

**CITY OF NEW CORDELL, OKLAHOMA
NEW CORDELL, OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS
AND ACCOMPANYING
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2015**

CITY OF NEW CORDELL, OKLAHOMA
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CITY OF NEW CORDELL, OKLAHOMA

LIST OF PRINCIPAL OFFICIALS

CITY COUNCIL

Bob Plummer, Mayor

J.C. Moser, City Administrator

Allen Newman

Charles Sappington

Chery Hardage

Rick Wiest

Vicki Dunlap, NCUA President

Terry Patton, Council President

Cheryl Wedel

Karen White

CITY CLERK

Sharee Lewis



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Cordell, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Cordell, Oklahoma, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of New Cordell, Oklahoma's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Cordell, Oklahoma, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Cordell, Oklahoma's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 18, 2016, on our consideration of City of New Cordell, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of New Cordell, Oklahoma's internal control over financial reporting and compliance.


BRITTON, KUYKENDALL & MILLER
Certified Public Accountants

Weatherford, Oklahoma
March 18, 2016

Our discussion and analysis of the City of New Cordell'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 \$471,490 or 8.71% from the prior year.
- During the year, City's expenses for governmental activities amounted to \$1,835,862 and were funded by program revenues of \$753,187 and further funded programs with taxes and other general revenues and transfers that totaled \$1,627,575.
- In the City's business-type activities, including utilities and economic development, program revenues exceeded expenses by \$391,033.
- At June 30, 2015, the General Fund reported an unassigned fund balance of \$109,903, a decrease of \$43,132.
- For budgetary reporting purposes, the General Fund reported actual revenues above final estimates of revenues by \$93,679 or 10.44%, while expenditures were under final appropriations by \$69,868 or 4.33%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of New Cordell (the "City") and its component units using the integrated approach as prescribed by GASB Statement No. 34. Included in this report are government-wide statements for each of two categories of activities- governmental and business-type. 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) as well as all liabilities (including all long-term debt).

Reporting the City as a Whole

The Statement of Net Assets 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 Assets 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 and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two 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 and liabilities- 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 two kinds of activities:

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

Proprietary funds- When the City charges customers for the services it provides- whether to outside customers or to other units of the City- these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. 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 Assets

The City's combined net assets increased from \$5,412,186 to \$5,883,676 between fiscal years 2015 and 2014. Net position of governmental activities showed an increase while business-type activities showed a decrease when compared to prior year.

**CITY OF NEW CORDELL, OKLAHOMA
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2015**

	Governmental Activities		Business-Type Activities		Total		Difference	
	2014	2015	2014	2015	2014	2015	\$	%
Current assets	\$ 425,946	\$ 486,118	\$ 2,652,408	\$ 2,339,825	\$ 2,765,771	\$ 2,825,943	\$ 60,172	2%
Capital assets, net	2,185,470	2,453,948	2,168,441	2,249,429	4,353,911	4,703,377	349,466	8%
Other non-current assets	-	89,424	-	-	-	89,424	89,424	0%
Total assets	2,611,416	3,029,490	4,820,849	4,589,254	7,119,682	7,618,744	499,062	7%
Deferred outflows	-	130,338	49,941	42,272	49,941	172,610	122,669	246%
Current liabilities	119,339	124,866	548,194	487,340	667,533	612,206	(55,327)	-8%
Non-current liabilities	-	164,976	930,000	825,000	930,000	989,976	59,976	6%
Total liabilities	119,339	289,842	1,478,194	1,312,340	1,597,533	1,602,182	4,649	0%
Deferred inflows	-	305,496	-	-	-	305,496	305,496	0%
Net position								
Invested in capital assets, net of related debt	2,185,470	2,453,948	1,183,776	1,361,701	3,369,246	3,815,649	446,403	13%
Reserved restricted purp.	153,572	251,349	-	-	153,572	251,349	97,777	64%
Unrestricted	153,035	(140,807)	2,208,820	1,957,485	2,361,855	1,816,678	(545,177)	-23%
Total net position	\$ 2,492,077	\$ 2,564,490	\$ 3,392,596	\$ 3,319,186	\$ 5,884,673	\$ 5,883,676	\$ (997)	0%

Changes in Net Assets

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

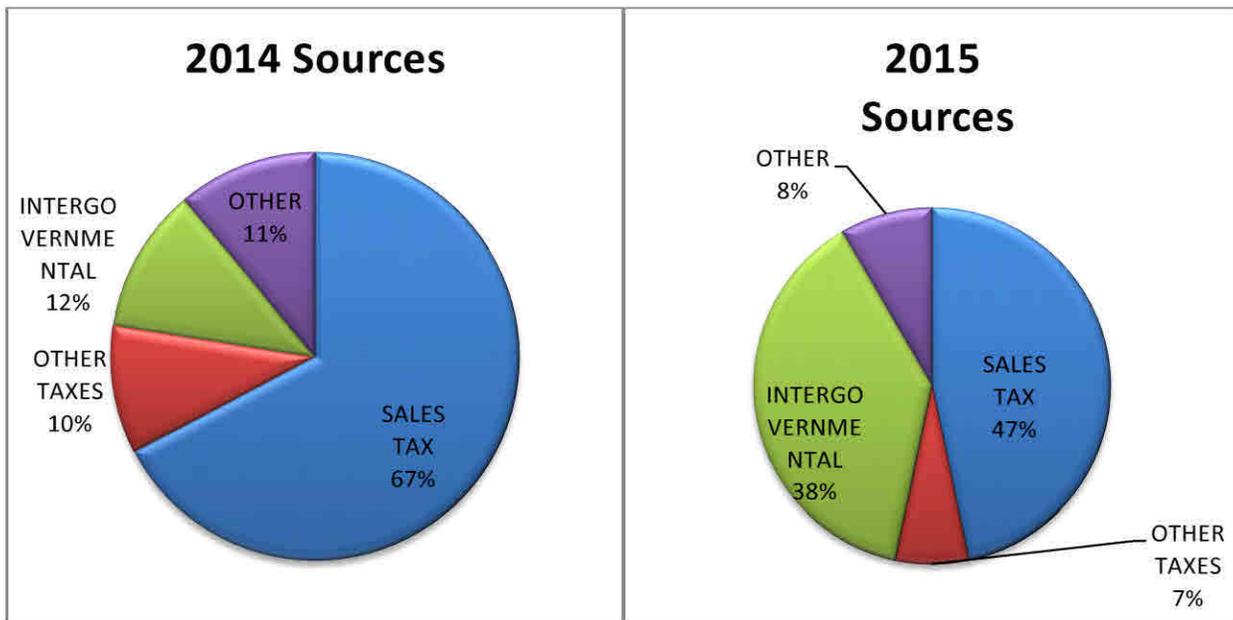
	Governmental Activities		Business-type Activities		Governmental Activities		Business-type Activities		Difference	
	2014	2015	2014	2015	\$	%	\$	%	\$	%
Revenues										
Program revenues	\$ 237,846	\$ 753,187	\$ 3,909,155	\$ 3,900,927	\$ 515,341	217%	\$ (8,228)	0%		
Taxes and other general revenues	886,244	1,102,714	61,002	89,362	216,470	24%	28,360	46%		
Total revenues	1,124,090	1,855,901	3,970,157	3,990,289	731,811	65%	20,132	1%		
Expenses										
General government	199,988	213,487	-	-	13,499	7%	-	-		
Public safety and judiciary	864,201	922,847	-	-	58,646	7%	-	-		
Transportation	407,218	477,103	-	-	69,885	17%	-	-		
Cultural, parks, and recreation	153,619	170,227	-	-	16,608	11%	-	-		
Public services	51,146	52,198	-	-	1,052	2%	-	-		
Electric	-	-	1,868,002	1,858,134	-	-	(9,868)	-1%		
Water	-	-	725,248	741,490	-	-	16,242	2%		
Sewer	-	-	137,368	90,740	-	-	(46,628)	-34%		
Sanitation	-	-	372,316	382,483	-	-	10,167	3%		
Customer service	-	-	378,995	372,886	-	-	(6,109)	-2%		
Economic development	-	-	45,251	64,161	-	-	18,910	42%		
Total expenses	1,676,172	1,835,862	3,527,180	3,509,894	159,690	10%	(17,286)	0%		
Excess (deficiency) before transfers	(552,082)	20,039	442,977	480,395	572,121	-104%	37,418	8%		
Transfers	840,734	524,861	(840,734)	(553,805)	(315,873)	-38%	286,929	-34%		
Increase (decrease) in net assets	\$ 288,652	\$ 544,900	\$ (397,757)	\$ (73,410)	\$ 256,248	89%	\$ 324,347	-82%		

The City's governmental activities' increase in net assets of \$323,123 is attributable to an increase in program revenues. The business-type activities' decrease in net assets of \$73,410 is a function of the operating transfers. The results indicate that, as a whole, the City's financial condition increased slightly over the prior year.

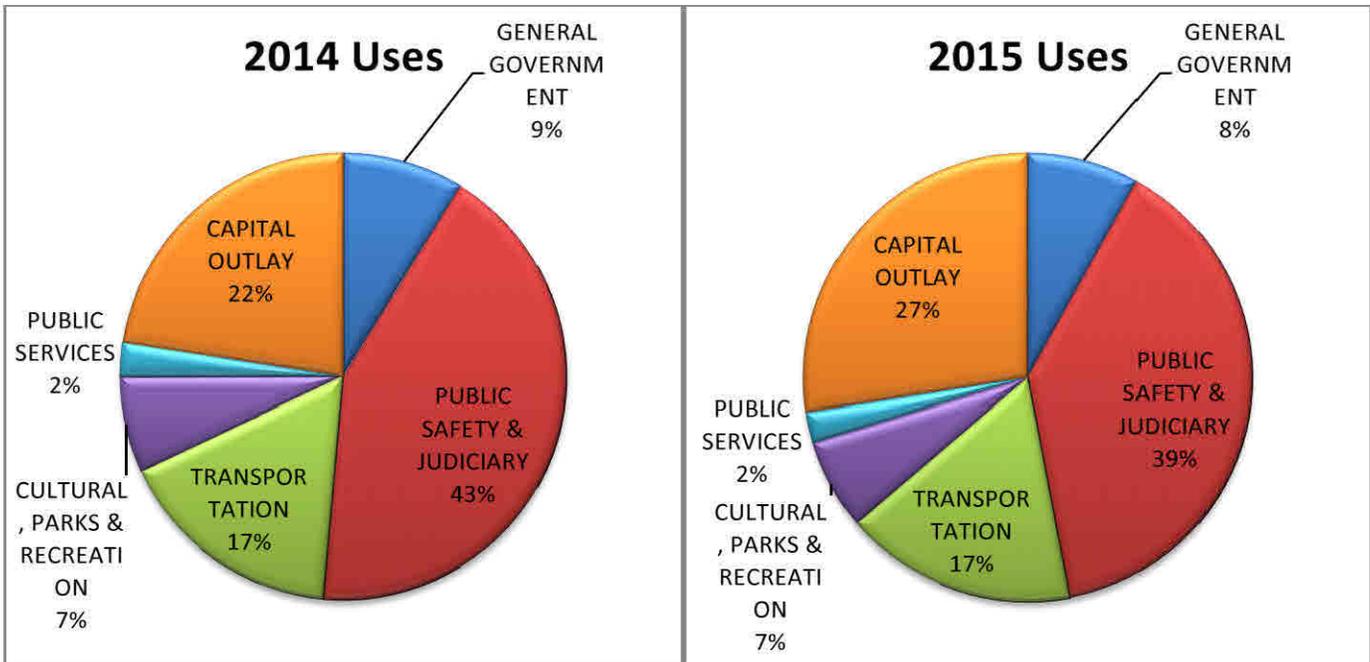
Governmental Activities

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.

The City's governmental activities were funded and used as follows:



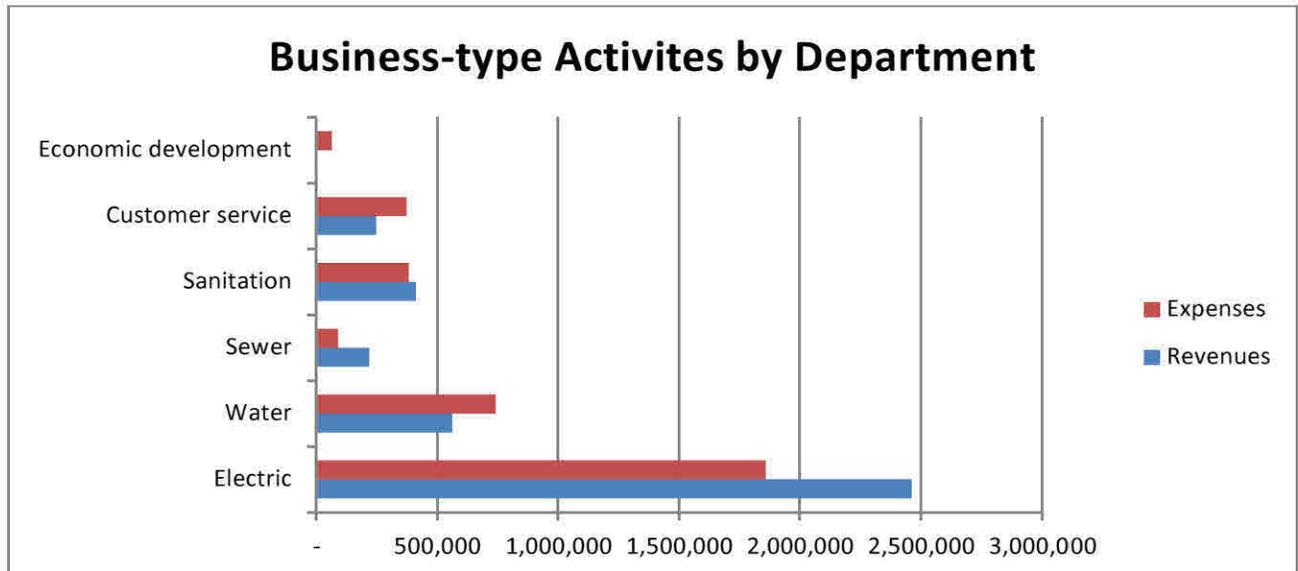
For the year ended June 30, 2014 and 2015, sales tax provided the most significant source of funding for governmental activities at 67% and 47%, respectively. Intergovernmental revenues increased as a funding source in fiscal year 2015 due to grants received for the airport in FY 2015.



Consistent between fiscal years, public safety and judiciary expenses were the largest use of governmental funds at 43% and 39% for 2014 and 2015, respectively. Capital outlay expenses noted a increase in fiscal year 2015 at 27% of uses as compared to 22% in fiscal year 2014.

Business-type Activities

Business-type activities are designed to cover their cost of operations. The following chart displays total revenues and total expenses of each business-type department for fiscal year 2015:



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 \$361,252 or a 17.82% increase over the prior year. The enterprise funds reported combined net assets of \$3,319,186 or a 2.16% decrease from 2014.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2015, the City had \$3,815,649 invested in capital assets, net of related debt, including vehicles and equipment for police and fire operations, park facilities, and street activities in governmental activities and electric lines, water lines and sewer lines in business-type activities. See table below.

Primary Government Capital Assets (net of accumulated depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2015	2014	2015	2014	2015
Land and improvements	807,964	1,323,771	111,135	111,135	919,099	1,434,906
Buildings	900,302	831,217	1,440,008	1,326,493	2,340,310	2,157,710
Machinery & equipment	341,328	298,960	283,065	296,695	624,393	595,655
Utility property & improvements	-	-	334,233	515,106	334,233	515,106
Construction in process	135,876	-	-	-	135,876	-
Totals	\$ 2,185,470	\$ 2,453,948	\$ 2,168,441	\$ 2,249,429	\$ 4,353,911	\$ 4,703,377

This year's more significant capital asset additions included:

- In Governmental Activities: \$7,200 for abstract office roof, \$1,919 for computers, \$8,885 for taser gun and portable radios for police, \$2,400 in lighting for fire department, \$8,650 for roof repair, \$58,083 for exhaust system for fire station, \$12,682 for various fire department equipment, \$1,340 for swimming pool security lights, \$631,187 for taxiway/apron rehab at the airport (primarily funded by an FAA grant), and \$10,497 for an ambulance power cot.
- In Business-type Activities: \$30,425 for various transformers, \$26,820 for 2015 Ford utility truck for water department, \$1,823 for a fire hydrant, \$2,411 for a chlorine gas feed system, \$1,850 for a backhoe bucket, \$193,408 for water line/crossings improvements (primarily funded by a SWODa grant), \$5,820 for a sewer pump, \$1,719 for air diffusers, \$8,500 on a grasshopper mower, \$7,694 for various computers/printers, \$2,083 for a payment dropbox, \$1,950 for various office equipment, \$5,283 for a popcorn machine, \$3,585 for an ice machine, & \$1,900 for theatre marquee and door painting.

Long-Term Debt

At year-end, the City had \$825,000 in outstanding long-term debt which represents a net decrease of \$105,000 from the prior year. The City's Changes in long-term debt by type of debt are as follows:

Primary Government Long-Term Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2015	2014	2015	2014	2015
Revenue bonds	\$ -	\$ -	\$ 1,030,000	\$ 930,000	\$ 1,030,000	\$ 930,000
Notes payable/capital leases	-	-	4,606	-	4,606	-
	<hr/>					
subtotal	-	-	1,034,606	930,000	1,034,606	930,000
less current portion	-	-	(104,606)	(105,000)	(104,606)	(105,000)
Totals	\$ -	\$ -	\$ 930,000	\$ 825,000	\$ 930,000	\$ 825,000

ECONOMIC FACTORS AND NEXT YEARS'S BUDGET AND RATES

According to the Oklahoma Economic Report, "revenue growth from the past year has been erased and indications are the situation is going to get worse before it gets better" stated by State Treasurer, Ken Miller in October, 2015. The economic environment of the state sheds light on the economy in Cordell. The City budget continues to reflect a conservative and sustainable zero-based approach.

In fiscal year 2015, sales tax collections noted a nominal increase. As the City continues to manage the revenue sources, costs of doing business are seeing increased levels, including employment costs in healthcare, worker's compensation insurance, and unemployment rates. The budget for fiscal year 2015 reflected a conservative estimate of 90% of recurring revenues. Utility revenues are expected to increase slightly due to the proposed rate increase for fiscal year 2015. The rate increase will allow the City to cover the rising cost of providing services to its citizens.

The City has identified capital projects that it would like to complete for fiscal year 2015; however, those projects will be dependent upon funding. The City will further focus on priorities established by the elected officials, specifically maintaining a cash reserve and consideration of future capital improvements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk's Office at 101 East Main, Cordell, Oklahoma, 73632 or phone at (580) 832-3825.

City of New Cordell, Oklahoma
Statement of Net Position
June 30, 2015

ASSETS	Governmental Activities	Business-type Activities	Total
Current Assets:			
Cash, including time deposits	\$ 382,925	\$ 1,143,093	\$ 1,526,018
Investments	35,203	273,186	308,389
Interest receivable	2	44	46
Due from other funds	592	-	592
Taxes receivable	67,310	-	67,310
Accounts receivable (net)	-	450,366	450,366
Prepaid expenses	86	26,046	26,132
Total current assets	<u>486,118</u>	<u>1,892,735</u>	<u>2,378,853</u>
Restricted assets:			
Cash, including time deposits	-	241,355	241,355
Investments	-	205,735	205,735
Total restricted assets	<u>-</u>	<u>447,090</u>	<u>447,090</u>
Non-Current Assets:			
Net pension asset	89,424	-	89,424
Land and construction in progress	1,166,609	111,135	1,277,744
Other capital assets (net of accumulated depreciation)	1,287,339	2,138,294	3,425,633
Total noncurrent assets	<u>2,543,372</u>	<u>2,249,429</u>	<u>4,792,801</u>
Total assets	<u>3,029,490</u>	<u>4,589,254</u>	<u>7,618,744</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	42,272	42,272
Deferred amounts on pension obligations	130,338	-	130,338
	<u>\$ 130,338</u>	<u>\$ 42,272</u>	<u>\$ 172,610</u>
LIABILITIES			
Current liabilities:			
Accounts payable	13,226	236,629	249,855
Wages and benefits payable	44,706	5,458	50,164
Compensated absences, current	66,342	4,861	71,203
Due to other funds	592	-	592
Notes payable, current	-	-	-
Total current liabilities	<u>124,866</u>	<u>246,948</u>	<u>371,814</u>
Liabilities payable from restricted assets:			
Accrued interest payable	-	8,863	8,863
Customer deposits payable	-	126,529	126,529
Bonds payable, current	-	105,000	105,000
Total liabilities payable from restricted assets	<u>-</u>	<u>240,392</u>	<u>240,392</u>
Noncurrent liabilities:			
Notes payable, non-current	-	-	-
Bonds payable, non-current	-	825,000	825,000
Net pension liability	164,976	-	164,976
Total noncurrent liabilities	<u>164,976</u>	<u>825,000</u>	<u>989,976</u>
Total liabilities	<u>289,842</u>	<u>1,312,340</u>	<u>1,602,182</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts on pension obligations	305,496	-	305,496
NET POSITION			
Invested in capital assets, net of related debt	2,453,948	1,361,701	3,815,649
Reserved for restricted purposes	251,349	-	251,349
Unrestricted	(140,807)	1,957,485	1,816,678
Total net position	<u>\$ 2,564,490</u>	<u>\$ 3,319,186</u>	<u>\$ 5,883,676</u>

See accompanying notes to financial statements.

City of New Cordell, Oklahoma
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Governmental activities:					
General government:					
General government	\$ 80,138	\$ 14,623	\$ -	\$ -	\$ (65,515)
Administration	97,784	-	-	-	(97,784)
Grant Writing	35,565	-	-	-	(35,565)
Total general government	213,487	14,623	-	-	(198,864)
Public safety and judiciary:					
Legislative & judicial	40,099	-	-	-	(40,099)
Police	569,357	16,999	26,258	-	(526,100)
Fire	233,668	-	27,410	4,484	(201,774)
Ambulance	53,376	75	-	10,000	(43,301)
Animal Control	26,347	-	-	-	(26,347)
Total public safety and judiciary	922,847	17,074	53,668	14,484	(837,621)
Transportation:					
Street	331,584	-	29,683	-	(301,901)
Airport	145,519	5,862	-	503,508	363,851
Total transportation	477,103	5,862	29,683	503,508	61,950
Cultural, parks and recreation:					
Park	100,802	-	-	-	(100,802)
Swimming pool	69,425	14,399	-	-	(55,026)
Total cultural, parks and recreation	170,227	14,399	-	-	(155,828)
Public services:					
Public works	-	8,101	-	89,312	97,413
Cemetery	25,614	2,473	-	-	(23,141)
City garage	26,584	-	-	-	(26,584)
Total public services	52,198	10,574	-	89,312	47,688
Total governmental activities	1,835,862	62,532	83,351	607,304	(1,082,675)
Business-type activities:					
Electric	1,858,134	2,461,552	-	-	603,418
Water	741,490	561,884	-	-	(179,606)
Sewer	90,740	218,618	-	-	127,878
Sanitation	382,483	411,037	-	-	28,554
Customer service	372,886	247,835	-	-	(125,051)
Economic development	64,161	1	-	-	(64,160)
Total business-type activities	3,509,894	3,900,927	-	-	391,033
Total	\$ 5,345,756	\$ 3,963,459	\$ 83,351	\$ 607,304	\$ (691,642)

City of New Cordell, Oklahoma
Statement of Activities (continued)
For the Year Ended June 30, 2015

Changes in Net Assets:

	Governmental Activities	Business-type Activities	Total
Net (expense)/revenue	\$ (1,082,675)	\$ 391,033	\$ (691,642)
General revenues:			
Taxes:			
Sales tax	762,671	-	762,671
Use tax	34,667	-	34,667
E-911 tax	35	-	35
Franchise taxes	23,644	-	23,644
Alcoholic beverage tax	40,640	-	40,640
Cigarette tax	9,157	-	9,157
Oil & gas royalties	1,167	-	1,167
Investment income	885	7,441	8,326
Pension change	221,777		
Penalties	-	40,230	40,230
Miscellaneous	8,071	41,691	49,762
Assets transferred to bus activities	(28,944)	-	(28,944)
Transfers-Internal activity	553,805	(553,805)	-
Total general revenues and transfers	<u>1,627,575</u>	<u>(464,443)</u>	<u>1,163,132</u>
Change in net position	544,900	(73,410)	471,490
Net position-beginning	2,492,077	3,392,596	5,884,673
Restatement	(472,487)	-	(472,487)
Net position-ending	<u>\$ 2,564,490</u>	<u>\$ 3,319,186</u>	<u>\$ 5,883,676</u>

City of New Cordell, Oklahoma
Balance Sheet
For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Grant Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash, including time deposits	\$ 169,529	\$ 79,867	\$ 133,529	\$ 382,925
Investments	-	-	35,203	35,203
Interest receivable	-	-	2	2
Taxes receivable	65,154	-	2,156	67,310
Due from other funds	-	-	592	592
Prepaid expenses	86	-	-	86
Total assets	<u>\$ 234,769</u>	<u>\$ 79,867</u>	<u>\$ 171,482</u>	<u>\$ 486,118</u>
LIABILITIES				
Accounts payable	\$ 13,226	\$ -	\$ -	\$ 13,226
Wages and benefits payable	44,706	-	-	44,706
Due to other funds	592	-	-	592
Compensated absences, current	66,342	-	-	66,342
Total liabilities	<u>124,866</u>	<u>-</u>	<u>-</u>	<u>124,866</u>
FUND BALANCES				
Restricted for:				
Capital projects fund	-	-	29,533	29,533
Special revenue funds	-	79,867	141,949	221,816
Unassigned	109,903	-	-	109,903
Total fund balances	<u>109,903</u>	<u>79,867</u>	<u>171,482</u>	<u>361,252</u>
Total liabilities and fund balances	<u>\$ 234,769</u>	<u>\$ 79,867</u>	<u>\$ 171,482</u>	<u>\$ 486,118</u>
Total fund balance- total governmental funds				361,252
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:				
Land and capital assets, net of accumulated depreciation are not financial resources and, therefore, are not reported in the funds. See Note 3(B) for additional detail.				
Land and construction in process			1,166,609	
Capital assets			8,728,679	
Less: Accumulated depreciation			<u>(7,441,340)</u>	2,453,948
Net pension asset				89,424
Pension related deferred outflows				130,338
Net pension liability				(164,976)
Pension related deferred inflows				(305,496)
Long-term liabilities are not due and payable in the current period and are not reported in the funds.				
Net position of governmental activities				<u>\$ 2,564,490</u>

City of New Cordell, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015

	General Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Sales taxes	\$ 762,671	\$ -	\$ -	\$ 762,671
Use taxes	34,667	-	-	34,667
E911 taxes	35	-	-	35
Beverage tax	40,640	-	-	40,640
Franchise taxes	23,644	-	-	23,644
Cigarette tax	9,157	-	-	9,157
Licenses and permits	9,391	-	-	9,391
Oil and gas royalties	-	-	1,167	1,167
Fines and forfeitures	16,959	-	-	16,959
Investment income	375	-	510	885
Charges for services	16,666	-	281	16,947
Rental income	11,094	-	-	11,094
Intergovernmental	-	592,820	34,167	626,987
Miscellaneous	52,470	-	27,410	79,880
Total revenues	<u>977,769</u>	<u>592,820</u>	<u>63,535</u>	<u>1,634,124</u>
EXPENDITURES				
Current:				
General government:				
General government	38,955	-	-	38,955
Administration	97,784	-	-	97,784
Grant Writing	35,565	-	-	35,565
Total general government	<u>172,304</u>	<u>-</u>	<u>-</u>	<u>172,304</u>
Public safety and judiciary:				
Legislative & judicial	40,099	-	-	40,099
Police	532,079	-	-	532,079
Fire	180,016	-	557	180,573
Ambulance	51,326	-	-	51,326
Animal Control	25,848	-	-	25,848
Total public safety and judiciary	<u>829,368</u>	<u>-</u>	<u>557</u>	<u>829,925</u>
Transportation:				
Street	271,766	-	36,803	308,569
Airport	50,183	-	-	50,183
Total transportation	<u>321,949</u>	<u>-</u>	<u>36,803</u>	<u>358,752</u>
Cultural, parks and recreation:				
Park	70,114	-	-	70,114
Swimming pool	69,425	-	-	69,425
Total cultural, parks and recreation	<u>139,539</u>	<u>-</u>	<u>-</u>	<u>139,539</u>
Public Services:				
Public works	-	-	-	-
Cemetery	20,134	-	-	20,134
City garage	26,584	-	-	26,584
Total public services	<u>46,718</u>	<u>-</u>	<u>-</u>	<u>46,718</u>
Debt service				
Capital lease obligation	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	53,529	524,254	8,263	586,046
Total expenditures	<u>1,563,407</u>	<u>524,254</u>	<u>45,623</u>	<u>2,133,284</u>
Excess (deficiency) of revenues over expenditures	<u>(585,638)</u>	<u>68,566</u>	<u>17,912</u>	<u>(499,160)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	742,062	343,903	-	1,085,965
Transfers out	(199,556)	(332,604)	-	(532,160)
Total other financing sources and uses	<u>542,506</u>	<u>11,299</u>	<u>-</u>	<u>553,805</u>
Net change in fund balances	(43,132)	79,865	17,912	54,645
Fund balances - beginning	153,035	2	153,570	306,607
Fund balances - ending	<u>\$ 109,903</u>	<u>\$ 79,867</u>	<u>\$ 171,482</u>	<u>\$ 361,252</u>

City of New Cordell, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015

Reconciliation of the change in fund balances - total governmental funds
to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	\$	54,645
Amounts reported for governmental activities in the Statement of Activities are different because:		

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset purchases capitalized	557,102	
Equipment disposed	-	
Depreciation expense	<u>(288,624)</u>	268,478

Government-Wide Statement of Activities report the cost of pension benefits earned net of employee contributions is reported as an element of pension. The fund financial statements report pension contributions as expenditures		221,777
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	<u>-</u>	<u>-</u>

Change in Net Position of Governmental Activities	\$	<u><u>544,900</u></u>
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City of New Cordell, Oklahoma
Statement of Net Position
For the Year Ended June 30, 2015

	New Cordell Utilities Authority	Development Redevelopment Authority	Total Enterprise Funds
ASSETS			
Current assets:			
Cash, including time deposits	\$ 1,140,387	\$ 2,706	\$ 1,143,093
Investment	273,186	-	273,186
Interest receivable	44	-	44
Due from other funds	-	-	-
Accounts receivable, net of allowance of \$38,711	450,366	-	450,366
Prepaid expenses	26,046	-	26,046
Total current assets	<u>1,890,029</u>	<u>2,706</u>	<u>1,892,735</u>
Noncurrent assets:			
JUI Restricted assets:			
Cash, including time deposits	241,355	-	241,355
Investments	205,735	-	205,735
Total restricted assets	<u>447,090</u>	<u>-</u>	<u>447,090</u>
Noncurrent assets:			
Capital assets (net)	1,687,669	561,760	2,249,429
Total noncurrent assets	<u>1,687,669</u>	<u>561,760</u>	<u>2,249,429</u>
Total assets	<u>4,024,788</u>	<u>564,466</u>	<u>4,589,254</u>
LIABILITIES			
Current liabilities:			
Accounts payable	236,629	-	236,629
Wages and benefits payable	5,458	-	5,458
Compensated absences, current	4,861	-	4,861
Due to other funds	-	-	-
Notes payable, current	-	-	-
Total current liabilities	<u>246,948</u>	<u>-</u>	<u>246,948</u>
Liabilities payable from restricted assets:			
Accrued interest payable	8,863	-	8,863
Customer deposits payable	126,529	-	126,529
Bonds payable, current	105,000	-	105,000
Total liabilities payable from restricted assets	<u>240,392</u>	<u>-</u>	<u>240,392</u>
Noncurrent liabilities:			
Notes payable, noncurrent	-	-	-
Bonds payable, noncurrent	825,000	-	825,000
Deferred amount on refunding	(42,272)	-	(42,272)
Bonds payable, net of unamortized discount/premium and deferred amount on refunding	782,728	-	782,728
Total noncurrent liabilities	<u>782,728</u>	<u>-</u>	<u>782,728</u>
Total liabilities	<u>1,270,068</u>	<u>-</u>	<u>1,270,068</u>
NET POSITION			
Invested in capital assets, net of related debt	799,941	561,760	1,361,701
Unrestricted	<u>1,954,779</u>	<u>2,706</u>	<u>1,957,485</u>
Total net position	<u>\$ 2,754,720</u>	<u>\$ 564,466</u>	<u>\$ 3,319,186</u>

City of New Cordell, Oklahoma
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2015

	New Cordell Utilities Authority	Development Redevelopment Authority	Total Enterprise Funds
<u>Operating revenues:</u>			
Charges for services:			
Electric charges	\$ 2,461,552	\$ -	\$ 2,461,552
Water charges	561,884	-	561,884
Sewer charges	218,618	-	218,618
Sanitation charges	411,037	-	411,037
Penalties	40,230	-	40,230
Total charges for services	3,693,321	-	3,693,321
Lease and rental income	750	1	751
Miscellaneous	41,691	-	41,691
Total operating revenues	<u>3,735,762</u>	<u>1</u>	<u>3,735,763</u>
<u>Operating expenses:</u>			
Cost of goods sold	2,304,154	-	2,304,154
Personal services	416,490	-	416,490
Materials and supplies	252,065	6,943	259,008
Other services and charges	253,156	17,045	270,201
Depreciation	175,729	40,173	215,902
Total operating expenses	<u>3,401,594</u>	<u>64,161</u>	<u>3,465,755</u>
Net operating income	334,168	(64,160)	270,008
<u>Nonoperating revenue (expense):</u>			
Investment income	7,412	29	7,441
Grant income	-	-	-
Interest expense	(36,470)	-	(36,470)
Amortization	(7,669)	-	(7,669)
Other income	247,085	-	247,085
Total nonoperating revenue (expense)	<u>210,358</u>	<u>29</u>	<u>210,387</u>
Net Income before contributions and transfers	544,526	(64,131)	480,395
Transfers from other funds	164,558	30,000	194,558
Transfers to other funds	(748,363)	-	(748,363)
Change in net position	(39,279)	(34,131)	(73,410)
Net position-beginning of year	2,793,999	598,597	3,392,596
Net position-end of year	<u>\$ 2,754,720</u>	<u>\$ 564,466</u>	<u>\$ 3,319,186</u>

City of New Cordell, Oklahoma
Statement of Cash Flows
For the Year Ended June 30, 2015

	New Cordell Utilities Authority	Development Redevelopment Authority	Total Enterprise Funds
<u>Cash flows from operating activities:</u>			
Receipts from customers	\$ 3,742,851	\$ 1	\$ 3,742,852
Payments to suppliers	(2,875,854)	(23,988)	(2,899,842)
Payments to employees	(421,203)	-	(421,203)
Other operating revenues	41,691	-	41,691
Net cash provided (used) by operating activities	487,485	(23,987)	463,498
<u>Cash flows from non-capital financing activities:</u>			
Transfers from other funds	164,558	30,000	194,558
Transfers to other funds	(748,363)	-	(748,363)
Receipts on interfund loan agreements	4,606	-	4,606
Receipts from nonoperating income	247,085	-	247,085
Net cash provided (used) by non-capital financing activities	(332,114)	30,000	(302,114)
<u>Cash flows from capital and related financing activities:</u>			
Purchases of capital assets	(285,002)	(11,888)	(296,890)
Principal paid on capital debt	(104,606)	-	(104,606)
Interest paid on capital debt	(36,969)	-	(36,969)
Net cash provided (used) by capital and related financing activities	(426,577)	(11,888)	(438,465)
<u>Cash flows from investing activities:</u>			
Purchase of investments	(2,632)	-	(2,632)
Investment income	7,414	29	7,443
Net cash provided (used) by investing activities	4,782	29	4,811
Net increase (decrease) in cash and cash equivalents	(266,424)	(5,846)	(272,270)
Cash and cash equivalents, July 1, 2014	1,648,166	8,552	1,656,718
Cash & cash equivalents, June 30, 2015	\$ 1,381,742	\$ 2,706	\$ 1,384,448
Cash, including time deposits	\$ 1,140,387	\$ 2,706	\$ 1,143,093
Restricted cash, including time deposits	241,355	-	241,355
Total cash and cash equivalents, end of year	\$ 1,381,742	\$ 2,706	\$ 1,384,448
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</u>			
Operating income (loss)	\$ 334,168	\$ (64,160)	\$ 270,008
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	175,729	40,173	215,902
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	39,896	-	39,896
(Increase) decrease in prepaids	(1,559)	-	(1,559)
Increase (decrease) in accounts payable	(64,920)	-	(64,920)
Increase (decrease) in wages & benefits payable	(2,820)	-	(2,820)
Increase (decrease) in compensated absences	(1,893)	-	(1,893)
Increase (decrease) in deposits subject to refund	8,884	-	8,884
Total adjustments	153,317	40,173	193,490
Net cash provided (used) by operating activities	\$ 487,485	\$ (23,987)	\$ 463,498

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Organization

The City of New Cordell, Oklahoma (the "City") is incorporated under the provisions of the State of Oklahoma per Executive Department Proclamation on May 22, 1908. The City operates under the statutory Aldermanic form of government. The City provides the following services: public safety (police and fire), streets, utility (sanitation, water, sewer, and electric) planning and zoning, public improvements, library, airport, parks, and general administration.

The Reporting Entity

The City, for financial purposes, includes all of the funds and account groups relevant to the operation of the City of New Cordell. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City of New Cordell.

The financial statements of the City include the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

Due to restrictions of the state constitution relating to the issuance of municipal debt, public trusts are created to finance City services with revenue bonds or other non-general obligation financing and provide for multi-year contracting. Financing services provided by these public trusts are solely for the benefit of the City. Public trusts created to provide financing services are blended into the City's primary government as an integral part of City operations although retaining separate legal identity. Component units that do not meet the criteria from blending are reported discretely.

Blended Component Units Reported with Primary Government

New Cordell Utilities Authority - created October 6, 1986 by Declaration of Trust and as amended by Amendment to Declaration of Trust dated 01/08/88, under Title 60, OS (1981) Section 176-804. The City has beneficial interest and the City Council members serve as Trustees of the Authority. City employees carry on the activities of the Authority.

Cordell Development and Redevelopment Authority - The City Council members serve as trustees of the Authority.

The Cordell Hospital Authority and the Cordell Recreation Authority are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. Audited financial statements are available from the related organization.

B. Basis of Presentation

Government-Wide Financial Statements:

The government-wide financial statements include the statement of net position and statement of activities. These statements report financial information for the City as a whole. The statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. Individual funds are not displayed by the statements.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services with usage fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. Taxes and other revenues sources not properly included with program revenues are reported as general revenues.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or utility services.

Certain reclassifications have been made to prior period balances in order to conform to the current period's presentation.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The City has no fiduciary funds.

Measurement Focus and Basis of Accounting

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States of America, GAAP. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements report using the economic resources measurements focus and the accrual basis of accounting. Proprietary financial statements and financial statements of the City's component units also report using the same focus and basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considered revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenses are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include: sales and use taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in the proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of provided goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Restricted Assets

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities current in nature are reported with current assets and current liabilities in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reporting amounts and disclosures; accordingly, actual results could differ from those estimates.

Interfund Balances

Generally, outstanding balances between funds reported and due to/due from other funds include outstanding charges by one fund to another for services or goods or miscellaneous receivables/payables between funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year and are described as due to/due from other funds.

C. Fund Types and Major Funds

Major Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in another fund.

Grant Fund

Accounts for funds received for grant programs

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally or administratively restricted to expenditures for specified purposes. The reporting entity includes the following special revenue funds:

FUND	BRIEF DESCRIPTION
Street and Alley	Accounts for commercial vehicle tax and gasoline excise tax legally restricted for street and alley repairs and maintenance.
Cemetery Care	Accounts for 12 1/2% of cemetery revenue restricted by State law for cemetery capital improvements.
Fireman Fund	Accounts for collection of rural fire fighting fees and is administratively restricted for fire department needs.
Disaster Fund	Accounts for funds spent in the City's response to the October 9, 2001 tornado and the winter ice storm.

Capital Project Fund

This fund is used to account for financial resources restricted for the acquisition or construction of specific capital projects or items (other than those financed by proprietary funds). The City of New Cordell has expanded its use to include major repairs with full board approval.

PROPRIETARY FUND TYPES

Enterprise Funds

Enterprise Funds are used to account for business-type activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprises funds:

<u>FUND</u>	<u>BRIEF DESCRIPTION</u>
New Cordell Utilities Authority	Accounts for the activities of the authority in providing electric, water, wastewater, and solid waste services to the public.
Cordell Development & Redevelopment Authority	Accounts for economic development activities and for the operation of the theatre.

D. Budgets and Budgetary Accounting

Budget Policy and Practice

The City Administrator submits an annual budget to the City Council in accordance with the City Charter and the Oklahoma Municipal Budget Act. The budget is presented to the City Council for review, and public hearings are held to address priorities and the allocation of resources. In June, the City Council adopts the annual fiscal year budgets for City operating funds. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. Public trusts submit budgets and other planning documents to their respective governing bodies. Other funds budgeted on a project-length basis are also subjected to the Council review and approval process.

Budgetary Control

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and object class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. This legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to final review by the City Council. Within these control levels, management may transfer appropriations without Council approval. Revisions to the budget are normally made throughout the year.

Budget Basis of Accounting

The combined statement of revenues, expenditures and changes in fund balances (budget and actual) present comparisons of legally adopted budgets with actual data on a budgetary basis. The budgetary basis of accounting differs from GAAP in that the cash basis of accounting is used. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. All appropriations (including encumbered) lapse at year-end; any open encumbrances to be honored in the subsequent budget year are reappropriated in the new year's budget. As a result, no reserve for encumbrances is reported at year-end.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Investments

For the purposes of the combined balance sheet and the statement of cash flows, "cash and cash equivalents" includes all demand deposits, savings accounts and certificates of deposits or short-term investments (including restricted assets) with an original maturity of three months or less. Deposits are stated at cost.

Investments are reported at fair value which is determined using market prices. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price.

Allowance for Uncollectible Accounts

The City has established an allowance for collectible accounts based on management's prior experience. Management does not believe there are significant losses in excess of the allowance.

Restricted Assets

Restricted assets include current assets of proprietary fund types that are legally restricted as to their use. The restricted assets are primarily related investments restricted for customer refunds, and cash reserved for payment of the revenue bond obligation.

Property, Plant and Equipment

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Proprietary fund and similar component unit fixed assets are recorded in the respective funds or component units and depreciated using the straight-line method. When proprietary fund fixed assets are disposed, the cost and applicable accumulated depreciation is removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

• Buildings	25-50 years
• Other improvements	10-50 years
• Machinery, furniture & equipment	3-20 years
• Infrastructure	25-50 years

Fund Financial Statements:

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. An example of an item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category would be unavailable revenue from property taxes and special assessments. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. Those amounts would be deferred and recognized as an inflow of resources in the period that the amounts become available. The City has items related to pension obligations that qualify as a deferred inflow of resources.

Long-Term Debt

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

Compensated Absences

Full-time, permanent employees are granted vacation benefits in varying amount to specified maximums depending on tenure with the City. Sick leave accrues to full-time, permanent employees to specified maximums. Generally, after one year of service, employees are entitled to all accrued vacation leave upon termination. The estimated liabilities include salary-related payments. Compensated absences are reported as accrued in the government-wide, proprietary, and fiduciary financial statements.

Equity Classifications

Fund Balance

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes beyond the restrictions applicable to the fund.

Net Assets

Both proprietary fund financial statements and government-wide financial statements report net assets. Amounts invested in capital assets, net of related debt and legally restricted amounts are separated from unrestricted net assets.

Invested in capital assets, net of related debt

The amount restricted 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 improvement of those assets.

Restricted net assets

Amounts reported as restricted consist of net assets with constraints placed on their 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.

Governmental Fund Balances

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below:

Nonspendable

Fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),

Restricted

Fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed

Fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Commission, the City's highest level of decision-making authority,

Assigned

Fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

Unassigned

Fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications

F. Revenues, Expenditures and Expenses

Sales Tax

The City levied a three-cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The sales tax received is recorded as sales tax revenue within the general fund.

Charges for Services

Program revenues reported with governmental activities include charges for services like permits and fees, park charges, and fines and forfeitures. Business-type activity charges for services include all operating income of proprietary funds.

Grants and Contributions

Governmental grants and contributions primarily consist of grants from Federal and state agencies. The nature of the grant determines if it is reported as operating or capital program revenues.

Business-type activity grants and contributions include donations from others as well as grants from Federal and state agencies.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. Recurring transfers for operational purposes are classified as "operating transfers", while non-recurring transfers of equity are reported as "residual equity transfers."

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as local government unit, the City and its component units are subject to various federal, state and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over city resources follows:

A. Deficit Fund Net Assets/Fund Balance

Deficits resulting from accrual reporting do not constitute violations of Oklahoma State Statutes.

The City reported no deficit fund balances or net assets for the fiscal year.

B. Budget Requirements

For the year ended June 30, 2015, the City complied, in all material respects, with the applicable budget laws.

C. Debt Covenants

The 2011 Series bonds held by the Cordell Utility Authority contain a number of covenants which are related to financial matters. The most significant of which is the Debt Service Coverage, whereby, pledged revenues less operating expenses shall provide Net Revenues Available for Debt Service equal to 1.20 times average annual debt service on the respective notes for the Authority. As calculated on the Schedule Debt Service Coverage Requirements in the Other Supplementary Schedules section of this report, the City complied with this requirement.

E. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local or administrative requirements. The primary restricted revenue sources include:

REVENUE SOURCE	LEGAL RESTRICTIONS OF USE
Gasoline Excise/Commercial Vehicle Tax Airport Revenue Cemetery Revenue (12.5%) 911 Fees	Street and Alley Purposes Airport Operations and Debt Service Cemetery Capital Improvements Capital items and personnel for Emergency Management

(3) DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. Cash and Investments

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's deposits are secured by collateral values at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC). Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

Investments

The City invests primarily in certificates of deposit.

<u>Types of Investments</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Days to Maturity (2)</u>
Primary government				
<u>GOVERNMENTAL ACTIVITIES</u>				
Certificates of deposit	\$ 35,203	\$ 35,203	N/A	20.53
Total governmental activities	<u>35,203</u>	<u>35,203</u>		
<u>BUSINESS-TYPE ACTIVITIES</u>				
Certificates of deposit	\$ 478,921	\$ 478,921	N/A	316.61
Total business-type activities	<u>478,921</u>	<u>478,921</u>		
Total primary government investments	<u>\$ 514,124</u>	<u>\$ 514,124</u>		

Reconciliation to statement of net assets:

Investments

Governmental activities	\$ 35,203
Business-type activities	273,186
Business-type activities, restricted	205,735
	<u>\$ 514,124</u>

(1) Ratings are provided where applicable to indicate associated **Credit Risk**. N/A indicates not applicable.

At June 30, 2015 the City held restricted assets totaling \$447,090. Assets were restricted for the following purposes:

Business-type activities:

Cash, including time deposits

Debt service 2011 Revenue Bonds	\$ 238,936
Customer deposits	137,115
Board restrictions	71,039
	<u>\$ 447,090</u>

B. PROPERTY, PLANT AND EQUIPMENT

Governmental Activities:

A summary of the changes in the governmental activities fixed assets at June 30, 2015 follows:

	<u>Balance at June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>
Land and land improvements	\$ 1,166,609	\$ -	\$ -	\$ 1,166,609
Buildings & structures	4,677,672	9,600	-	4,687,272
Machinery, furniture, & equipment	2,135,062	49,982	-	2,185,044
Improvements other than land	1,222,966	633,397	-	1,856,363
Construction in process	135,877	524,254	660,131	-
Total	9,338,186	1,217,233	660,131	9,895,288
Less accumulated depreciation	7,152,716	288,624	-	7,441,340
Fixed assets, net	<u>\$ 2,185,470</u>	<u>\$ 928,609</u>	<u>\$ (660,131)</u>	<u>\$ 2,453,948</u>

CITY OF NEW CORDELL, OKLAHOMA
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JUNE 30, 2015

Business-Type Activities:

A summary of the proprietary fund types fixed assets at June 30, 2015 follows:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
Cordell Utility Authority:				
Electric plant				
Land	\$ 308	\$ -	\$ -	\$ 308
Structures & improvements	95,609	-	-	95,609
Plant & equipment	482,450	-	-	482,450
Distribution system	990,561	30,425	-	1,020,986
Construction in process	-	-	-	-
	<u>1,568,928</u>	<u>30,425</u>	<u>-</u>	<u>1,599,353</u>
Water plant				
Land	11,649	-	-	11,649
Structures & improvements	1,114,688	-	-	1,114,688
Plant & equipment	940,781	32,904	-	973,685
Distribution system	1,040,153	193,408	-	1,233,561
	<u>3,107,271</u>	<u>226,312</u>	<u>-</u>	<u>3,333,583</u>
Sewer plant				
Structures & improvements	1,057,232	-	-	1,057,232
Plant & equipment	198,678	8,039	-	206,717
Distribution system	145,116	-	-	145,116
Equipment	14,162	8,500	-	22,662
	<u>1,415,188</u>	<u>16,539</u>	<u>-</u>	<u>1,431,727</u>
General and administrative				
Land	69,178	-	-	69,178
Structures & improvements	48,902	-	-	48,902
Equipment	291,666	11,726	-	303,392
Transportation equipment	360,422	-	-	360,422
	<u>770,168</u>	<u>11,726</u>	<u>-</u>	<u>781,894</u>
Ambulance garage	<u>7,849</u>	<u>-</u>	<u>-</u>	<u>7,849</u>
Total	6,869,404	285,002	-	7,154,406
Less accumulated depreciation	<u>5,291,008</u>	<u>175,729</u>	<u>-</u>	<u>5,466,737</u>
Fixed assets, net	<u>\$ 1,578,396</u>	<u>\$ 109,273</u>	<u>\$ -</u>	<u>\$ 1,687,669</u>
Cordell Development/Redevelopment Authority:				
Land	\$ 30,000	\$ -	\$ -	30,000
Building - Theater	905,436	1,120	-	906,556
Equipment - Theater	92,905	10,768	-	103,673
Total	<u>1,028,341</u>	<u>11,888</u>	<u>-</u>	<u>1,040,229</u>
Less: accumulated depreciation	<u>438,296</u>	<u>40,173</u>	<u>-</u>	<u>478,469</u>
Fixed assets, net	<u>\$ 590,045</u>	<u>\$ (28,285)</u>	<u>\$ -</u>	<u>\$ 561,760</u>
Total Business-type activities, net	<u>\$ 2,168,441</u>	<u>\$ 80,988</u>	<u>\$ -</u>	<u>\$ 2,249,429</u>

CITY OF NEW CORDELL, OKLAHOMA
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Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against its operations. Accumulated depreciation is reported on proprietary fund balance sheets.

All vehicles purchased by the Utility Authority are depreciated under the general and administrative transportation equipment.

Depreciation expense was charged to functions in the statement of activities as follows:

C. LONG-TERM DEBT

The following is a summary of long-term debt for the year ended June 30, 2015:

REVENUE BONDS PAYABLE:

2011 Series New Cordell Utilities Authority Utility System Refunding Revenue Bonds original issue amount of \$1,300,000, dated February 28, 2011, issued by the New Cordell Utilities Authority, secured by the net revenue of the system, interest rates from 1.0% to 4.75%, final maturity on October 1, 2022.	\$ 930,000
Total revenue bonds payable	930,000
Less: unamortized deferred amount on refunding	(42,272)
Net revenue bonds payable	\$ 887,728

Changes in Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended June 30, 2015:

Type of Debt	Balance at July 1, 2014	Amount Issued	Amount Retired	Balance at June 30, 2015	Due within One Year
Business-type activities					
Notes payable	\$ 4,606	\$ -	\$ 4,606	\$ -	\$ -
Revenue bonds payable	1,030,000	-	100,000	930,000	105,000
Total governmental activities	\$ 1,034,606	\$ -	\$ 104,606	\$ 930,000	\$ 105,000
Total primary government debt	\$ 1,034,606	\$ -	\$ 104,606	\$ 930,000	\$ 105,000

Annual Debt Service Requirements:

The annual debt service requirement to maturity, including principal and interest, for long-term debt as of June 30, 2015 is as follows:

Year Ending June 30	Governmental Activities	Business-type Activities			
	Capital Leases Payable	Notes Payable		Revenue Bonds	
		Principal	Interest	Principal	Interest
2016	\$ -	\$ -	\$ -	105,000	34,238
2017	-	-	-	110,000	31,275
2018	-	-	-	110,000	27,700
2019	-	-	-	115,000	23,619
2020	-	-	-	120,000	19,063
2021-2025	-	-	-	370,000	25,831
Totals	\$ -	\$ -	\$ -	\$ 930,000	\$ 161,726

D. INTERFUND TRANSACTIONS AND BALANCES

Operating transfers for the year ended June 30, 2015 were as follows:

<u>Operating Transfers</u>	<u>Transfer In</u>	<u>Transfer Out</u>
GENERAL FUND:		
Cordell Utility Authority	\$ 573,922	\$ 94
Grant fund	168,140	194,462
Development & Redevelopment	-	5,000
GRANT FUND:		
General Fund	194,462	168,140
Cordell Utility Authority	149,441	164,464
ENTERPRISE FUNDS - Cordell Utility Authority		
General Fund	94	573,922
Grant fund	164,464	149,441
Development & Redevelopment	-	25,000
ENTERPRISE FUNDS - Development & Redevelopment		
Cordell Utility Authority	25,000	-
General Fund	5,000	-
	<u>\$ 1,280,523</u>	<u>\$ 1,280,523</u>

(4) RETIREMENT PLANS

The City participates in two employee pension systems as follows:

<u>Name of Plan</u>	<u>Type of Plan</u>
Oklahoma Municipal Retirement Fund	Agent Multiple Employer – Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund	Cost Sharing Multiple Employer – Defined Benefit Plan

A. Oklahoma Municipal Retirement Fund- Defined Benefit Plan

Plan Description

Substantially all of the City's full-time employees, except firefighters, participate in a defined benefit pension plan adopted by the City and administered by the Oklahoma Municipal Retirement System (OMRF), which was established to administer pension plans for municipal employees. OMRF issues a publically available financial report that can be obtained at www.okmrf.org.

Benefits Provided

OMRF provides retirement, disability, and death benefits. Retirement benefits are determined as 3 percent of the employee's final average compensation multiplied by the employee's years of service; final average compensation is the average of the 5 highest consecutive years of salaries out of the last 10 years of service. Vesting requires 7 years of service. Members are eligible for normal retirement at age 65 with 7 years of vested service. The benefit is payable immediately. Early retirement is available after age 55 with 7 years of vested service. Early retirement benefits are paid at the normal retirement age, or reduced 5% per year for commencement prior to the normal retirement age.

Disability retirement is provided for member's total and permanent disability after 7 or more years of service. The accrued benefit is payable upon disablement without reduction for early payment.

In-service death benefits are payable after vesting at 50% of the accrued benefit until the death of the spouse or remarriage. If the member was not vested at the time of in-service death, member contributions are returned, if any, with interest.

Contributions

Required contribution rates are actuarially measured each year and authorized through City Ordinance. Employees are required to contribute 4.0% of paid salary. For the year ended June 30, 2015, the City's contribution was 18.80%. Contributions to the pension plan from the City were \$174,306 for the year ended June 30, 2015.

Membership

Membership in the plan is as follows:

	<u>As of July 1, 2014</u>
Inactive employees & beneficiaries receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	2
Active participants	26
Total	<u><u>49</u></u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPPRS

At June 30, 2015, the City reported an asset of \$89,424 for its proportionate share of the net pension asset. The net pension asset was measured as of July 1, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined.

Changes to the actuarial valuation between the measurement date of the net pension liability and the City's reporting dates are not expected to have a significant effect on the net pension liability.

For the year ended June 30, 2015, the City recognized pension expense of \$117,908. 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
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	280,523
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	117,908	-
	\$ 117,908	\$ 280,523
Total	\$ 117,908	\$ 280,523

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

Year ended June 30:

2016	\$ 70,131
2017	70,131
2018	70,131
2019	70,130
	\$ 280,523

Actuarial assumptions: The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3 percent
Salary increases	5.07 percent, average
Investment rate of return	7.55 percent, net of pension plan investment expense and inflation

Mortality rates were based on the UP 1994 with projected mortality improvement. Valuation rates are projected for mortality improvement by the Society of Actuaries' table AA based upon the employee's year of birth.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period ended July 1, 2007 through June 30, 2011.

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:

CITY OF NEW CORDELL, OKLAHOMA
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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%
	<u>100%</u>		
		Average Real Return	4.75%
		Inflation	<u>3.00%</u>
		Long term expected return	<u><u>7.75%</u></u>

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent, as 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 the member's working career. 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. Therefore, no separate cash flow projection is required to determine the sufficiency of the plan assets. The 20 year tax free bond yield of 3.29% was used in the analysis.

Changes in the Net Pension Liability

	Increase (Decrease)		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances at June 30, 2013	<u>4,114,673</u>	<u>3,831,434</u>	<u>283,239</u>
Changes for the year:			
Service cost	76,481	-	76,481
Interest	317,601	-	317,601
Differences between expected and actual experience	-	-	-
Contributions - employer	-	151,082	(151,082)
Contributions - employee	-	-	-
Net investment income	-	624,908	(624,908)
Benefit payments, including refunds of employee contributions	(189,688)	(189,688)	-
Administrative expense	-	(9,245)	9,245
Other changes	-	-	-
Net changes	<u>204,394</u>	<u>577,057</u>	<u>(372,663)</u>
Balances at June 30, 2014	<u>\$ 4,319,067</u>	<u>\$ 4,408,491</u>	<u>\$ (89,424)</u>

Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate:

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability (asset) 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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City's proportionate share of the net pension liability/(asset)	463,217	(89,424)	(549,505)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued OMRF financial report.

B. Oklahoma Firefighters Pension and Retirement System

Plan Description

The City of New Cordell, as the employer, participates in the Firefighters Pension & Retirement- a statewide, cost-sharing, multiple-employer defined benefit plan administered by the Oklahoma Firefighters Pension and Retirement System (FPRS). FPRS issues a publically available financial report that can be obtained at www.ok.gov/FPRS.

Benefits Provided

FPRS provides retirement, disability and death benefits to members of the plan.

Benefits for members hired prior to November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more 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 completed 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 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 years of service, with a maximum of 30 years of service. For disabilities not-in-the-line-of-duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-the-line-of-duty disability is also limited to only those with less than 20 years of service and is \$7.53 per year of service. For volunteer firefighters, the in-the-line-of-duty pension is \$150.60 with less than 20 years of service, or \$7.53 per year of service, with a maximum of 30 years.

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

Contributions

The State of Oklahoma has the authority to establish contribution obligations per state statute 11 O.S. Section 49.100 thru 49.143 et seq and are not based on actuarial calculations. Volunteer members have no contribution requirements; the City contributes \$60 per year for each volunteer. Employees are required to contribute 9% of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$18,293.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPFRS

At June 30, 2015, the City reported a liability of \$164,976 for its proportionate share of the net pension liability. The net pension 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 that date. 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. The City's proportion was 0.0160%.

For the year ended June 30, 2015, the City recognized pension expense of \$8,499. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 3,931	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	24,973
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	8,499	-
Total	<u>\$ 12,430</u>	<u>\$ 24,973</u>

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

Year ended June 30:

2016	\$	5,513
2017		5,513
2018		5,513
2019		5,513
2020		(730)
Thereafter		(280)
		\$ 21,042

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 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:

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 City's proportionate share of the net pension liability to changes in the discount rate: The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well

CITY OF NEW CORDELL, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	214,849	164,976	122,354

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	Balances at June 30, 2013	493,104	303,856
Changes for the year:			
Service cost	9,405	-	9,405
Interest	36,648	-	36,648
Differences between expected and actual experience	4,650	-	4,650
Contributions - employer	-	5,996	(5,996)
Contributions - employee	-	3,529	(3,529)
Contributions - State of Oklahoma (non-employer)		12,067	(12,067)
Net investment income	-	53,696	(53,696)
Benefit payments, including refunds of employee contributions	(27,735)	(27,735)	-
Administrative expense	-	(313)	313
Other changes	-	-	-
Net changes	22,968	47,240	(24,272)
Balances at June 30, 2014	\$ 516,072	\$ 351,096	\$ 164,976

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.

(5) COMMITMENTS AND CONTINGENCIES

A. 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 accrual 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.

B. Leasing Arrangements

Pursuant to Ordinance No. 89-2, on January 16, 1989, the City entered into a 15 year lease with the Cordell Hospital Authority, leasing all hospital related real property, equipment and facilities plus future additions and improvements made by the City. Consideration of this lease is the installation and construction of improvements and operation of the facilities by the Authority. This lease was extended for 15 years beginning on January 17, 2004 and ending on January 17, 2019.

On June 20, 1989, a 50 year lease agreement dated December 5, 1988, was filed between the City and the New Cordell Utilities Authority. The City leased to the Authority all existing water and sanitary sewer system, related equipment, real property and unexplored leases and contracts. The Authority, for consideration of the lease, agrees to obtain financing and expend proceeds for extensions and improvements of facilities; and to set fair rates sufficient to pay debt service and facility operation expenses.

C. Grant Program Involvement

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

(6) SUBSEQUENT EVENTS

Date of Management's Review

Subsequent events were evaluated through April 16, 2015, which is the date the financial statements were available to be issued.

(7) RESTATEMENT OF BEGINNING NET POSITION

Net position of the Government-Wide Governmental Activities financial statements has been restated to include the pension liability at the beginning of the period in accordance with GASB 68. As a result of the restatement, total beginning net position has decreased by \$472,487. The prior period financial statements were not reissued or restated as a result of this change in accounting principle.

City of New Cordell, Oklahoma
Combining Balance Sheet
For the Year Ended June 30, 2015

	Special Revenue				Total Special Rev Funds	Capital Projects Fund	Total Other Governmental Funds
	Street & Alley Fund	Cemetery Care Fund	Fireman's Fund	Disaster Fund			
ASSETS							
Cash, including time deposits	\$ 53,451	\$ 6,497	\$ 33,433	\$ 10,615	\$ 103,996	\$ 29,533	\$ 133,529
Investments	-	35,203	-	-	35,203	-	35,203
Interest receivable	-	2	-	-	2	-	2
Due from other funds	592	-	-	-	592	-	592
Accounts receivable, taxes	2,156	-	-	-	2,156	-	2,156
Total assets	\$ 56,199	\$ 41,702	\$ 33,433	\$ 10,615	\$ 141,949	\$ 29,533	\$ 171,482
LIABILITIES							
JUNE 30, 2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-	-
FUND BALANCES							
Restricted for:							
Special revenue funds	56,199	41,702	33,433	10,615	141,949	-	141,949
Capital projects fund	-	-	-	-	-	29,533	29,533
Total fund balances	56,199	41,702	33,433	10,615	141,949	29,533	171,482
Total liabilities and fund balances	\$ 56,199	\$ 41,702	\$ 33,433	\$ 10,615	\$ 141,949	\$ 29,533	\$ 171,482

City of New Cordell, Oklahoma
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015

	Special Revenue				Total Special Rev Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
	Street & Alley Fund	Cemetery Care Fund	Fireman's Funds	Disaster Fund			
REVENUES							
Oil & gas royalties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,167	\$ 1,167
Investment income	211	170	-	42	423	87	510
Charges for services	-	281	-	-	281	-	281
Intergovernmental programs	29,683	-	4,484	-	34,167	-	34,167
Miscellaneous	-	-	27,410	-	27,410	-	27,410
Total revenues	<u>29,894</u>	<u>451</u>	<u>31,894</u>	<u>42</u>	<u>62,281</u>	<u>1,254</u>	<u>63,535</u>
EXPENDITURES							
Current:							
General government:							
General government	-	-	-	-	-	-	-
Total general government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public safety and judiciary:							
Police	-	-	-	-	-	-	-
Fire	-	-	557	-	557	-	557
Total public safety and judiciary	<u>-</u>	<u>-</u>	<u>557</u>	<u>-</u>	<u>557</u>	<u>-</u>	<u>557</u>
Transportation:							
Street	36,803	-	-	-	36,803	-	36,803
Airport	-	-	-	-	-	-	-
Total transportation	<u>36,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,803</u>	<u>-</u>	<u>36,803</u>
Cultural, parks and recreation:							
Cemetery	-	-	-	-	-	-	-
Total cultural, parks and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	-	-	8,263	-	8,263	-	8,263
Total expenditures	<u>36,803</u>	<u>-</u>	<u>8,820</u>	<u>-</u>	<u>45,623</u>	<u>-</u>	<u>45,623</u>
Excess (deficiency) of revenues over expenditures	<u>(6,909)</u>	<u>451</u>	<u>23,074</u>	<u>42</u>	<u>16,658</u>	<u>1,254</u>	<u>17,912</u>
OTHER FINANCING SOURCES (USES)							
Transfers in/(out)	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(6,909)	451	23,074	42	16,658	1,254	17,912
Fund balances - beginning	63,108	41,251	10,359	10,573	125,291	28,279	153,570
Fund balances - ending	<u>\$ 56,199</u>	<u>\$ 41,702</u>	<u>\$ 33,433</u>	<u>\$ 10,615</u>	<u>\$ 141,949</u>	<u>\$ 29,533</u>	<u>\$ 171,482</u>

CITY OF NEW CORDELL, OKLAHOMA
 Schedule of Debt Service Coverage Requirements
 For the Year Ended June 30, 2015

Revenue Bond Coverage:

Gross revenue available for debt service:	
Operating revenue for Cordell Utility Authority	<u>\$ 3,735,762</u>
Gross revenue available for debt service	<u>3,735,762</u>
Operating expenses for Cordell Utility Authority excluding depreciation and amortization	<u>(3,225,865)</u>
Net revenues available for debt service	<u>\$ 509,897</u>
Debt service requirements:	
Average annual debt service - revenue bonds 2011	<u>\$ 107,692</u>
Computed coverage	<u>4.73</u>
Coverage requirement	<u>1.20</u>

The accompanying notes are an integral part of these statements.

City of New Cordell, Oklahoma
General Fund
For the Year Ended June 30, 2015

	Original Budget	Revisions	Revised Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES					
Sales taxes	\$ 678,862	\$ -	\$ 678,862	\$ 776,066	\$ 97,204
Use taxes	19,928	-	19,928	34,459	14,531
E911 taxes	-	-	-	35	35
Beverage tax	36,252	-	36,252	40,510	4,258
Cigarette tax	8,074	-	8,074	9,069	995
Licenses & permits	7,453	-	7,453	9,391	1,938
Franchise taxes	48,509	-	48,509	23,645	(24,864)
Fines and forfeitures	35,293	-	35,293	43,503	8,210
Charges for services	11,330	-	11,330	17,094	5,764
Rental income	11,410	-	11,410	11,094	(316)
Intergovernmental	-	-	-	-	-
Investment income	387	-	387	375	(12)
Miscellaneous	39,929	-	39,929	25,865	(14,064)
Total revenues	<u>897,427</u>	<u>-</u>	<u>897,427</u>	<u>991,106</u>	<u>93,679</u>
EXPENDITURES					
General government:					
General government	34,650	-	34,650	45,412	(10,762)
Administration	142,073	-	142,073	96,810	45,263
Grant writing	30,111	-	30,111	36,867	(6,756)
Total general government	<u>206,834</u>	<u>-</u>	<u>206,834</u>	<u>179,089</u>	<u>27,745</u>
Public safety and judiciary:					
Legislative and judicial	44,455	-	44,455	39,823	4,632
Police	588,900	-	588,900	547,718	41,182
Ambulance	-	-	-	54,332	(54,332)
Fire	233,905	-	233,905	189,779	44,126
Animal Control	39,400	-	39,400	26,160	13,240
Total public safety and judiciary	<u>906,660</u>	<u>-</u>	<u>906,660</u>	<u>857,812</u>	<u>48,848</u>
Transportation:					
Street	240,480	-	240,480	271,474	(30,994)
Airport	42,750	-	42,750	46,769	(4,019)
Total transportation	<u>283,230</u>	<u>-</u>	<u>283,230</u>	<u>318,243</u>	<u>(35,013)</u>
Cultural, parks and recreation:					
Park	71,675	-	71,675	69,281	2,394
Swimming pool	83,852	-	83,852	73,399	10,453
Total cultural, parks and recreation	<u>155,527</u>	<u>-</u>	<u>155,527</u>	<u>142,680</u>	<u>12,847</u>
Public Services:					
Public works	3,000	-	3,000	-	3,000
Cemetery	25,355	-	25,355	17,298	8,057
City garage	33,080	-	33,080	28,696	4,384
Total public services	<u>61,435</u>	<u>-</u>	<u>61,435</u>	<u>45,994</u>	<u>15,441</u>
Total expenditures	<u>1,613,686</u>	<u>-</u>	<u>1,613,686</u>	<u>1,543,818</u>	<u>69,868</u>
Excess (deficiency) of revenues over expenditures	<u>(716,259)</u>	<u>-</u>	<u>(716,259)</u>	<u>(552,712)</u>	<u>163,547</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	700,000	-	700,000	742,062	42,062
Operating transfers out	(12,000)	-	(12,000)	(199,556)	(187,556)
Net other financing sources (uses)	<u>688,000</u>	<u>-</u>	<u>688,000</u>	<u>542,506</u>	<u>(145,494)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>(28,259)</u>	<u>-</u>	<u>(28,259)</u>	<u>(10,206)</u>	<u>18,053</u>
Fund balance at beginning of year (Non-GAAP budgetary basis):					
Appropriated for current year budget	30,000	-	30,000	193,037	163,037
Fund balance at beginning of year (Non-GAAP budgetary basis)	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>193,037</u>	<u>163,037</u>
Fund balance at end of year (Non-GAAP budgetary basis)	<u>\$ 1,741</u>	<u>\$ -</u>	<u>\$ 1,741</u>	<u>\$ 182,831</u>	<u>\$ 181,090</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES					
Revenue and transfer accruals				(13,337)	
Expenditure and transfer accruals				(59,591)	
Fund balance at end of year (GAAP basis)				<u>\$ 109,903</u>	

Schedules of Required Supplementary Information

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Oklahoma Fire Pension Retirement Plan

	<u>2015*</u>
City's portion of the net pension liability (asset)	0.0160%
City's proportionate share of the net pension liability (asset)	\$ 164,976
City's covered-employee payroll	\$ 42,829
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	385%
Plan fiduciary net position as a percentage of the total pension liability	68.12%

* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previ

SCHEDULE OF CITY CONTRIBUTIONS

Oklahoma Fire Pension Retirement Plan

	<u>2015*</u>
Contractually required contribution	\$ 5,996
Contributions in relation to the contractually required contribution	<u>(5,996)</u>
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	\$ 42,829
Contributions as a percentage of covered-employee payroll	14.00%

Schedules of Required Supplementary Information

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

**Oklahoma Municipal Retirement Fund
SINCE INITIAL APPLICATION**

	<u>2015*</u>
Total pension liability	
Service cost	\$ 76,481
Interest	317,601
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	<u>(189,688)</u>
Net change in total pension liability	\$ 204,394
Total pension liability - beginning	<u>4,114,673</u>
Total pension liability - ending (a)	<u><u>\$ 4,319,067</u></u>
Plan fiduciary net position	
Contributions - employer	151,082
Contributions - employee	-
Net investment income	624,908
Benefit payments, including refunds of employee contributions	(189,688)
Administrative expense	(9,245)
Other	-
Net change in plan fiduciary net position	<u>577,057</u>
Plan fiduciary net position - beginning	<u>3,831,434</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 4,408,491</u></u>
City's net pension liability - ending (a) - (b)	<u><u>\$ (89,424)</u></u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.07%
Covered-employee payroll	\$ 774,181
City's net pension liability as a percentage of covered-employee payroll	-11.55%



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

The Honorable Mayor and City Council
City of New Cordell, Oklahoma

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of New Cordell, Oklahoma, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City of New Cordell, Oklahoma's basic financial statements, and have issued our report thereon dated March 18, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of New Cordell, Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of New Cordell, Oklahoma's financial statements are free from 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* in the United States of America.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Britton Kuykendall - Miller
BRITTON, KUYKENDALL AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
March 18, 2016