213)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	1,835,098
Transfers out	-	-	(600,000)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>1,235,098</u>
Net change in fund balances	62,810	-	1,221,885
Fund balances - beginning	17,223	42,041	2,990,551
Fund balances - ending	<u>\$ 80,033</u>	<u>\$ 42,041</u>	<u>\$ 4,212,436</u>

CITY OF MIAMI, OKLAHOMA
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Combining Schedule of Net Position – Special Utility Authority Accounts – June 30, 2015

	<u>Miami Special Utility Authority Accounts</u>			<u>Total</u>
	<u>Public Utilities</u>	<u>Utility Improvement Account</u>	<u>Rainy Day Account</u>	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 154,103	\$ -	\$ 3,500,620	\$ 3,654,723
Cash and cash equivalents, restricted	312,894	785,155	-	1,098,049
Investments	-	-	2,656,657	2,656,657
Accounts receivable, net	3,445,665	-	-	3,445,665
Other receivable	632	-	-	632
Accrued interest receivable	809	-	-	809
Inventory	847,207	-	-	847,207
Due from other funds	37,493	-	-	37,493
Total current assets	<u>4,798,803</u>	<u>785,155</u>	<u>6,157,277</u>	<u>11,741,235</u>
Non-current assets:				
Cash and cash equivalents, restricted	435,522	-	-	435,522
Investments, restricted	186,629	-	-	186,629
Capital assets:				
Land, construction in progress, and water rights	1,185,692	-	-	1,185,692
Other capital assets, net of accumulated depreciation	13,687,073	-	-	13,687,073
Total non-current assets	<u>15,494,916</u>	<u>-</u>	<u>-</u>	<u>15,494,916</u>
Total assets	<u>20,293,719</u>	<u>785,155</u>	<u>6,157,277</u>	<u>27,236,151</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts related to pension	311,744	-	-	311,744
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,461,908	30,644	-	1,492,552
Wages payable	100,382	-	-	100,382
Due to other funds	90,174	-	-	90,174
Accrued interest payable	46,937	-	-	46,937
Accrued compensated absences	17,607	-	-	17,607
Refundable deposits	42,480	-	-	42,480
Capital lease payable	223,799	-	-	223,799
Revenue bond payable	-	185,000	-	185,000
Notes payable	580,995	-	-	580,995
Total current liabilities	<u>2,564,282</u>	<u>215,644</u>	<u>-</u>	<u>2,779,926</u>
Non-current liabilities:				
Accrued compensated absences	158,456	-	-	158,456
Net pension obligation	2,099,797	-	-	2,099,797
Net OPEB obligation	116,355	-	-	116,355
Refundable deposits	382,321	-	-	382,321
Capital lease payable	539,526	-	-	539,526
Revenue bond payable	-	1,180,525	-	1,180,525
Notes payable, net	5,306,065	-	-	5,306,065
Total non-current liabilities	<u>8,602,520</u>	<u>1,180,525</u>	<u>-</u>	<u>9,783,045</u>
Total liabilities	<u>11,166,802</u>	<u>1,396,169</u>	<u>-</u>	<u>12,562,971</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	311,070	-	-	311,070
NET POSITION				
Net investment in capital assets	8,222,380	(1,309,615)	-	6,912,765
Restricted for debt service	747,221	110,389	-	857,610
Unrestricted	157,990	588,212	6,157,277	6,903,479
Total net position	<u>\$ 9,127,591</u>	<u>\$ (611,014)</u>	<u>\$ 6,157,277</u>	<u>\$ 14,673,854</u>

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Combining Schedule of Revenues, Expenses and Changes in Net Position – Special Utility Authority Accounts - Year Ended June 30, 2015

	Miami Special Utility Authority Accounts			Total
	Utility			
	Public Utilities	Improvement Account	Rainy Day Account	
REVENUES				
Charges for services	\$ 24,339,350	\$ -	\$ -	\$ 24,339,350
Miscellaneous	846,846	-	-	846,846
Total operating revenues	<u>25,186,196</u>	<u>-</u>	<u>-</u>	<u>25,186,196</u>
OPERATING EXPENSES				
Personal services	3,736,420	-	-	3,736,420
Materials and supplies	12,393,469	-	-	12,393,469
Other services and charges	2,817,369	34,968	-	2,852,337
Depreciation expense	1,338,078	-	-	1,338,078
Total operating expenses	<u>20,285,336</u>	<u>34,968</u>	<u>-</u>	<u>20,320,304</u>
Operating income (loss)	<u>4,900,860</u>	<u>(34,968)</u>	<u>-</u>	<u>4,865,892</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	5	-	1,000	1,005
Miscellaneous	6,341	-	-	6,341
Interest expense and fiscal charges	(165,626)	(34,989)	-	(200,615)
Total non-operating revenue (expenses)	<u>(159,280)</u>	<u>(34,989)</u>	<u>1,000</u>	<u>(193,269)</u>
Income (loss) before contributions and transfers	<u>4,741,580</u>	<u>(69,957)</u>	<u>1,000</u>	<u>4,672,623</u>
Transfers in, interaccount	123,394	216,202	147,858	487,454
Transfers out, interaccount	(364,060)	(123,394)	-	(487,454)
Contributed capital revenue	-	150,000	-	150,000
Transfers in	6,258,065	600,000	-	6,858,065
Transfers out	(12,053,410)	-	-	(12,053,410)
Change in net position	<u>(1,294,431)</u>	<u>772,851</u>	<u>148,858</u>	<u>(372,722)</u>
Total net position - beginning, restated	10,422,022	(1,383,865)	6,008,419	15,046,576
Total net position - ending	<u>\$ 9,127,591</u>	<u>\$ (611,014)</u>	<u>\$ 6,157,277</u>	<u>\$ 14,673,854</u>

**CITY OF MIAMI, OKLAHOMA
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Combining Schedule of Cash Flows – Special Utility Authority Accounts - Year Ended June 30, 2015

	Miami Special Utility Authority Accounts			Total
	Public Utilities	Utility Improvement Account	Rainy Day Account	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 24,955,349	\$ -	\$ -	\$ 24,955,349
Payments to suppliers	(15,129,577)	(5,324)	-	(15,134,901)
Payments to employees	(3,856,351)	-	-	(3,856,351)
Receipts from other funds	(4,093)	-	-	(4,093)
Payments to other funds	(1,897)	(5,750)	-	(7,647)
Receipts of customer meter deposits	199,985	-	-	199,985
Refunds of customer meter deposits	(197,605)	-	-	(197,605)
Net cash provided by (used in) operating activities	5,965,811	(11,074)	-	5,954,737
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	6,258,065	600,000	-	6,858,065
Transfers to other funds	(12,053,410)	-	-	(12,053,410)
Interaccount transfer in	123,394	216,202	147,858	487,454
Interaccount transfer out	(364,060)	(123,394)	-	(487,454)
Net cash provided by (used in) noncapital financing activities	(6,036,011)	692,808	147,858	(5,195,345)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(937,608)	-	-	(937,608)
Principal paid on debt	(843,624)	(185,000)	-	(1,028,624)
Proceeds of capital grants	-	150,000	-	150,000
Proceeds from debt	795,295	-	-	795,295
Note issuance cost paid	-	-	-	-
Interest and fiscal agent fees paid on debt	(169,516)	(33,512)	-	(203,028)
Net cash provided by (used in) capital and related financing activities	(1,155,453)	(68,512)	-	(1,223,965)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (Purchase) of investments	(75)	-	(1,000)	(1,075)
Interest and dividends	6	-	1,000	1,006
Net cash provided by (used in) investing activities	(69)	-	-	(69)
Net increase (decrease) in cash and cash equivalents	(1,225,722)	613,222	147,858	(464,642)
Balances - beginning of year	2,128,241	171,933	3,352,762	5,652,936
Balances - end of year	\$ 902,519	\$ 785,155	\$ 3,500,620	\$ 5,188,294
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 154,103	\$ -	\$ 3,500,620	\$ 3,654,723
Restricted cash and cash equivalents - current	312,894	785,155	-	1,098,049
Restricted cash and cash equivalents - noncurrent	435,522	-	-	435,522
Total cash and cash equivalents, end of year	\$ 902,519	\$ 785,155	\$ 3,500,620	\$ 5,188,294
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 4,900,860	\$ (34,968)	\$ -	\$ 4,865,892
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	1,338,078	-	-	1,338,078
Other nonoperating revenue	6,341	-	-	6,341
Change in assets and liabilities:				
Receivables, net	(237,188)	-	-	(237,188)
Due from other funds	(4,093)	-	-	(4,093)
Inventory	(12,740)	-	-	(12,740)
Deferred outflows related to pension	(37,529)	-	-	(37,529)
Accounts payable	94,001	29,644	-	123,645
Due to other funds	(1,897)	(5,750)	-	(7,647)
Due to employees	30,993	-	-	30,993
Refundable deposits	2,380	-	-	2,380
Unfunded OPEB obligation	(70,669)	-	-	(70,669)
Net pension obligation	(369,861)	-	-	(369,861)
Accrued compensated absences	16,065	-	-	16,065
Deferred inflows related to pension	311,070	-	-	311,070
Net cash provided by (used in) operating activities	\$ 5,965,811	\$ (11,074)	\$ -	\$ 5,954,737

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Combining Statement of Net Position – Internal Service Funds – June 30, 2015

	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Worker's Compensation Fund</u>	<u>Unemployment Fund</u>	<u>Health Insurance Fund</u>	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,170,530	\$ 133,922	\$ 112,748	\$ 1,417,200
Investments	610,581	-	-	610,581
Other receivable	757,370	-	-	757,370
Total current assets	<u>2,538,481</u>	<u>133,922</u>	<u>112,748</u>	<u>2,785,151</u>
Total assets	<u>2,538,481</u>	<u>133,922</u>	<u>112,748</u>	<u>2,785,151</u>
LIABILITIES				
Current liabilities:				
Claims liability	963,125	5,654	206,440	1,175,219
Total current liabilities	<u>963,125</u>	<u>5,654</u>	<u>206,440</u>	<u>1,175,219</u>
Total liabilities	<u>963,125</u>	<u>5,654</u>	<u>206,440</u>	<u>1,175,219</u>
NET POSITION				
Unrestricted (deficit)	1,575,356	128,268	(93,692)	1,609,932
Total net position	<u>\$ 1,575,356</u>	<u>\$ 128,268</u>	<u>\$ (93,692)</u>	<u>\$ 1,609,932</u>

CITY OF MIAMI, OKLAHOMA
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**Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds -
Year Ended June 30, 2015**

	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Worker's Compensation Fund</u>	<u>Unemployment Fund</u>	<u>Health Insurance Fund</u>	
REVENUES				
Charges for services	\$ 376,259	\$ 23,324	\$ 1,533,673	\$ 1,933,256
Miscellaneous	4,008	-	14,227	18,235
Total operating revenues	<u>380,267</u>	<u>23,324</u>	<u>1,547,900</u>	<u>1,951,491</u>
OPERATING EXPENSES				
Other services and charges	113,667	-	-	113,667
Insurance claims and expense	<u>(173,237)</u>	<u>16,205</u>	<u>1,689,513</u>	<u>1,532,481</u>
Total operating expenses	<u>(59,570)</u>	<u>16,205</u>	<u>1,689,513</u>	<u>1,646,148</u>
Operating income	<u>439,837</u>	<u>7,119</u>	<u>(141,613)</u>	<u>305,343</u>
NON-OPERATING REVENUES				
Investment income (loss)	<u>2,274</u>	<u>-</u>	<u>-</u>	<u>2,274</u>
Total non-operating revenue	<u>2,274</u>	<u>-</u>	<u>-</u>	<u>2,274</u>
Change in net position	442,111	7,119	(141,613)	307,617
Total net position - beginning	1,133,245	121,149	47,921	1,302,315
Total net position - ending	<u>\$ 1,575,356</u>	<u>\$ 128,268</u>	<u>\$ (93,692)</u>	<u>\$ 1,609,932</u>

**CITY OF MIAMI, OKLAHOMA
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Combining Statement of Cash Flows – Internal Service Funds - Year Ended June 30, 2015

	WORKER'S COMPENSATION FUND	UNEMPLOYMENT FUND	HEALTH INSURANCE FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 976,763	\$ 23,324	\$ 1,547,900	\$ 2,547,987
Payments to suppliers	(113,667)	-	-	(113,667)
Claims and benefits paid	(681,521)	(11,324)	(1,565,813)	(2,258,658)
Net Cash Provided by (used in) Operating Activities	<u>181,575</u>	<u>12,000</u>	<u>(17,913)</u>	<u>175,662</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	2,274	-	-	2,274
Purchase of investments	(2,274)	-	-	(2,274)
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (decrease) in Cash and Cash Equivalents	181,575	12,000	(17,913)	175,662
Balances - beginning of the year	<u>988,955</u>	<u>121,922</u>	<u>130,661</u>	<u>1,241,538</u>
Balances - end of the year	<u>\$ 1,170,530</u>	<u>\$ 133,922</u>	<u>\$ 112,748</u>	<u>\$ 1,417,200</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 1,170,530	\$ 133,922	\$ 112,748	\$ 1,417,200
Total cash and cash equivalents	<u>\$ 1,170,530</u>	<u>\$ 133,922</u>	<u>\$ 112,748</u>	<u>\$ 1,417,200</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 439,837	\$ 7,119	\$ (141,613)	\$ 305,343
Change in assets and liabilities:				
Receivables, net	596,496	-	-	596,496
Claims liability	(854,758)	4,881	123,700	(726,177)
Net Cash Provided by (used in) Operating Activities	<u>\$ 181,575</u>	<u>\$ 12,000</u>	<u>\$ (17,913)</u>	<u>\$ 175,662</u>

CITY OF MIAMI, OKLAHOMA
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Combining Schedule of Cash Flows – Discretely Presented Component Units - Year Ended June 30, 2015

	<u>MCFA</u>	<u>MDRA</u>	<u>MIPFA</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 87,447	\$ 213,038	\$ 44,944	\$ 345,429
Payments to suppliers	(1,336,079)	(184,700)	(14,407)	(1,535,186)
Net Cash Provided by (used in) Operating Activities	<u>(1,248,632)</u>	<u>28,338</u>	<u>30,537</u>	<u>(1,189,757)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(2,389,639)	-	-	(2,389,639)
Principal paid on capital debt	(81,071)	(10,350)	-	(91,421)
Proceeds from issuance of long term debt	403,000	-	-	403,000
Interest and fiscal charges paid on capital debt	(11,952)	(4,395)	-	(16,347)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(2,079,662)</u>	<u>(14,745)</u>	<u>-</u>	<u>(2,094,407)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	2	-	186	188
Net Cash Provided by Investing Activities	<u>2</u>	<u>-</u>	<u>186</u>	<u>188</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,328,292)	13,593	30,723	(3,283,976)
Balances - beginning of the year	<u>3,625,940</u>	<u>29,246</u>	<u>165,429</u>	<u>3,820,615</u>
Balances - end of the year	<u>\$ 297,648</u>	<u>\$ 42,839</u>	<u>\$ 196,152</u>	<u>\$ 536,639</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 258,003	\$ 42,839	\$ 196,152	496,994
Restricted cash and cash equivalents	39,645	-	-	39,645
Total cash and cash equivalents	<u>\$ 297,648</u>	<u>\$ 42,839</u>	<u>\$ 196,152</u>	<u>\$ 536,639</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(415,990)	(44,044)	9,056	(\$450,978)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	2,526	21,481	24,007
Other nonoperating revenue	2,447	76,513	-	78,960
Change in assets and liabilities:				
Other receivable	23,500	-	-	23,500
Accounts payables	(858,589)	(6,657)	-	(865,246)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (1,248,632)</u>	<u>\$ 28,338</u>	<u>\$ 30,537</u>	<u>\$ (1,189,757)</u>

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015**

SINGLE AUDIT AND INTERNAL CONTROL AND COMPLIANCE INFORMATION



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

To the City Council
City of Miami, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Miami, Ottawa County, Oklahoma (City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Miami's basic financial statements and have issued our report thereon dated March 8, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting, describe in the accompanying schedule of findings and responses that we consider to be material weaknesses in internal control over financial reporting.

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

TURNER & ASSOCIATES, PLLC

Vinita, Oklahoma
March 8, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the City Council
City of Miami, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the City of Miami, Oklahoma's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Miami, Ottawa County, Oklahoma's (City) major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material aspects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

TURNER & ASSOCIATES, PLLC

Vinita, Oklahoma
March 8, 2016

**CITY OF MIAMI, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2015**

**City of Miami, Oklahoma
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015**

<u>Federal Grantor/ Pass-through Grantor/Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Grant I.D. Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
<u>Institute of Museum and Library Services</u>				
Pass through Oklahoma Department of Libraries				
Grants to States	45.310	F-14-067	\$ 3,240	\$ 240
Grants to States	45.310	F-15-176	1,096	1,096
Grants to States	45.310	F-15-115	1,200	1,200
Grants to States	45.310	F-15-080	4,000	4,000
Grants to States	45.310	F-15-133	57	57
Pass through Oklahoma Humanities Council				
Promotion of the Humanities	45.168	Y14.053	995	995
Promotion of the Humanities	45.168	Y14.060	441	441
Promotion of the Humanities	45.168	Y15.010	1,000	1,000
Total Institute of Museum and Library Sciences			12,029	9,029
<u>Department of Homeland Security</u>				
Pass through Oklahoma Emergency Management				
Disaster Grants - Public Assistance	97.036	FEMA 4222	23,058	23,058
Emergency Management Performance Grant	97.042	EMPG 15	26,699	13,349
Emergency Management Performance Grant	97.042	EMPG 14	26,699	13,349
Hazard Mitigation Grant	97.039	HMPG 1985	110,264	14,000
Total Department of Homeland Security			186,720	63,756
<u>US Department of Transportation</u>				
Airport Improvement Program	20.106	3-40-0059-017-2013	2,433,345	1,087,277
			2,433,345	1,087,277
Total Federal Awards			\$2,632,094	\$1,160,062

Notes to Schedule of Expenditures of Federal Awards

Note A - Significant Accounting Policies - The accompanying schedule of expenditures of federal awards is prepared on the basis of accounting consistent with the definition of federal awards expended in paragraph 205 of OMB Circular A-133.

City of Miami, Oklahoma
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of City of Miami.
2. No material deficiencies relating to the audit of the basic financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of City of Miami, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No deficiencies in internal control over major federal award programs during the audit is reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
5. The auditor's report on compliance for the major federal award programs for City of Miami expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs included: CFDA 20.106 – Airport Improvement Program
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. City of Miami is a not a low-risk auditee.

City of Miami, Oklahoma
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2015

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

2014-1 Not in Compliance with OMB Circular A-133, Federal Clearinghouse Deadline

Criteria:

The government's management is responsible for ensuring that all financial information is provided to ensure an audited financial report is submitted to the Federal Clearinghouse within nine months of the fiscal year end, as required by the Office of Management and Budget in Circular A-133 for all single audits.

Condition:

The City of Miami is not in compliance with this requirement. The audit was not completed within nine months of year end.

Cause:

The City has been trying to get current with audits for a number of years.

Effect or Potential Effect:

Noncompliance with this requirement prevents the City from being classified as a low-risk auditee for the next two fiscal years, resulting in a more time consuming audit.

Recommendation:

We recommend that all financial information be provided in a timely manner after year end to ensure that a completed audit can be submitted to the Federal Clearinghouse in the required timeframe.

Client Response:

The City of Miami continually strives to have the audit completed in a timely manner. The City of Miami is a beneficiary of seven (7) trusts that are components of the City's financial statements. Audits of those trusts must be completed before their financials can be listed within the City's financials. Waiting on the completion of the trust audits caused the City's audit to be put on hold. In the future, the City will request that the trusts complete their audits earlier, thereby allowing the City to do the same.

**CITY OF MIAMI, OKLAHOMA
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