

**CITY OF MOORE, OKLAHOMA**  
**Report on Audit of Financial Statements**  
**June 30, 2011**

**CITY OF MOORE, OKLAHOMA**

**LIST OF PRINCIPAL OFFICIALS**

**City Council**

Glenn Lewis  
David Roberts  
Robert Krows  
Janie Milum  
Kathy McMillan  
Terry Cavnar  
Jason Blair

Mayor  
Ward 1  
Ward 1  
Ward 2  
Ward 2  
Ward 3  
Ward 3

Stephen O. Eddy

City Manager

Stan Drake

Assistant City Manager

Jim Corbett

Finance Director

Cheryl McConnell

Assistant Finance Director

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# **INDEPENDENT AUDITOR'S REPORT**

# DILLON & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
1800 S. AIR DEPOT BLVD., SUITE D  
MIDWEST CITY, OK 73110

ROBERT S. DILLON, CPA  
[bobdilloncpa@gmail.com](mailto:bobdilloncpa@gmail.com)

Phone: (405) 732-1800  
Fax : (405) 732-5517

## Independent Auditor's Report

City Council  
City of Moore  
Moore, Oklahoma

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 Moore, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise the City of Moore's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Moore's management. Our responsibility is to express an opinion 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Moore, Oklahoma, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2011, on our consideration of the City of Moore's internal control over financial reporting and 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 the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 11 and page 45 through 49, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Moore's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistic tables are presented for purposes of additional analysis and are not a required part of the basis financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistic tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

***Dillon & Associates, P.C.***

Midwest City, Oklahoma  
September 1, 2011

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**City of Moore**  
**Management's Discussion and Analysis**  
**June 30, 2011**

The following discussion and analysis of the City of Moore's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the City's financial statements, which begin on page 12.

**Financial Highlights**

- The assets of the City of Moore exceeded its liabilities at the close of the most recent fiscal year by \$59,500,440 (net assets), a decrease of \$2,689,477 or 4.3% from the prior year.
- During the year, the City's expenses for governmental activities were \$46,492,588 and were funded by program revenues of \$4,518,269 and further funded with taxes and other general revenues, grants and transfers that totaled \$38,606,131.
- In the business-type activities, which are primarily utilities, program revenues of \$17,677,397 exceeded program expenses by \$4,802,277.
- Sales and use taxes increased by \$1,103,090 or 4.6% over the prior fiscal year.
- At June 30, 2011, the General Fund reported an unreserved, undesignated fund balance of \$2,383,324, a decrease of \$609,868 from the prior year.
- The City's total debt increased by \$20,343,374 during the current fiscal year. The key factors in this increase were the issuance of \$15,243,273 in notes by the Moore Economic Development Authority and the funding of the Oklahoma Water Resource Board - Series 2010 in the amount of \$11,715,343.

**Overview of the Financial Statements**

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

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

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

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

**City of Moore**  
**Management's Discussion and Analysis**  
**June 30, 2011**

Both of the government-wide financial statements distinguish functions of the City of Moore that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Moore include general government, public safety, public works, and culture and recreation. The business-type activities of the City of Moore, which include the City's water, wastewater, and sanitation utility operations, include the Moore Public Works Authority.

The government-wide financial statements include not only the City of Moore itself, but also the legally separate Moore Public Works Authority and the Moore Economic Development Authority as a blended component units. The Authorities, although also legally separate, functions for all practical purposes as departments of the City of Moore, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 12-14 of this report.

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

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

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

The City maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund.

The City adopts an annual appropriated budget for its general and other governmental funds. Budgetary comparison statements have been provided for each governmental fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-17 of this report.

**City of Moore**  
**Management's Discussion and Analysis**  
**June 30, 2011**

***Proprietary funds.*** The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its public works authority.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its risk management and insurance activities. These services have been allocated to governmental and business-type functions in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Moore Public Works Authority which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

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

The City has one fiduciary fund-the pension fund, which is a trust fund.

The fiduciary fund financial statements can be found on page 21 of the report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 22-44 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's actual revenues and expenditures on a budgetary basis compared with the original and final budgets for the general fund. Required supplementary information can be found on page 45-49 of this report.

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

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$59,500,440 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (81.6%) reflects its investment in capital assets (e.g., land, buildings, improvements, vehicles, and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Moore**  
**Management's Discussion and Analysis**  
**June 30, 2011**

Table 1  
Net Assets  
(In Thousands)

|                     | Governmental      |               | Business-type     |               | Total                     |                |
|---------------------|-------------------|---------------|-------------------|---------------|---------------------------|----------------|
|                     | <u>Activities</u> |               | <u>Activities</u> |               | <u>Primary Government</u> |                |
|                     | <u>2011</u>       | <u>2010</u>   | <u>2011</u>       | <u>2010</u>   | <u>2011</u>               | <u>2010</u>    |
| Current and         |                   |               |                   |               |                           |                |
| other assets        | \$ 35,360         | 28,620        | 8,326             | 5,666         | 43,686                    | 34,286         |
| Capital assets      | 46,128            | 46,469        | 35,622            | 26,562        | 81,750                    | 73,031         |
| Total assets        | <u>81,488</u>     | <u>75,089</u> | <u>43,948</u>     | <u>32,228</u> | <u>125,436</u>            | <u>107,317</u> |
| Long-term debt      |                   |               |                   |               |                           |                |
| outstanding         | 39,522            | 30,110        | 14,314            | 3,383         | 53,836                    | 33,493         |
| Other liabilities   | 9,327             | 8,972         | 2,771             | 2,662         | 12,098                    | 11,634         |
| Total liabilities   | <u>48,849</u>     | <u>39,082</u> | <u>17,085</u>     | <u>6,045</u>  | <u>65,934</u>             | <u>45,127</u>  |
| Net assets:         |                   |               |                   |               |                           |                |
| Invested in capital |                   |               |                   |               |                           |                |
| assets, net of debt | 26,276            | 22,148        | 22,289            | 23,159        | 48,565                    | 45,307         |
| Restricted          | 6,243             | 8,846         | 1,194             | 260           | 7,437                     | 9,106          |
| Unrestricted        | 120               | 5,013         | 3,378             | 2,764         | 3,498                     | 7,777          |
| Total net assets    | <u>\$ 32,639</u>  | <u>36,007</u> | <u>26,861</u>     | <u>26,183</u> | <u>59,500</u>             | <u>62,190</u>  |

A portion of the City's net assets (12.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$3,498,561 may be used to meet the government's ongoing obligations to citizens and creditors.

The government's net assets decreased by \$2,689,477 during the current fiscal year. This decrease represents the overall excess of expenses, including depreciation of \$12,691,976 over revenues.

**Governmental activities.** Governmental activities decreased the City's net assets by \$3,368,188. The key element was a non-cash charge for depreciation on capital assets of \$10,477,209.

**Business-type activities.** Business-type activities increased the City's net assets by \$678,711. The increase in net assets included a non-cash charge for depreciation on capital assets of \$2,214,767.

**City of Moore**  
**Management's Discussion and Analysis**  
**June 30, 2011**

Table 2  
Changes in Net Assets (In Thousands)

|                        | Governmental<br>Activities |               | Business-type<br>Activities |               | Total<br>Primary Government |               |
|------------------------|----------------------------|---------------|-----------------------------|---------------|-----------------------------|---------------|
|                        | <u>2011</u>                | <u>2010</u>   | <u>2011</u>                 | <u>2010</u>   | <u>2011</u>                 | <u>2010</u>   |
| Revenues:              |                            |               |                             |               |                             |               |
| Program revenues       |                            |               |                             |               |                             |               |
| Charges for services   | \$ 2,986                   | 2,814         | 17,677                      | 16,297        | 20,663                      | 19,111        |
| Operating grants       | 1,253                      | 577           | -                           | -             | 1,253                       | 577           |
| Capital grants         | -                          | -             | -                           | 1,218         | -                           | 1,218         |
| General revenues       |                            |               |                             |               | -                           | -             |
| Sales and use taxes    | 23,712                     | 23,629        | -                           | -             | 23,712                      | 23,629        |
| Property taxes         | 4,305                      | 3,125         | -                           | -             | 4,305                       | 3,125         |
| Franchise tax (fees)   | 2,643                      | 2,670         | -                           | -             | 2,643                       | 2,670         |
| Other taxes            | 1,950                      | 721           | -                           | -             | 1,950                       | 721           |
| Fines/forfeitures      | 1,532                      | 1,572         | -                           | -             | 1,532                       | 1,572         |
| Investment income      | 66                         | 87            | 7                           | 55            | 73                          | 142           |
| Other                  | 354                        | 534           | 193                         | 163           | 547                         | 697           |
| Total revenues         | <u>38,801</u>              | <u>35,729</u> | <u>17,877</u>               | <u>17,733</u> | <u>56,678</u>               | <u>53,462</u> |
| Expenses:              |                            |               |                             |               |                             |               |
| General government     | 8,120                      | 9,144         | 1,795                       | 1,813         | 9,915                       | 10,957        |
| Public safety          | 23,338                     | 15,828        | -                           | -             | 23,338                      | 15,828        |
| Streets                | 4,071                      | 3,564         | -                           | -             | 4,071                       | 3,564         |
| Public works           | 4,160                      | 4,914         | -                           | -             | 4,160                       | 4,914         |
| Cultural & recreation  | 1,866                      | 1,852         | -                           | -             | 1,866                       | 1,852         |
| Community development  | 3,690                      | 1,895         | -                           | -             | 3,690                       | 1,895         |
| Water and sewer        | -                          | -             | 9,671                       | 10,016        | 9,671                       | 10,016        |
| Sanitation             | -                          | -             | 1,409                       | 1,214         | 1,409                       | 1,214         |
| Interest on debt       | 1,248                      | 673           | -                           | -             | 1,248                       | 673           |
| Total expenses         | <u>46,493</u>              | <u>37,870</u> | <u>12,875</u>               | <u>13,043</u> | <u>59,368</u>               | <u>50,913</u> |
| Increase in net assets |                            |               |                             |               |                             |               |
| before transfers       | (7,692)                    | (2,141)       | 5,002                       | 4,690         | (2,690)                     | 2,549         |
| Transfers              | 4,324                      | 4,434         | (4,324)                     | (4,434)       | -                           | -             |
| Change in net assets   | (3,368)                    | 2,293         | 678                         | 256           | (2,690)                     | 2,549         |
| Beginning net assets   | 36,007                     | 33,714        | 26,183                      | 25,927        | 62,190                      | 59,641        |
| Prior adjustments      | -                          | -             | -                           | -             | -                           | -             |
| Ending net assets      | <u>\$ 32,639</u>           | <u>36,007</u> | <u>26,861</u>               | <u>26,183</u> | <u>59,500</u>               | <u>62,190</u> |

**City of Moore**  
**Management's Discussion and Analysis**  
**June 30, 2011**

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

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$32,565,453, an increase of \$7,221,082, in comparison with the prior year. Approximately 7.3% of this total amount (\$2,383,324) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for capital improvements and debt service.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,383,324. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unreserved fund balance represents 8.69% of total general fund expenditures and transfers out.

The fund balance of the City's general fund decreased by \$609,868 during the current fiscal year.

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

Unrestricted net assets of the Moore Public Works Authority at the end of the year amounted to \$5,711,356. The total increase in net assets was \$885,632.

- Operating revenues increased by \$1,364,105 over the prior year due to increased utility revenues.
- Operating expenses decreased by \$351,264, mainly due to a decreased utility operating expense.

**General Fund Budgetary Highlights**

There were differences between the original budget and the final budget for the general fund. Overall, actual revenues on the budgetary basis of \$26,839,688 were \$113,273 more than the estimated revenues in the budget of \$26,726,415. Actual expenditures of \$28,649,217 were \$2,966,393 less than the \$31,615,610 approved in budget appropriations. After a net transfer in of \$1,199,660 from other funds, the City decreased by \$609,869 its carry forward funds to cover the overall excess of expenditures over receipts. The amount of carryover funds budget for expenditure was \$2,383,325.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2011, amounts to \$81,749,476 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, vehicles, and infrastructure.

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

- Minor equipment purchases in various funds.
- Infrastructure improvements.

**City of Moore**  
**Management's Discussion and Analysis**  
**June 30, 2011**

Table 3  
Capital Assets  
(In Thousands)

|                                   | Governmental | Business-type |             |
|-----------------------------------|--------------|---------------|-------------|
|                                   | Activities   | Activities    | Total       |
|                                   | <u>2011</u>  | <u>2011</u>   | <u>2011</u> |
| Land and construction in progress | \$ 3,629     | 14,547        | 18,176      |
| Building and improvements         | 20,030       | 1,782         | 21,812      |
| Machinery and equipment           | 9,871        | 5,613         | 15,484      |
| Vehicles                          | 8,439        | 2,608         | 11,047      |
| Infrastructure                    | 102,279      | 61,811        | 164,090     |
|                                   | 144,248      | 86,361        | 230,609     |
| Less : Accumulated depreciation   | 98,120       | 50,739        | 148,859     |
| Net capital assets                | \$ 46,128    | 35,622        | 81,750      |

  

|                                   | Governmental | Business-type |             |
|-----------------------------------|--------------|---------------|-------------|
|                                   | Activities   | Activities    | Total       |
|                                   | <u>2010</u>  | <u>2010</u>   | <u>2010</u> |
| Land and construction in progress | \$ 3,618     | 3,745         | 7,363       |
| Building and improvements         | 19,845       | 1,782         | 21,627      |
| Machinery and equipment           | 9,244        | 5,161         | 14,405      |
| Vehicles                          | 8,207        | 2,607         | 10,814      |
| Infrastructure                    | 93,208       | 61,791        | 154,999     |
|                                   | 134,122      | 75,086        | 209,208     |
| Less : Accumulated depreciation   | 87,643       | 48,524        | 136,167     |
| Net capital assets                | \$ 46,479    | 26,562        | 73,041      |

Additional information of the City's capital assets can be found in Note 3.D. On pages 32-33 of this report.

**Long-term debt.** As of the end of the current fiscal year, the City had total debt outstanding of \$53,836,935. This represents debt secured solely by specified revenue sources (i.e., general obligation bonds, revenue notes and bonds) of \$52,939,690 and judgments of \$897,245.

**City of Moore**  
**Management's Discussion and Analysis**  
**June 30, 2011**

Table 4  
Long-term Debt  
(In Thousands)

|                          | Governmental<br>Activities<br><u>2011</u> | Business-type<br>Activities<br><u>2011</u> | Total<br><u>2011</u> |
|--------------------------|---|--|----------------------|
| General obligation bonds | \$ 16,925                                 | -  | 16,925               |
| Revenue bonds and notes  | 21,694                                    | 14,312                                     | 36,006               |
| Other                    | <u>898</u>                                | <u>8</u>                                   | <u>906</u>           |
| Net long-term debt       | \$ <u>39,517</u>                          | <u>14,320</u>                              | <u>53,837</u>        |

  

|                          | Governmental<br>Activities<br><u>2010</u> | Business-type<br>Activities<br><u>2010</u> | Total<br><u>2010</u> |
|--------------------------|---|--|----------------------|
| General obligation bonds | \$ 18,525                                 | -  | 18,525               |
| Revenue bonds and notes  | 10,399                                    | 3,381                                      | 13,780               |
| Other                    | <u>1,181</u>                              | <u>8</u>                                   | <u>1,189</u>         |
| Net long-term debt       | \$ <u>30,105</u>                          | <u>3,389</u>                               | <u>33,494</u>        |

The City's total debt increased by \$9,412,114 during the current fiscal year. The key factors in this increase was the issuance of \$15,243,273 in revenue notes by the Moore Economic Development Authority and principal debt reduction payments.

Additional information on the City's long-term debt can be found in Notes 3.E. on pages 33-36 of this report.

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

The City's elected and appointed officials considered many factors when setting the fiscal-year 2011-2012 budget, tax rates, and fees that will be charged for the proprietary fund type activities. One of these factors is the economy. Slower growth of the national economy has affected the local economy. Unemployment is up, sales tax revenues, however, have shown steady growth for the last several years, and utility revenues were strong and have shown moderate growth.

These indicators were taken into account when adopting the general fund budget for 2011-2012.

❖ Revenues, transfers in and expenses for the City's general fund are expected to increase slightly over the actual amounts received and expended in the fiscal year ended June 30, 2011.

❖ As for the City's proprietary fund activities, we expect significant growth in the revenues and expenses over those received in 2011.

All of these factors were considered in preparing the City's budget for the 2011-2012 fiscal year.



**City of Moore  
Management's Discussion and Analysis  
June 30, 2011**

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, bond rating agencies and creditors with a general overview of the City's finances reflecting the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 301 N. Broadway, Moore, Oklahoma 73160 or telephone at 405-793-5060.

Jim Corbett, CPA  
Finance Director

## **BASIC FINANCIAL STATEMENTS**

**City of Moore, Oklahoma**  
**Statement of Net Assets**  
*June 30, 2011*

|   | <b>Primary Government</b>          |                                     |                    |
|---|------------------------------------|-------------------------------------|--------------------|
|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>       |
| <b>ASSETS</b>                                     |                                    |                                     |                    |
| Pooled cash and cash equivalents                  | \$ 3,727,118                       | 4,390,504                           | 8,117,622          |
| Receivables (net of allowance for uncollectibles) | 521,979                            | 1,739,425                           | 2,261,404          |
| Receivables from other governments                | 2,111,569                          | -                                   | 2,111,569          |
| Inventories                                       | 35,984                             | -                                   | 35,984             |
| Bond issue cost (net of accumulated amortization) | 552,990                            | 186,649                             | 739,639            |
| Restricted assets:                                |                                    |                                     |                    |
| Restricted cash and investments                   | 28,410,413                         | 2,009,716                           | 30,420,129         |
| Capital assets:                                   |                                    |                                     |                    |
| Land, improvements, and construction in progress  | 3,628,676                          | 14,546,969                          | 18,175,645         |
| Other capital assets, net of depreciation         | 42,499,294                         | 21,074,537                          | 63,573,831         |
| Total assets                                      | <u>81,488,023</u>                  | <u>43,947,800</u>                   | <u>125,435,823</u> |
| <b>LIABILITIES</b>                                |                                    |                                     |                    |
| Accounts payable and accrued expenses             | 1,650,451                          | 55,991                              | 1,706,442          |
| Deposits  | 11,338                             | -                                   | 11,338             |
| Compensated absences, current                     | 898,765                            | 22,597                              | 921,362            |
| Notes payable, current                            | 4,531,439                          | 704,784                             | 5,236,223          |
| Bonds payable, current                            | 2,000,000                          | -                                   | 2,000,000          |
| Judgments payable, current                        | 444,689                            | -                                   | 444,689            |
| Liabilities payable from restricted assets        | -                                  | 1,042,679                           | 1,042,679          |
| Compensated absences, non-current                 | 2,696,293                          | 67,792                              | 2,764,085          |
| Claims payable, non-current                       | 4,069,830                          | 1,582,712                           | 5,652,542          |
| Notes payable, non-current                        | 17,168,594                         | 13,609,873                          | 30,778,467         |
| Bonds payable, non-current                        | 14,925,000                         | -                                   | 14,925,000         |
| Judgments payable, non-current                    | 452,556                            | -                                   | 452,556            |
| Total liabilities                                 | <u>48,848,955</u>                  | <u>17,086,428</u>                   | <u>65,935,383</u>  |
| <b>NET ASSETS</b>                                 |                                    |                                     |                    |
| Invested in capital assets, net of related debt   | 26,276,238                         | 22,288,783                          | 48,565,021         |
| Restricted for:                                   |                                    |                                     |                    |
| Debt service                                      | 5,093,273                          | 238,026                             | 5,331,299          |
| Capital improvements                              | -                                  | 956,037                             | 956,037            |
| Other purposes                                    | 1,149,522                          | -                                   | 1,149,522          |
| Unrestricted (deficit)                            | 120,035                            | 3,378,526                           | 3,498,561          |
| Total net assets                                  | <u>\$ 32,639,068</u>               | <u>26,861,372</u>                   | <u>59,500,440</u>  |

See accompanying notes to financial statements.

City of Moore, Oklahoma  
Statement of Activities  
For the Year Ended June 30, 2011

| Functions/Programs             | Expenses     | Program Revenues        |  |  | Net<br>(Expense)<br>Revenue |
|--------------------------------|--------------|-------------------------|--|--|-----------------------------|
|                                |              | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |                             |
| <b>Primary government:</b>     |              |                         |  |  |                             |
| Governmental activities:       |              |                         |  |  |                             |
| General government             | \$ 8,120,494 | 2,986,537               | -  | -                                      | (5,133,957)                 |
| Public safety                  |              |                         |  |  |                             |
| Police                         | 10,231,931   | 1,531,732               | 86,717                                   | -                                      | (8,613,482)                 |
| Fire                           | 10,482,658   | -                       | -  | -                                      | (10,482,658)                |
| Other                          | 2,623,121    | -                       | 72,316                                   | -                                      | (2,550,805)                 |
| Streets                        | 4,070,977    | -                       | -  | -                                      | (4,070,977)                 |
| Public works administration    | 4,159,691    | -                       | -  | -                                      | (4,159,691)                 |
| Culture and recreation         | 1,865,807    | -                       | 1,093,917                                | -                                      | (771,890)                   |
| Community development          | 3,690,378    | -                       | -  | -                                      | (3,690,378)                 |
| Interest on long-term debt     | 1,247,531    | -                       | -  | -                                      | (1,247,531)                 |
| Total government activities    | 46,492,588   | 4,518,269               | 1,252,950                                | -                                      | (40,721,369)                |
| Business-type activities:      |              |                         |  |  |                             |
| Water and sewer                | 9,670,611    | 12,888,221              | -  | -                                      | 3,217,610                   |
| Sanitation                     | 1,409,381    | 3,871,497               | -  | -                                      | 2,462,116                   |
| General government             | 1,795,128    | 917,679                 | -  | -                                      | (877,449)                   |
| Total business-type activities | 12,875,120   | 17,677,397              | -  | -                                      | 4,802,277                   |
| Total primary government       | 59,367,708   | 22,195,666              | 1,252,950                                | -                                      | (35,919,092)                |

**City of Moore, Oklahoma**  
**Statement of Activities**  
*For the Year Ended June 30, 2011*

|                                      | Primary Government         |                             |              |
|--------------------------------------|----------------------------|-----------------------------|--------------|
|                                      | Governmental<br>Activities | Business-type<br>Activities | Total        |
| <b>Change in net assets:</b>         |                            |                             |              |
| <b>Net (expense) revenue</b>         | \$ (40,721,369)            | 4,802,277                   | (35,919,092) |
| <b>General revenues:</b>             |                            |                             |              |
| Taxes:                               |                            |                             |              |
| Sales taxes                          | 23,067,614                 | -                           | 23,067,614   |
| Use taxes                            | 644,322                    | -                           | 644,322      |
| Property taxes                       | 4,305,008                  | -                           | 4,305,008    |
| Franchise taxes (fees)               | 2,643,181                  | -                           | 2,643,181    |
| Other taxes                          | 1,950,343                  | -                           | 1,950,343    |
| Unrestricted investment income       | 65,122                     | 7,272                       | 72,394       |
| Miscellaneous                        | 354,047                    | 192,706                     | 546,753      |
| Transfers                            | 4,323,544                  | (4,323,544)                 | -            |
| Total general revenues and transfers | 37,353,181                 | (4,123,566)                 | 33,229,615   |
| <b>Change in net assets</b>          | (3,368,188)                | 678,711                     | (2,689,477)  |
| <b>Net assets - beginning</b>        | 36,007,256                 | 26,182,661                  | 62,189,917   |
| <b>Net assets - ending</b>           | \$ 32,639,068              | 26,861,372                  | 59,500,440   |

See accompanying notes to financial statements.

**City of Moore, Oklahoma**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2011**

|                                      | General             | Moore<br>Econ. Dev.<br>Authority | Street<br>Project<br>Fund | Debt<br>Service<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------|---------------------|----------------------------------|---------------------------|-------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>                        |                     |                                  |                           |                         |                                |                                |
| Cash and cash equivalents            | \$ 1,185,093        | 410,067                          | -                         | -                       | 1,550,231                      | 3,145,391                      |
| Restricted cash and investments      | 503,759             | 15,432,076                       | 7,553,454                 | 4,921,124               | -                              | 28,410,413                     |
| Receivables, net                     | 488,028             | -                                | -                         | -                       | 27,063                         | 515,091                        |
| Receivables from other governments   | 1,803,232           | 284,337                          | -                         | 24,000                  | -                              | 2,111,569                      |
| Inventories                          | 35,984              | -                                | -                         | -                       | -                              | 35,984                         |
| Total assets                         | <u>4,016,096</u>    | <u>16,126,480</u>                | <u>7,553,454</u>          | <u>4,945,124</u>        | <u>1,577,294</u>               | <u>34,218,448</u>              |
| <b>LIABILITIES AND FUND BALANCES</b> |                     |                                  |                           |                         |                                |                                |
| Liabilities:                         |                     |                                  |                           |                         |                                |                                |
| Accounts payable                     | 1,224,884           | 4,899                            | -                         | -                       | 10,000                         | 1,239,783                      |
| Wages and benefits payable           | 396,550             | 5,324                            | -                         | -                       | -                              | 401,874                        |
| Deposits                             | 11,338              | -                                | -                         | -                       | -                              | 11,338                         |
| Total liabilities (Note 2)           | <u>1,632,772</u>    | <u>10,223</u>                    | <u>-</u>                  | <u>-</u>                | <u>10,000</u>                  | <u>1,652,995</u>               |
| Fund balances:                       |                     |                                  |                           |                         |                                |                                |
| Reserved for:                        |                     |                                  |                           |                         |                                |                                |
| Debt service                         | -                   | 148,149                          | -                         | 4,945,124               | -                              | 5,093,273                      |
| Capital improvements                 | -                   | 15,968,108                       | 7,553,454                 | -                       | 417,772                        | 23,939,334                     |
| Other purposes                       | -                   | -                                | -                         | -                       | 1,149,522                      | 1,149,522                      |
| Unreserved                           | <u>2,383,324</u>    | <u>-</u>                         | <u>-</u>                  | <u>-</u>                | <u>-</u>                       | <u>2,383,324</u>               |
| Total fund balances                  | <u>2,383,324</u>    | <u>16,116,257</u>                | <u>7,553,454</u>          | <u>4,945,124</u>        | <u>1,567,294</u>               | <u>32,565,453</u>              |
| Total liabilities and fund balances  | <u>\$ 4,016,096</u> | <u>16,126,480</u>                | <u>7,553,454</u>          | <u>4,945,124</u>        | <u>1,577,294</u>               |                                |

Amounts reported for governmental activities in the statement of net assets  
(Exhibit 1) are different because:

|   |             |
|---|-------------|
| Capital assets used in governmental activities are not financial resources<br>and therefore are not required in the funds.  | 46,127,970  |
| Bond issuance costs related to governmental activities, net of amortization   | 552,990     |
| Internal service funds are used by management to charge the costs of certain<br>activities to individual funds. Assets (excluding capital assets) and liabilities<br>of the internal services funds are allocated in the statement of net assets. | (3,540,329) |

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

|  |                    |
|--|--------------------|
| Bonds, notes and judgments payable are not due in the current period and<br>therefore are not reported in the funds. | (39,516,528)       |
| Accrued compensated absences   | <u>(3,550,488)</u> |

Net assets of governmental activities \$ 32,639,068

See accompanying notes to financial statements.

**City of Moore, Oklahoma**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2011**

|  | General<br>Fund     | Moore<br>Econ. Dev.<br>Authority | Street<br>Project<br>Fund | Debt<br>Service<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|----------------------------------|---------------------------|-------------------------|--------------------------------|--------------------------------|
| <b>REVENUES</b>                                      |                     |                                  |                           |                         |                                |                                |
| Taxes  | \$ 23,760,898       | 2,937,565                        | -                         | 4,305,008               | 873,722                        | 31,877,193                     |
| Intergovernmental                                    | 733,275             | -                                | -                         | -                       | 1,252,950                      | 1,986,225                      |
| Licenses and permits                                 | 311,368             | -                                | -                         | -                       | 20,635                         | 332,003                        |
| Charge for services                                  | 132,401             | -                                | -                         | -                       | 162,386                        | 294,787                        |
| Fines and forfeitures                                | 1,531,732           | -                                | -                         | -                       | -                              | 1,531,732                      |
| Investment revenue                                   | 29,976              | 6,407                            | 16,163                    | 9,910                   | 2,638                          | 65,094                         |
| Proceeds from debt issuances                         | -                   | 14,927,584                       | -                         | -                       | -                              | 14,927,584                     |
| Miscellaneous  | 340,038             | 210                              | -                         | -                       | 64,680                         | 404,928                        |
| Total revenues                                       | <u>26,839,688</u>   | <u>17,871,766</u>                | <u>16,163</u>             | <u>4,314,918</u>        | <u>2,377,011</u>               | <u>51,419,546</u>              |
| <b>EXPENDITURES</b>                                  |                     |                                  |                           |                         |                                |                                |
| Current:   |                     |                                  |                           |                         |                                |                                |
| General government                                   | 4,459,664           | -                                | -                         | -                       | -                              | 4,459,664                      |
| Public safety  | 17,551,823          | 4,303,369                        | -                         | -                       | 193,312                        | 22,048,504                     |
| Streets  | -                   | -                                | 5,066,274                 | -                       | -                              | 5,066,274                      |
| Public works administration                          | 4,072,063           | -                                | -                         | -                       | -                              | 4,072,063                      |
| Culture and recreation                               | 1,537,092           | -                                | -                         | -                       | 211,228                        | 1,748,320                      |
| Community development                                | 1,028,575           | 293,005                          | -                         | -                       | 1,270,810                      | 2,592,390                      |
| Debt service:  |                     |                                  |                           |                         |                                |                                |
| Principal  | -                   | 3,947,802                        | -                         | 1,600,000               | -                              | 5,547,802                      |
| Interest and other charges                           | -                   | 397,006                          | -                         | 850,525                 | -                              | 1,247,531                      |
| Total expenditures                                   | <u>28,649,217</u>   | <u>8,941,182</u>                 | <u>5,066,274</u>          | <u>2,450,525</u>        | <u>1,675,350</u>               | <u>46,782,548</u>              |
| Excess (deficiency) of revenues<br>over expenditures | <u>(1,809,529)</u>  | <u>8,930,584</u>                 | <u>(5,050,111)</u>        | <u>1,864,393</u>        | <u>701,661</u>                 | <u>4,636,998</u>               |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                     |                                  |                           |                         |                                |                                |
| Transfers in   | 23,221,953          | 1,742,401                        | -                         | -                       | 75,000                         | 25,039,354                     |
| Transfers out  | (22,022,292)        | (7,152)                          | -                         | (425,826)               | -                              | (22,455,270)                   |
| Total other financing sources and uses               | <u>1,199,661</u>    | <u>1,735,249</u>                 | <u>-</u>                  | <u>(425,826)</u>        | <u>75,000</u>                  | <u>2,584,084</u>               |
| Net change in fund balances                          | (609,868)           | 10,665,833                       | (5,050,111)               | 1,438,567               | 776,661                        | 7,221,082                      |
| Fund balances-beginning                              | 2,993,192           | 5,450,424                        | 12,603,565                | 3,506,557               | 790,633                        | 25,344,371                     |
| Fund balances-ending                                 | <u>\$ 2,383,324</u> | <u>16,116,257</u>                | <u>7,553,454</u>          | <u>4,945,124</u>        | <u>1,567,294</u>               | <u>32,565,453</u>              |

See accompanying notes to financial statements.

City of Moore, Oklahoma  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2011

|   |                       |
|---|-----------------------|
| Net change in fund balances - total governmental funds  | \$ 7,221,082          |
| 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. This is the amount by which depreciation (\$10,477,209) is exceeded by capital outlays \$10,132,113 in the current period. | (345,096)             |
| Proceeds from issuance of long-term debt is revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net assets.   | (15,110,714)          |
| Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.  | 5,698,600             |
| Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. This includes the net increase in compensated absences of (\$188,635) and amortization of debt issuance costs of (\$114,988).                                       | (303,623)             |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.   | <u>(528,437)</u>      |
| Change in net assets of governmental activities.  | <u>\$ (3,368,188)</u> |



**City of Moore, Oklahoma**  
**Proprietary Funds**  
**Statement of Net Assets**  
**June 30, 2011**

|  | <u>Business-type Activities - Enterprise Funds</u> |                            |                          | Internal                  |
|--|--|----------------------------|--------------------------|---------------------------|
|  |  | MPWA                       | Total                    | Service                   |
|  | <u>MPWA</u>  | <u>Sinking</u>             | <u>Funds</u>             | <u>Fund</u>               |
| <u>ASSETS</u>  |  |                            |                          |                           |
| Current assets:  |  |                            |                          |                           |
| Pooled cash and investments  | \$ 4,164,275                                       | -                          | 4,164,275                | 807,956                   |
| Receivables, utilities - Net of allowance for doubtful accounts of \$327,313 | 1,734,514  | -                          | 1,734,514                | -                         |
| Receivables, other   | 2,232  | -                          | 2,232                    | 9,567                     |
| Due from other funds   | -  | -                          | -                        | -                         |
| Total current assets   | <u>5,901,021</u>                                   | <u>-</u>                   | <u>5,901,021</u>         | <u>817,523</u>            |
| Restricted assets:   |  |                            |                          |                           |
| Restricted cash and investments  | <u>1,958,339</u>                                   | <u>51,377</u>              | <u>2,009,716</u>         | <u>-</u>                  |
| Non-current assets:  |  |                            |                          |                           |
| Bond issue cost - net  | -  | 186,649                    | 186,649                  | -                         |
| Capital assets:  |  |                            |                          |                           |
| Other capital assets, net  | <u>35,621,506</u>                                  | <u>-</u>                   | <u>35,621,506</u>        | <u>3,686</u>              |
| Total non-current assets   | <u>35,621,506</u>                                  | <u>186,649</u>             | <u>35,808,155</u>        | <u>3,686</u>              |
| Total assets   | <u><u>43,480,866</u></u>                           | <u><u>238,026</u></u>      | <u><u>43,718,892</u></u> | <u><u>821,209</u></u>     |
| <u>LIABILITIES</u>   |  |                            |                          |                           |
| Current liabilities:   |  |                            |                          |                           |
| Accounts payable   | 41,211   | -                          | 41,211                   | 6,534                     |
| Accrued compensated absences   | 18,264   | -                          | 18,264                   | 15,476                    |
| Other accrued liabilities  | 11,360   | -                          | 11,360                   | 5,680                     |
| Total current liabilities  | <u>70,835</u>                                      | <u>-</u>                   | <u>70,835</u>            | <u>27,690</u>             |
| Liabilities payable from restricted assets:                                  |  |                            |                          |                           |
| Interest payable   | -  | 86,642                     | 86,642                   | -                         |
| Debt payable - current   | -  | 702,548                    | 702,548                  | -                         |
| Deposits   | 956,037  | -                          | 956,037                  | -                         |
| Total liabilities payable from restricted assets                             | <u>956,037</u>                                     | <u>789,190</u>             | <u>1,745,227</u>         | <u>-</u>                  |
| Non-current liabilities:   |  |                            |                          |                           |
| Accrued compensated absences   | 54,792   | -                          | 54,792                   | 46,427                    |
| Claims payable, non-current  | -  | -                          | -                        | 5,652,542                 |
| Debt payable, non-current  | -  | 13,609,873                 | 13,609,873               | 7,986                     |
| Total non-current liabilities  | <u>54,792</u>                                      | <u>13,609,873</u>          | <u>13,664,665</u>        | <u>5,706,955</u>          |
| Total liabilities  | <u><u>1,081,664</u></u>                            | <u><u>14,399,063</u></u>   | <u><u>15,480,727</u></u> | <u><u>5,734,645</u></u>   |
| <u>NET ASSETS</u>  |  |                            |                          |                           |
| Invested in capital assets, net of related debt                              | 36,687,846   | (14,399,063)               | 22,288,783               | 3,686                     |
| Restricted   | -  | 238,026                    | 238,026                  | -                         |
| Unrestricted   | <u>5,711,356</u>                                   | <u>-</u>                   | <u>5,711,356</u>         | <u>(4,917,122)</u>        |
| Total net assets   | <u><u>\$ 42,399,202</u></u>                        | <u><u>(14,161,037)</u></u> | <u><u>28,238,165</u></u> | <u><u>(4,913,436)</u></u> |

See accompanying notes to financial statements.

**City of Moore, Oklahoma**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2011**

|   | Business-type Activities - Enterprise Funds |                     |                    | Internal           |
|---|---|---------------------|--------------------|--------------------|
|   |   | MPWA                | Total              | Service            |
|   | <u>MPWA</u>                                 | <u>Sinking</u>      | <u>Enterprise</u>  | <u>Fund</u>        |
| <b><u>OPERATING REVENUES:</u></b>               |   |                     |                    |                    |
| Charges for services                            | \$ 16,759,718                               | -                   | 16,759,718         | 3,277,426          |
| Miscellaneous                                   | -   | -                   | -                  | 366,368            |
| Total operating revenues                        | <u>16,759,718</u>                           | <u>-</u>            | <u>16,759,718</u>  | <u>3,643,794</u>   |
| <b><u>OPERATING EXPENSES:</u></b>               |   |                     |                    |                    |
| General government                              | 7,374,555                                   | -                   | 7,374,555          | 383,921            |
| Sanitation                                      | 1,168,610                                   | -                   | 1,168,610          | -                  |
| Insurance claims and expenses                   | -   | -                   | -                  | 6,411,170          |
| Amortization of bond costs                      | -   | 21,572              | 21,572             | -                  |
| Depreciation                                    | 2,214,767                                   | -                   | 2,214,767          | 14                 |
| Total operating expenses                        | <u>10,757,932</u>                           | <u>21,572</u>       | <u>10,779,504</u>  | <u>6,795,105</u>   |
| Operating income (loss)                         | <u>6,001,786</u>                            | <u>(21,572)</u>     | <u>5,980,214</u>   | <u>(3,151,311)</u> |
| <b><u>NONOPERATING REVENUES (EXPENSES):</u></b> |   |                     |                    |                    |
| Investment revenue                              | 7,245                                       | 16                  | 7,261              | 39                 |
| Other nonoperating revenue (expenses)           | 91,147                                      | -                   | 91,147             | -                  |
| Interest expense                                | -   | (192,990)           | (192,990)          | -                  |
| Total nonoperating revenues (expenses)          | <u>98,392</u>                               | <u>(192,974)</u>    | <u>(94,582)</u>    | <u>39</u>          |
| Net income before contributions                 |   |                     |                    |                    |
| and transfers                                   | 6,100,178                                   | (214,546)           | 5,885,632          | (3,151,272)        |
| Interaccount transfers                          | 10,803,536                                  | (10,803,536)        | -                  | -                  |
| Transfers from (to) other funds                 | <u>(5,000,000)</u>                          | <u>-</u>            | <u>(5,000,000)</u> | <u>2,415,916</u>   |
| Change in net assets                            | 11,903,714                                  | (11,018,082)        | 885,632            | (735,356)          |
| Net assets - beginning                          | 30,495,488                                  | (3,142,955)         | 25,935,967         | (4,178,080)        |
| Net assets - ending                             | <u>\$ 42,399,202</u>                        | <u>(14,161,037)</u> | <u>26,821,599</u>  | <u>(4,913,436)</u> |

See accompanying notes to financial statements.

**City of Moore, Oklahoma**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2011**

|  |                     | MPWA            | Total<br>Enterprise | Internal<br>Service |
|--|---------------------|-----------------|---------------------|---------------------|
|  | <u>MPWA</u>         | <u>Sinking</u>  | <u>Funds</u>        | <u>Fund</u>         |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>  |                     |                 |                     |                     |
| Receipts from customers  | \$ 16,271,890       | -               | 16,271,890          | 3,643,794           |
| Payments to suppliers  | (7,809,696)         | 65,248          | (7,744,448)         | (28,924)            |
| Payments to employees  | (747,934)           | -               | (747,934)           | (354,162)           |
| Claims and judgments paid  | -                   | -               | -                   | (6,411,170)         |
| Net cash provided (used) by operating activities   | <u>7,714,260</u>    | <u>65,248</u>   | <u>7,779,508</u>    | <u>(3,150,462)</u>  |
| <u>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</u>  |                     |                 |                     |                     |
| Restricted assets released for debt service  | -                   | 2               | 2                   | -                   |
| Restricted assets received for construction  | (1,066,339)         | -               | -                   | -                   |
| (Increase) in restricted assets for meter deposits   | (110,333)           | -               | (110,333)           | -                   |
| Purchases of capital assets  | (11,274,256)        | -               | (11,274,256)        | (3,666)             |
| Proceeds from OWRB loan  | -                   | 11,715,343      | 11,715,343          | -                   |
| Principal paid on capital debt   | -                   | (784,083)       | (784,083)           | -                   |
| Interest paid on capital debt  | -                   | (192,990)       | (192,990)           | -                   |
| Transfers from (to) other funds  | 5,803,536           | (10,803,536)    | (5,000,000)         | 2,415,916           |
| Other receipts (payments)  | <u>91,147</u>       | <u>-</u>        | <u>91,147</u>       | <u>-</u>            |
| Net cash provided (used) by capital and<br>related financing activities                                      | <u>(6,556,245)</u>  | <u>(65,264)</u> | <u>(5,555,170)</u>  | <u>2,412,250</u>    |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>  |                     |                 |                     |                     |
| Interest received  | <u>7,245</u>        | <u>16</u>       | <u>7,261</u>        | <u>39</u>           |
| Net cash provided (used) by investing activities   | <u>7,245</u>        | <u>16</u>       | <u>7,261</u>        | <u>39</u>           |
| Net increase (decrease in cash and<br>cash equivalents   | 1,165,260           | -               | 1,165,260           | (738,173)           |
| Balances - beginning of the year   | 2,999,015           | -               | 2,999,015           | 1,546,129           |
| Balances - end of the year   | <u>\$ 4,164,275</u> | <u>-</u>        | <u>4,164,275</u>    | <u>807,956</u>      |
| <u>RECONCILIATION OF OPERATING INCOME (LOSS)<br/>TO NET CASH PROVIDED (USED) BY OPERATING<br/>ACTIVITIES</u> |                     |                 |                     |                     |
| Operating income (loss)  | 6,001,786           | (21,572)        | 5,980,214           | (3,151,311)         |
| Adjustments to reconcile operating income to<br>net cash provided by operating activities:                   |                     |                 |                     |                     |
| Cash flows reported in other categories:   |                     |                 |                     |                     |
| Depreciation expense   | 2,214,767           | -               | 2,214,767           | 14                  |
| Amortization of issuance costs   | -                   | 21,572          | 21,572              | -                   |
| Change in assets and liabilities:  |                     |                 |                     |                     |
| Receivable, net  | (514,640)           | -               | (514,640)           | 1,123               |
| Due from other funds   | -                   | -               | -                   | 13,679              |
| Accounts payable   | 2,867               | -               | 2,867               | (237,858)           |
| Accrued compensated absences   | 8,364               | -               | 8,364               | (1,599)             |
| Other current liabilities  | 1,116               | 65,248          | 66,364              | 490                 |
| Claims payable   | <u>-</u>            | <u>-</u>        | <u>-</u>            | <u>225,000</u>      |
| Net cash provided by (used in) operating activities \$   | <u>7,714,260</u>    | <u>65,248</u>   | <u>7,779,508</u>    | <u>(3,150,462)</u>  |

See accompanying notes to financial statements.

City of Moore, Oklahoma  
Statement of Fiduciary Net Assets  
Pension Funds  
*June 30, 2011*

**ASSETS**

|              |                  |
|--------------|------------------|
| Investments  | \$ 9,304,777     |
| Total assets | <u>9,304,777</u> |

**LIABILITIES**

|                   |          |
|-------------------|----------|
| Other liabilities | -        |
| Total liabilities | <u>-</u> |

**NET ASSETS**

|   |                     |
|---|---------------------|
| Held in trust for pension benefits and other purposes | <u>\$ 9,304,777</u> |
|---|---------------------|

See accompanying notes to financial statements.

**NOTES TO BASIC  
FINANCIAL STATEMENTS**

**CITY OF MOORE, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In accordance with GASB Statement Nos. 20, 34, and 39, for its governmental and business-type activities, enterprise funds the City has elected to apply Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

**A. REPORTING ENTITY**

The City of Moore, Oklahoma is a municipal corporation, incorporated in 1893. The City operates under a Council-City Manager form of government. The governing body consists of six elected council members and a mayor. The mayor and council members are each elected to serve a four-year term. The City Manager administers policies and coordinates the activities of the City. The heads of the various departments, formed to provide various services, are under the direct supervision of the City Manager.

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement Nos. 14, 34, and 39, and includes all component units of which the City is fiscally accountable.

Each of these component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-government obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, the City has leased certain existing assets at the creation of the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

The Moore Public Works Authority (MPWA) operated the City's municipal utilities, including long-term financing and capital development. Council members serve as trustees and the City Manager is General Manager. The Authority is reported as a proprietary fund.

The Moore Economic Development Authority (MEDA) finances projects and development of the City's municipal infrastructure. City Council members serve as trustees and the City Manager is General Manager. The Authority is reported as a governmental fund.

**B. BASIC FINANCIAL STATEMENTS**

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

*Government-wide financial statements* display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

*Fund financial statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the City's business-type activities/enterprise funds, as well as some special revenue funds, and the General Fund. The City allocates charges as reimbursement for services provided by the General Fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**C. Basis of Presentation**

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

GASB 34 sets forth minimum criteria (percentage of the assets liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City selectively added funds as major funds, which either had debt outstanding or specific community focus. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

*General Fund*

This is the City's primary operating fund. It accounts for all the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenue are sales tax, licenses and permits, state and county shared revenues and fines and forfeitures. Primary expenditures are for general government, public safety, public works and community development.

*Moore Economic Development Authority*

Accounts for the financing and development of general government infrastructure projects.

*Debt Service Fund*

Accounts for the accumulation of resources and payment of principal and interest on general obligation bonds and judgments.

Additionally, the City reports non-major funds within the governmental fund type.

Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Business or Proprietary Funds).



**City of Moore, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2011**

The City reports each of its two proprietary funds as major funds. These funds are used to account for the acquisition, operation, and maintenance of water, sewer and sanitation. These funds are entirely or predominantly self-supported through user charges to customers. The City reports the following proprietary funds:

*Moore Public Works Authority Fund*

Accounts for the operation, and maintenance of water, sewer and sanitation systems.

*Moore Public Works Authority Sinking Fund*

Accounts for the accumulation of resources and payment of principal and interest on proprietary debt.

The City also reports the following other fund type:

*Internal Service Fund*

They account for the financing of goods and services provided by one department to other departments within the City on a cost reimbursement basis. This includes risk management and self-insured health services.

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus.

The Government-wide Financial Statements and the Proprietary Funds Financial Statements are presented on a *full accrual* basis of accounting with an *economic resource* measurement focus. An economic resource focus concentrates on an entity or fund's net assets. All transactions and events that affect the total economic resources (net assets) during the period are reported. An economic resources measurement focus is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

Governmental Funds and Permanent Fund Financial Statements are presented on a *modified accrual* basis of accounting with a *current financial resource* measurement focus. This measurement focus concentrates on the fund's resources available for spending in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual accounting, a current financial resource measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

A deferred revenue liability arises in the Governmental Funds Balance Sheet when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. In the government-wide Statement of Net Assets, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the Governmental Fund Balance Sheet for unavailable deferred revenue is eliminated. Note that deferred revenues also arise outside the scope of measurement focus and basis of accounting, such as when the City receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures.

**City of Moore, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2011**

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences are recorded as expenditures only to the extent that they are expected to be liquidated with expendable financial resources. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

## **E. ASSETS, LIABILITIES, AND EQUITY**

### ***Cash and Investments***

Cash and cash equivalents include cash on hand, demand deposits, short-term investments with original or remaining maturities of three months or less when purchased, and cash and investments in the City-wide investment pool. Investments, including equity in pooled cash and investments, are stated at fair value.

### ***Restricted Assets***

Assets whose use is restricted for construction, debt service or by other agreement are segregated on the Government-wide Statement of Net Assets and the Proprietary Fund Statement of Net Assets.

### ***Receivables and Payables***

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Uncollected property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue. Property taxes are levied and become a lien on July 1. Collection dates are January 1 and March 1 following the lien date.

**City of Moore, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2011**

Taxes unpaid and outstanding on March 1 are considered delinquent.

Receivables of the enterprise funds are recognized as revenue when earned. Receivables in governmental and enterprise funds are stated net of an allowance for uncollectibles.

***Inventories***

Inventories of materials and supplies in the enterprise funds are stated at cost on a first-in, first-out basis and charged to expenses as used.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, pathways, street lights, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In the governmental fund statements, capital assets are charged to expenditures as purchased, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of the donation.

Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 or more, and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

| <u>ASSET</u>               | <u>YEARS</u> |
|----------------------------|--------------|
| Buildings and improvements | 35-60        |
| Furniture and fixtures     | 5-10         |
| Machinery and equipment    | 5-20         |
| Vehicles                   | 5-10         |
| Utility systems            | 25-99        |
| Infrastructure             | 25-99        |

One-half year of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

***Accrued Compensated Absences and Sick Pay***

The City's policies regarding vacation, compensatory, holiday time and sick leave permit employees to accumulate varying amounts as determined by management and contracts with employee groups. Accumulated vested vacation pay is accrued as it is earned. For governmental funds, the non-current portion (the amount estimated to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. Only the current portion is reported in the governmental funds, and is calculated based on historical trends. In business-type/enterprise funds, both the current and long-term liabilities are recorded. Sick pay, which does not vest, is recognized in all funds when leave is taken.

**City of Moore, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2011**

***Long-Term Debt***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financing uses. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***Fund Equity***

Tentative plans for utilization of fund balances in future periods are recorded as designations of fund balance in the fund-level financial statements. Planned expenditures include future capital projects, debt service, equipment reserves and other commitments for which fund balances have not been appropriated or specifically segregated.

***Use of Estimates***

In preparing the City of Moore's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Subsequent Events***

Subsequent events have been evaluated through September 1, 2011, which is the date the financial statements were issued.

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Deficit Fund Balances or Net Assets**

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund of the City (excluding public trusts). At June 30, 2011, the City reported no individual fund deficits.

**B. BUDGETARY INFORMATION**

**2.B.1. Budget Policy and Practice**

The City Manager 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. By June, the City Council adopts the annual fiscal year budgets for City operating funds. The City's financial statement presents budget and actual financial statements for the following funds approved in the budget: General, Moore Economic Development, Debt Service, Moore Public Works Authority and Risk Management. In addition, the City Council approves budgets for other operations, in part or in whole, not presented in the financial statements. 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.

**City of Moore, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2011**

**2.B.2. Basis of Budgeting**

Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personal services, material and supplies, other services and charges, capital outlays, transfers and debt service. Budget revisions at this level are managed administratively and reported to the City Council. The legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations without approval. Revisions to the budget are made throughout the year.

The budgets for the operating funds and proprietary fund operations are prepared on the cash and expenditure/encumbrance basis. Revenues are budgeted in the year receipt is expected; and expenditures are budgeted in the year that the applicable purchase orders are expected to be issued. The Debt Service Fund budget is prepared to provide funding for general obligation debt service when liabilities are due for payment. The budget and actual financial statements are reported on these bases. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

**C. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS**

In accordance with State Law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations or surety bonds. As required by 12 U.S.C.A., Section 1823(e), the financial institutions pledging collateral to the City must do so with a written collateral agreement approved by the board of directors or loan committee.

Investments of the City (excluding Public Trusts) whose population exceeds 3,000 according to the latest census information are limited by State Law to the following:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral.
- c. Negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations. Any investments in these instruments must be fully collateralized with investments mentioned in the previous paragraphs a. and b., where the collateral has been deposited with a trustee in an irrevocable trust or escrow account.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c. and d.

Public trusts created under Title 60 of the Oklahoma Statutes, are not subject to the above noted investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2011, the City and its included component unit complied, in all material respects, with the above noted investment restrictions.

City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued**

**D. REVENUE RESTRICTIONS**

Certain restrictions are placed over certain revenue sources due to state or local requirements. The primary restricted revenue sources include:

| <u>Revenue Source</u>                    | <u>Legal Restrictions of Use</u>        |
|--|---|
| Sales Tax                                | Debt service on Revenue Notes           |
| Gasoline Excise & Commercial Vehicle Tax | Street and Alley Purposes               |
| E-911 Revenue                            | E-911 Emergency Services Purposes       |
| Cemetery Revenue (12.5%)                 | Cemetery Capital Improvements           |
| Grant Revenues                           | Grant Agreement Specified Uses          |
| Water and Sewer                          | Debt service on Revenue Notes and Bonds |

For the year ended June 30, 2011, the City complied, in all material respects, with these revenue restrictions.

***Other Long-Term Debt***

As required by the Oklahoma State Constitution, the City (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without first obtaining voter approval.

***Enterprise Fund Debt***

The bond indenture relating to debt issuance of the Moore Public Works Authority contain a number of restrictions or covenants that are financial related. These include covenants such as a required flow of funds through special accounts, a debt service coverage requirement and required reserve account balances. The following schedule presents a brief summary of the most significant requirements and the Authority's level of compliance thereon as of June 30, 2011.

**Requirement**

**a. Flow of Funds -**

- |  |   |
|--|---|
| 1. 2009 OWRB Note Payable - Revenue Account, Bond Account, Project Account, Sinking Fund and Sinking Fund Reserve. | The Authority maintained all required accounts and made all required payments into such accounts. |
| 2. 2005 Refunding Revenue Note Payable- Revenue Account, Bond Account, Project Account, Sinking Fund.              | The Authority maintained all required accounts and made all required payments into such accounts. |
| 3. 2010 OWRB Note Payable - Revenue Account, Bond Account, Project Account, Sinking Fund and Sinking Fund Reserve. | The Authority maintained all required accounts and made all required payments into such accounts. |

City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

**NOTE 3 - DETAILED NOTES - TRANSACTION CLASSES/ACCOUNTS - Continued**

Requirement

b. Debt Service Coverage Requirements -

- |  |  |
|--|--|
| 1. 2009 OWRB Note Payable - Net operating revenue plus pledged sales tax must equal 125% the maximum annual debt service on all obligations payable from the revenue.              | Net revenues, including sales tax transferred, amounts to \$36,964,609. The maximum annual debt service amounted to \$1,675,226. Actual coverage was 16.97 times debt service. |
| 2. 2005 Refunding Revenue Note Payable - Net operating revenue plus pledged sales tax must equal 125% the maximum annual debt service on all obligations payable from the revenue. | Net revenues, including sales tax transferred, amounts to \$36,964,609. The maximum annual debt service amounted to \$1,675,226. Actual coverage was 16.97 times debt service. |
| 3. 2010 OWRB Note Payable - Net operating revenue plus pledged sales tax must equal 125% the maximum annual debt service on all obligations payable from the revenue.              | Net revenues, including sales tax transferred, amounts to \$36,964,609. The maximum annual debt service amounted to \$1,675,226. Actual coverage was 16.97 times debt service. |

**D. FUND EQUITY RESTRICTIONS**

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund. For the year ended June 30, 2011, the City had not incurred any fund balance deficit.

***Fund Balance Required Reserves***

The only required reserves of fund equity relate to restricted revenue accounted for within the General Fund. The only significant restricted revenue of the General Fund is the restricted sales tax (as described in Note 1) And gasoline excise/commercial vehicle tax (as described in Note 2). As of June 30, 2011, all such restricted revenue had been used in accordance with their specified purposes, therefore, no such fund balance reserves are necessary.

***Retained Earnings Required Reserves***

The required reserves of retained earnings relate to net assets held to meet revenue bond and note indenture requirements (as described in Note 2). Details on these reserves at June 30, 2011, are at Note 3.

**3. DETAILED NOTES ON ALL FUNDS**

The following notes present detail information to support the amounts reported in the general-purpose financial statements for its various assets, liabilities, equity, revenues and expenditures/expenses.

**A. Cash and Investments**

***Deposits***

The City of Moore, including its blended component units held the following deposits and investments at June 30, 2011.

**City of Moore, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2011**

**Schedule of Deposits and Investment Type**

| Type:                       | Fair Value           | Credit Rating | On Demand        | Less Than One     | 1-5      | 6-10     |
|-----------------------------|----------------------|---------------|------------------|-------------------|----------|----------|
| Demand deposits             | \$ 8,117,622         | AAAm/Aaa      | 8,117,622        | -                 | -        | -        |
| Money market account        | -                    |               | -                | -                 | -        | -        |
| U.S. Obligations            | 30,420,129           | AAA/Aaa       | -                | 30,420,129        | -        | -        |
| U.S. Agencies Obligations   | -                    |               | -                | -                 | -        | -        |
| Total                       | \$ <u>38,537,751</u> |               | <u>8,117,622</u> | <u>30,420,129</u> | <u>-</u> | <u>-</u> |
| Reconciliation to Statement |                      |               |                  |                   |          |          |
| Of Net Assets:              |                      |               |                  |                   |          |          |
| Cash and cash equivalents   | 8,117,622            |               |                  |                   |          |          |
| Restricted investments      | <u>30,420,129</u>    |               |                  |                   |          |          |
|                             | <u>38,537,751</u>    |               |                  |                   |          |          |

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

The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 110% of the uninsured deposits and accrued interest thereon. The investment policy also limits acceptable collateral to U.S. Treasury securities and direct debt obligations of municipalities, counties and school districts in the state of Oklahoma. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2011, the City was not exposed to custodial credit risk as defined above.

**Investment Credit Risk** - The City's investment policy limits investments to those allowed in state law applicable to municipalities. These investment limitations are described in Note 2.C. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations - rating agencies - as of the year end. Unless there is information to the contrary, obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality. The credit rating of other City investments are listed in the schedule above.

**Investment Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy limits investments to those with a maturity no more than three years from the date of purchase, except for reserve funds, as a means of managing exposure to fair value losses arising from increasing interest rates. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its investments.

As noted in the schedule of deposits and investments above, at June 30, 2011, the investments held by the City mature between less than a year through more than 5 years.



City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

**B. RESTRICTED ASSETS**

The amounts reported as restricted assets of the enterprise fund type on the combined balance sheet are comprised of amounts held for utility deposits (refunded upon termination of service or applied to account for good payment history), for construction funded through long-term debt and debt service.

The restricted assets as of June 30, 2011 were as follows:

| Type of<br>Restricted Assets        | Governmental<br>Activities | Business-type<br>Activities | Total             |
|-------------------------------------|----------------------------|-----------------------------|-------------------|
| Utility deposits and other accounts | \$ 503,759                 | 892,000                     | 1,395,759         |
| Construction funds                  | 22,837,381                 | -                           | 22,837,381        |
| Debt service sinking funds          | 5,069,273                  | 1,117,716                   | 6,186,989         |
| Total Restricted Assets             | <u>\$ 28,410,413</u>       | <u>2,009,716</u>            | <u>30,420,129</u> |

**C. ACCOUNTS RECEIVABLE**

Accounts receivable of the Moore Public Works Authority Enterprise Fund consist of utility revenue earned both billed and unbilled. The accounts receivable and the allowance for uncollectible accounts at June 30, 2011, are as follows:

|   |                     |
|---|---------------------|
| Accounts receivable - Billed                | \$ 1,051,055        |
| Accounts receivable - Unbilled              | 1,010,772           |
| Less : Allowance for uncollectible accounts | <u>(327,313)</u>    |
| Net Accounts Receivable                     | <u>\$ 1,734,514</u> |

**D. CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2011 was as follows:

***Governmental activities***

Capital assets not being depreciated :

|  |                  |               |          |                  |
|--|------------------|---------------|----------|------------------|
| Land                                       | \$ 3,617,551     | 11,125        | -        | 3,628,676        |
| Total capital assets not being depreciated | <u>3,617,551</u> | <u>11,125</u> | <u>-</u> | <u>3,628,676</u> |

Capital assets being depreciated :

|   |                      |                   |                     |                    |
|---|----------------------|-------------------|---------------------|--------------------|
| Buildings and improvements                  | 19,844,733           | 185,708           | -                   | 20,030,441         |
| Machinery and equipment                     | 9,243,746            | 626,711           | -                   | 9,870,457          |
| Vehicles                                    | 8,206,834            | 232,546           | -                   | 8,439,380          |
| Infrastructure                              | 93,208,982           | 9,070,446         | -                   | 102,279,428        |
| Total capital assets being depreciated      | <u>130,504,295</u>   | <u>10,115,411</u> | <u>-</u>            | <u>140,619,706</u> |
| Less : Accumulated depreciation             | <u>87,643,203</u>    | <u>-</u>          | <u>10,477,209</u>   | <u>98,120,412</u>  |
| Governmental activities capital assets, net | <u>\$ 46,478,643</u> | <u>10,126,536</u> | <u>(10,477,209)</u> | <u>46,127,970</u>  |

City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

Depreciation expense for governmental activities is charged to functions as follows:

**Governmental activities:**

|  |                      |
|--|----------------------|
| General government                                   | \$ 1,912,594         |
| Public safety  | 3,396,208            |
| Streets  | 3,425,190            |
| Public works administration                          | 86,128               |
| Cultural and recreation                              | 485,394              |
| Community development                                | 1,171,695            |
| Total depreciation expense - governmental activities | <u>\$ 10,477,209</u> |

Capital asset activity for business-type activities for the year ended June 30, 2011 was as follows:

**Business-type activities**

Capital assets not being depreciated :

|  |                  |                   |          |                   |
|--|------------------|-------------------|----------|-------------------|
| Land                                       | \$ -             | -                 | -        | -                 |
| Construction in progress                   | 3,744,704        | 10,802,265        | -        | 14,546,969        |
| Total capital assets not being depreciated | <u>3,744,704</u> | <u>10,802,265</u> | <u>-</u> | <u>14,546,969</u> |

Capital assets being depreciated :

|  |                      |                   |                    |                   |
|--|----------------------|-------------------|--------------------|-------------------|
| Buildings and improvements                   | 1,782,000            | -                 | -                  | 1,782,000         |
| Machinery and equipment                      | 5,160,836            | 452,347           | -                  | 5,613,183         |
| Vehicles                                     | 2,607,470            | -                 | -                  | 2,607,470         |
| Infrastructure                               | 61,791,335           | 19,643            | -                  | 61,810,978        |
| Total capital assets being depreciated       | <u>71,341,641</u>    | <u>471,990</u>    | <u>-</u>           | <u>71,813,631</u> |
| Less : Accumulated depreciation              | <u>48,524,327</u>    | <u>-</u>          | <u>2,214,767</u>   | <u>50,739,094</u> |
| Business-type activities capital assets, net | <u>\$ 26,562,018</u> | <u>11,274,255</u> | <u>(2,214,767)</u> | <u>35,621,506</u> |

Depreciation expense for business-type activities is charged to functions as follows:

**Business-type activities:**

|   |                     |
|---|---------------------|
| Water   | \$ 966,305          |
| Sewer   | 967,314             |
| Sanitation  | 240,771             |
| General government                                    | 40,377              |
| Total depreciation expense - business-type activities | <u>\$ 2,214,767</u> |

**E. LONG-TERM DEBT**

The City's long-term debt is segregated between the amounts to be repaid from governmental activity funds and amounts to be repaid from business-type activity funds.

City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

**Governmental Activities:**

**General Obligation Bonds**

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects. General obligation bonds were issued May 3, 1999 in the amount of \$7,800,000 for the purposes of refunding the outstanding portion of the General Obligation Bonds of 1992, January 1, 2003 in the amount of \$7,870,000 for the construction and repair of streets, January 1, 2009 in the amount of \$7,400,000 for street improvements and June 1, 2010 of \$6,925,000 for street improvements.

|   |                      |
|---|----------------------|
| \$7,800,000 General Obligation Bonds of 1999 due in annual principal installments through April 1, 2012, interest rates ranging from 4.00% to 6.25% | \$ 600,000           |
| \$7,870,000 General Obligation Bonds of 2003 due in annual principal installments through July 1, 2012, interest rates ranging from 2.13% to 3.70%  | 2,000,000            |
| \$7,400,000 General Obligation Bonds of 2009 due in annual principal installments through July 1, 2018, interest rates ranging from 3.75% to 5.25%  | 7,400,000            |
| \$6,925,000 General Obligation Bonds of 2010 due in annual principal installments through July 1, 2018, interest rates ranging from 2.00% to 2.80%  | <u>6,925,000</u>     |
| Total General Obligation Bonds  | <u>\$ 16,925,000</u> |

**Revenue Notes**

The Moore Economic Development Authority has issued various revenue and refunding revenue notes for the purposes of municipal capital improvements.

|   |                      |
|---|----------------------|
| \$3,300,000 Revenue Notes, Series 2005 due in monthly principal and interest installments of \$10,340 to \$48,302 through Sept. 1, 2012, interest rate of 3.76%   | \$ 706,681           |
| \$2,049,000 Revenue Notes, Series 2007 due in monthly principal and interest installments of \$38,106 through June 27, 2012, interest rate of 4.40%   | 446,677              |
| \$14,000,000 Public Safety Revenue Notes, Series 2007 due in monthly principal and interest installments of \$38,106 through November, 2016, interest rate of 4.50%   | 4,230,002            |
| \$16,400,000 Public Safety Revenue Note, Series 2009 due in monthly principal and interest installments of \$38,106 through March 1, 2031, interest rate of 4.05% as of June 30, 2011, MEDA has drawn \$1,178,200 against the Revenue Note. | <u>16,310,923</u>    |
| Total Revenue Notes   | <u>\$ 21,694,283</u> |

City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

***Judgments Payable***

Judgments payable:

Worker compensation and property judgments payable in three annual installments including principal and interest; final payment due in fiscal years 2012-2014. \$ 897,246

***Accrued Compensated Absences***

|                                    |                     |
|------------------------------------|---------------------|
| Current portion                    | \$ 898,765          |
| Non-current portion                | <u>2,696,293</u>    |
| Total Accrued Compensated Absences | <u>\$ 3,595,058</u> |

***Business-type Activities:***

***Notes Payable***

\$3,943,482 Note Payable to the Oklahoma Water Resource Board dated May 28, 2009, payable in annual principal installments of \$62,400 to \$158,300, final payment due Sept. 15, 2029; interest rate of 2.85% and administrative fee of 0.5%. \$ 2,048,097

\$42,837,500 Note Payable to the Oklahoma Water Resource Board dated Sept. 24, 2010, payable in annual principal installments of varying amounts, final payment due March 15, 2033; interest rate of 2.06% and administrative fee of 0.5% As of June 30, 2011, MPWA has drawn \$11,715,343 on the loan. 11,715,343

\$3,610,000 Moore Public Works Authority Revenue Refunding Note, Series 2005 dated August 30, 2005, payable in monthly installments of \$51,370; final payment due August 12, 2012; interest rate of 3.58%. 548,981

Total Notes Payable \$ 14,312,421

***Structured Settlement Payable***

\$75,000 settlement in favor of Verona Deer, payable in \$5,000 installments every three years with a final payment due October, 2036; recorded at net present value of the remaining payments assuming a 9% interest rate \$ 7,986

***Accrued Compensated Absences***

|                                    |                  |
|------------------------------------|------------------|
| Current portion                    | \$ 22,597        |
| Non-current portion                | <u>67,792</u>    |
| Total Accrued Compensated Absences | <u>\$ 90,389</u> |

City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

**Changes in Long-term Debt**

The following is a summary of changes in long-term debt for the year ended June 30, 2011:

|                                 | Beginning<br><u>Balance</u> | <u>Increases</u>  | <u>Decreases</u> | Ending<br><u>Balance</u> | Amounts<br>Due Within<br><u>One Year</u> |
|---------------------------------|-----------------------------|-------------------|------------------|--------------------------|--|
| <b>Governmental activities</b>  |                             |                   |                  |                          |  |
| General Long-term debt:         |                             |                   |                  |                          |  |
| General Obligation Bonds        | \$ 18,525,000               | -                 | 1,600,000        | 16,925,000               | 2,000,000                                |
| MEDA Notes Payable              | 10,398,812                  | 15,243,273        | 3,947,802        | 21,694,283               | 4,525,689                                |
| Judgments Payable               | 1,180,602                   | 132,559           | 415,916          | 897,245                  | 444,689                                  |
| Accrued compensated absences    | 3,407,575                   | 187,483           | -                | 3,595,058                | 898,765                                  |
| Total governmental activities   | <u>33,511,989</u>           | <u>15,563,315</u> | <u>5,963,718</u> | <u>43,111,586</u>        | <u>7,869,143</u>                         |
| <b>Business-type activities</b> |                             |                   |                  |                          |  |
| Proprietary Fund Debt:          |                             |                   |                  |                          |  |
| Notes Payable                   | 3,381,161                   | 11,715,343        | 784,083          | 14,312,421               | 702,548                                  |
| Structured Settlements Payable  | 7,986                       | -                 | -                | 7,986                    | -  |
| Accrued compensated absences    | 82,472                      | 7,917             | -                | 90,389                   | 22,597                                   |
| Total business-type activities  | <u>\$ 3,471,619</u>         | <u>11,723,260</u> | <u>784,083</u>   | <u>14,410,796</u>        | <u>725,145</u>                           |

**Annual Debt Service Requirements**

The annual debt service requirements to maturity, including principal and interest, for long-term debt, with interest rates applicable at June 30, 2011 are as follows:

| Year Ending<br><u>June 30,</u> | <u>Governmental Activities</u> |                   | <u>Business-Type Activities</u> |                  |
|--------------------------------|--------------------------------|-------------------|---------------------------------|------------------|
|                                | <u>Principal</u>               | <u>Interest</u>   | <u>Principal</u>                | <u>Interest</u>  |
| 2012                           | \$ 6,970,377                   | 1,489,889         | 702,548                         | 65,297           |
| 2013                           | 5,317,955                      | 1,135,054         | 198,670                         | 51,346           |
| 2014                           | 2,637,530                      | 1,011,167         | 653,174                         | 333,727          |
| 2015                           | 2,617,825                      | 916,685           | 665,174                         | 316,108          |
| 2016                           | 2,643,317                      | 2,395,569         | 678,329                         | 298,488          |
| 2017-2021                      | 9,637,330                      | 2,700,224         | 3,627,452                       | 1,168,148        |
| 2022-2026                      | 4,452,247                      | 1,536,557         | 3,017,600                       | 781,088          |
| 2027-2031                      | 5,249,776                      | 539,400           | 3,360,000                       | 360,000          |
| 2032-2036                      | -                              | -                 | 1,371,343                       | 116,657          |
| Totals                         | <u>\$ 39,526,357</u>           | <u>11,724,545</u> | <u>14,274,290</u>               | <u>3,490,859</u> |

**Defeased Bonds**

The City, through its public trust, has, in substance, defeased certain outstanding bond issues by placing deposits in an irrevocable trust escrow account for the purchase of U.S. Government securities to pay the principal and interest on the refunded bonds as they are due and payable. For financial reporting purposes both the defeased bonds outstanding and the escrowed securities have been excluded from the financial statements. At year-end, the remaining outstanding defeased bonds were as follows:

|                               |                   |
|-------------------------------|-------------------|
| 1992 General Obligation Bonds | \$ <u>600,000</u> |
|-------------------------------|-------------------|

City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

**F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund operating transfers for the year ended June 30, 2011 were as follows:

|                                       | TRANSFERS<br><u>IN</u> | TRANSFERS<br><u>OUT</u> |
|---------------------------------------|------------------------|-------------------------|
| OPERATING TRANSFERS:                  |                        |                         |
| GENERAL FUND:                         |                        |                         |
| Special Revenue Fund                  | \$ -                   | 75,000                  |
| Debt Service Fund                     | 9,910                  | -                       |
| Moore Economic Development Authority  | 7,152                  | 1,742,401               |
| MPWA Utilities - Enterprise Fund      | 23,204,891             | 20,204,891              |
| Total General Fund                    | <u>23,221,953</u>      | <u>22,022,292</u>       |
| MOORE ECONOMIC DEVELOPMENT AUTHORITY: |                        |                         |
| General Fund                          | <u>1,742,401</u>       | <u>7,152</u>            |
| DEBT SERVICE FUND:                    |                        |                         |
| Risk Management Fund                  | -                      | 415,916                 |
| General Fund                          | -                      | 9,910                   |
| Total Debt Service Fund               | <u>-</u>               | <u>425,826</u>          |
| SPECIAL REVENUE FUND:                 |                        |                         |
| General Fund                          | <u>75,000</u>          | <u>-</u>                |
| ENTERPRISE FUND:                      |                        |                         |
| General Fund                          | 20,204,891             | 23,204,891              |
| Risk Management Fund                  | -                      | 2,000,000               |
| Total Enterprise Fund                 | <u>20,204,891</u>      | <u>25,204,891</u>       |
| INTERNAL SERVICE FUND:                |                        |                         |
| General Fund                          | 2,000,000              | -                       |
| Debt Service Fund                     | 415,916                | -                       |
| Total Internal Service Fund           | <u>2,415,916</u>       | <u>-</u>                |
| GRAND TOTALS                          | <u>\$ 47,660,161</u>   | <u>47,660,161</u>       |

City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

#### 4. OTHER INFORMATION

##### A. RISK MANAGEMENT

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

| <u>Type of Loss</u>   | <u>Method Managed</u>  | <u>Risk of Loss Retained</u>   |
|---|--|--|
| a. General Liability:<br>- Torts<br>- Errors and omissions<br>- Police liability<br>- Vehicle liability | Self-insured with limits of the Oklahoma Tort Liability Act. Claims reserves set by Moore Risk Management Program Manager. | City is self-insured except for excess public officials and employment practices liability and vehicle liability insurance. City retains risk of loss for first \$250,000 of damages per occurrence. Stop loss insurance carried up to a maximum aggregate of \$3,000,000 per occurrence and in the aggregate. |
| b. Physical Property:<br>- Theft<br>- Damage to assets<br>- Natural disasters                           | Insured through the purchase of commercial insurance with deductible.  | City retains risk up to \$50,000 per occurrence per deductible provision.  |
| c. Workers Compensation:<br>- Employee injuries   | Self-insured with City administration of the claims process.   | Self-insured up to \$300,000 per occurrence for nonunion police and fire employees and up to \$350,000 per occurrence for police and fire union employees. Stop-loss insurance carried up to a maximum of \$1,000,000 per occurrence.  |
| d. Health and Life:<br>- Medical<br>- Dental  | Self-insured with outside administration of the claims process.  | Self-insured up to \$75,000 per individual. In addition, City has aggregate coverage.  |

The City administers the claims process on all types of coverage with the Moore Risk Management Program Manager monitoring reserves. All settlements are approved by the Moore Risk Management Board and the MPWA Trustees. All activity is accounted for within the MPWA Risk Management Internal Service Fund.

##### *Claims Liability Analysis*

The claims liabilities related to the above noted risks of loss that are retained are to be determined in accordance with the requirements of GASB Statement #10 and #30 and Statement of Financial Accounting Standards No. 5, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For the Internal Service MPWA Risk Management Fund, changes in the claims liability for the City from July 1, 2002 to June 30, 2011, are as follows:

City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

|  | Workers'<br>Compensation | Health<br>Care | General<br>Liability | Total     |
|--|--------------------------|----------------|----------------------|-----------|
| Claims liability, June 30, 2002        | \$ 1,235,000             | 289,000        | 503,000              | 2,027,000 |
| Claims incurred and change in estimate | 257,330                  | 2,128,138      | 239,596              | 2,625,064 |
| Claim payments                         | 303,330                  | 2,144,138      | 47,596               | 2,495,064 |
| Claims liability, June 30, 2003        | 1,189,000                | 273,000        | 695,000              | 2,157,000 |
| Claims incurred and change in estimate | (79,956)                 | 2,615,711      | (166,209)            | 2,369,546 |
| Claim payments                         | 117,044                  | 2,343,711      | 102,791              | 2,563,546 |
| Claims liability, June 30, 2004        | 992,000                  | 545,000        | 426,000              | 1,963,000 |
| Claims incurred and change in estimate | 181,645                  | 2,545,088      | (35,108)             | 2,691,625 |
| Claim payments                         | 129,645                  | 2,622,088      | 50,892               | 2,802,625 |
| Claims liability, June 30, 2005        | 1,044,000                | 468,000        | 340,000              | 1,852,000 |
| Claims incurred and change in estimate | 85,671                   | 2,098,153      | (65,971)             | 2,117,853 |
| Claim payments                         | 72,671                   | 2,000,153      | 27,029               | 2,099,853 |
| Claims liability, June 30, 2006        | 1,057,000                | 566,000        | 247,000              | 1,870,000 |
| Claims incurred and change in estimate | 90,508                   | 1,790,132      | 74,811               | 1,955,451 |
| Claim payments                         | 128,508                  | 2,048,132      | 65,811               | 2,242,451 |
| Claims liability, June 30, 2007        | 1,019,000                | 308,000        | 256,000              | 1,583,000 |
| Claims incurred and change in estimate | 117,594                  | 2,271,350      | 33,166               | 2,422,110 |
| Claim payments                         | 34,594                   | 2,294,350      | 41,166               | 2,370,110 |
| Claims liability, June 30, 2008        | 1,102,000                | 285,000        | 248,000              | 1,635,000 |
| Claims incurred and change in estimate | 80,831                   | 3,460,000      | 148,978              | 3,689,809 |
| Claim payments                         | 180,831                  | 3,381,000      | 13,978               | 3,575,809 |
| Claims liability, June 30, 2009        | 1,002,000                | 364,000        | 383,000              | 1,749,000 |
| Claims incurred and change in estimate | 76,611                   | 3,508,209      | (26,286)             | 3,558,534 |
| Claim payments                         | 203,611                  | 3,478,209      | 31,714               | 3,713,534 |
| Claims liability, June 30, 2010        | 875,000                  | 394,000        | 325,000              | 1,594,000 |
| Claims incurred and change in estimate | 179,773                  | 3,594,220      | (57,008)             | 3,716,985 |
| Claim payments                         | 28,773                   | 3,460,220      | 2,992                | 3,491,985 |
| Claims liability, June 30, 2011        | \$ 1,026,000             | 528,000        | 265,000              | 1,819,000 |

An amount has been recorded for the liability for incurred but not reported claims at June 30, 2011. These amounts were obtained from actuarial calculations performed by an outside actuarial service.

Assets available to pay all claims at June 30, 2011 were \$817,523. (See Note 4.B. regarding pending litigation related to the Risk management Program.)



City of Moore, Oklahoma  
Notes to Financial Statements  
June 30, 2011

**B. CONTINGENCIES AND COMMITMENTS**

***Contingencies***

***Grant Program Involvement***

In the normal course of operations, the City participates in various federal and 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 of 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.

***General Litigation***

The City and Public Works Authority are parties to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City "Sinking Fund" for the payment of any court assessed judgment rendered against the City.

While the outcome of the above noted proceedings cannot be predicted, due to the self-insurance reserves maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance reserves would not have a material adverse effect on the financial condition of the City.

***Moore Risk Management Program - Health Provider Credit***

The Risk Management Program contracts with a third party through Integris Health to price health claims on behalf of the program. The third party fee for service is not included in the financial statements of the Moore Risk Management Fund. Due to changes in the program several years ago, the City has a credit with Integris Health from which the annual fee is deducted. The balance of the credit at June 30, 2011, is uncertain but estimated to be approximately \$197,842. The City is also uncertain as to the amount of time Integris will honor the credit. Sufficient information is presently unavailable from Integris as to the actual amount and use of the credit. As a result, this credit and transactions related to its use are not reflected in the financial statements.

***Commitments***

***Privatization of Public Works Authority Services***

On December 10, 1993, the City entered into an agreement with Veolia Water to manage, operate and maintain the wastewater treatment plant, water facilities, sanitation services and other Public Works services as directed by the City. All facilities managed by Veolia Water remain the property of the City of Moore. On September 2, 1997, the City amended the contract to include the maintenance, operation and management of the waste water treatment plant and water facilities only.

The City pays an annual contract fee for all Veolia Water services. This fee includes maintenance and repairs of \$101,929. Any maintenance and repairs incurred over this amount are reimbursed by the City. The annual fee is paid in monthly installments and is adjusted each contract year based upon the consumer price index for urban consumers. For the year ended June 30, 2011, the City paid \$2,626,241 for the annual fee and \$775,320 in maintenance and repair costs.

***Wastewater Treatment Facility Construction***

The City is in the process of constructing a new wastewater treatment facility. Phase I has been completed and placed in service May 3, 2010. Design plans for Phase II have been prepared and

**City of Moore, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2011**

construction began September, 2010 at a contracted cost of \$45,397,646. Phase II of the project has an estimated completion date of September, 2012. The funding for the project will be financing from the Oklahoma Water Resource Board with a repayment schedule of approximately twenty years.

***Sales Tax Rebate Agreement***

On December 18, 2007, the City entered into a sales tax rebate agreement with a developer as an incentive to have the developer construct a retail shopping center. The rebate of a portion of the sales tax from the retail stores in the development area is based on a calculation set forth in the agreement. The rebate of sales tax will continue until the earlier of either the total of the rebates equals \$5,765,900 or the date of February 29, 2012.

On February 8, 2010, the City entered into a sales tax rebate agreement as an incentive to build a Target store. The rebate of a portion of the sales tax is based on a calculation set forth in the agreement. The rebate of sales tax will continue until the earlier of either the total of the rebates equals the net present value of \$1,535,000 or the date of April 20, 2016. Target opened in July, 2011 and the first rebate payment is due December 31, 2011.

On March 7, 2011, the City entered into a sales tax rebate agreement with Oklahoma Warren Theatres, LLC. This agreement includes the construction of an IMAX theatre, luxury suites and a restaurant. The maximum rebate is \$2,000,000 and expires December 31, 2019. The project is still in the design phase.

The City recognizes and accrues the liability at the time of occurrence. As of June 30, 2011, the City has issued cumulative rebates to the developer of \$2,442,928 and had rebates received but unpaid at June 30, 2011 in the amount of \$503,759.

**C. PENSION PLANS**

The City participates in three employee pension systems as follows:

| <u>Name of Plan/System</u>                        | <u>Type of Plan</u>                                   |
|---|---|
| City of Moore 457 Defined Benefit Plan            | Single Employer-Defined Benefit Plan                  |
| Oklahoma Police Pension and Retirement Fund       | Cost Sharing Multiple Employer - Defined Benefit Plan |
| Oklahoma Firefighters Pension and Retirement Fund | Cost Sharing Multiple Employer - Defined Benefit Plan |

***Deferred Compensation Plan***

City employees may participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available to employees until termination, retirement, death or in case of an unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income that is attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

**City of Moore, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2011**

It is the City's opinion that it has no liability for losses under the plan but does have the duty of due care that would be required on an ordinary prudent investor. The City believes that it is unlikely that it will use the assets of the plan to satisfy the claims of general creditors in the future.

An agency fund is established to account for these deferred amounts as prescribed by GASB Statement No. 2 "Financial Reporting of Deferred Compensation Plans Adopted under the Provisions of Internal Revenue Code Section 457". As of June 30, 2011, the market value of the amount on deposit with the plan was \$9,304,777.

***Oklahoma Police and Firefighter's Pension and Retirement Systems***

The City of Moore, as the employer, participates in two statewide cost-sharing multiple employer defined benefit plans on behalf of the police officers and firefighters. The systems are funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary. The following is a summary of eligibility factors, contribution methods, and benefit provisions.

***A. Eligibility Factors, Contribution Methods, and Benefit Provisions***

|  | Oklahoma Police<br>Pension and<br>Retirement System   | Oklahoma Firefighter's<br>Pension and Retirement<br>System  |
|--|---|---|
| Obtaining separately issued financial statements             | Police Pension and Retirement<br>1001 N.W. 63rd St., Suite 605<br>Oklahoma City, OK 73116-7335  | Firefighter's Pension & Retirement<br>4545 N. Lincoln Blvd., Suite 265<br>Oklahoma City, OK 73105-3414  |
| Eligibility to participate                                   | All full-time officers, employed by a participating municipality, not less than 21 years of age or more than 45 years of age when hired.  | All full-time or voluntary firefighters of a participating municipality hired before age 45.  |
| Authority establishing contribution obligations and benefits | State Statute   | State Statute   |
| Employee's contribution rate (percent of covered Payroll)    | 8%  | 8%  |
| State obligation   | State appropriation to fund the unfunded actuarial accrued liability  | State appropriation to fund the unfunded actuarial accrued liability  |
| Period required to vest                                      | 10 years  | 10 years  |
| Eligibility and benefits distribution (full time)            | 20 years credited service, 2 1/2% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits. | 20 years credited service, 2 1/2% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits. |

**CITY OF MOORE, OKLAHOMA**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

|   |   |   |
|---|---|---|
| Eligibility and benefits for distribution (volunteer)             | -   | 20 years credited service equal to \$7.24 per month per year of service, with a maximum of 30 years considered. |
| Deferred retirement option  | Yes, 20 years credited service with additional option to participate in Louisiana Plan. | Yes, 20 years credited service with continued service for a maximum of 30 or more years.                        |
| Provisions for:<br>Cost of living adjustments (normal retirement) | Yes   | Yes, if vested by 5/83  |
| Death (duty, non-duty, post retirement)                           | Yes   | Yes   |
| Disability (duty, non-duty)                                       | Yes   | Yes   |
| Cost of living allowances   | Yes   | Yes   |

**B. Trend Information**

Contributions required by State statute and made:

| Fiscal<br>Year | Oklahoma Police<br>Pension and<br>Retirement System | Oklahoma Firefighter's<br>Pension and Retirement<br>System |
|----------------|---|--|
|                | Required<br>Contribution                            | Required<br>Contribution                                   |
| 2007           | \$ 494,528  | \$ 490,179   |
| 2008           | 552,069   | 593,646  |
| 2009           | 707,120   | 656,260  |
| 2010           | 765,642   | 730,358  |
| 2011           | 779,994   | 757,527  |
|                | Percentage<br>Contributed                           | Percentage<br>Contributed                                  |
|                | 100%  | 100%   |
|                | 100%  | 100%   |
|                | 100%  | 100%   |
|                | 100%  | 100%   |
|                | 100%  | 100%   |

Trend information showing the progress of the Systems in accumulating sufficient assets to pay benefits when due is presented in their respective separate annual financial reports.

**C. Related Party Investments**

As of June 30, 2011, the Systems held no related-party investments of the City or of its related entities.

**D. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

In fiscal 2009, the City implemented GASB Statement no. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This Statement establishes standards for

**CITY OF MOORE, OKLAHOMA**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The City accrued a liability at June 30, 2011 in the amount of \$3,833,542.

**E. Compliance With Debt Indentures**

The revenue note indentures require the Authority to maintain the net revenue available for debt service of at least 1.25 times the maximum annual amount to be paid into the Sinking Fund. The amount available is computed as follows:

|   |                      |
|---|----------------------|
| Gross revenue available for debt service :  |                      |
| Pledged sales tax revenues  | \$ 20,204,891        |
| System-wide Gross Revenues - Water, sewer and sanitation  | 16,759,718           |
| System-wide Operating Expense - Exclusive of capital improvements,<br>debt service and depreciation |                      |
| Water and sewer   | 7,374,555            |
| Sanitation  | 1,168,610            |
| Net revenues available for debt service   | <u>\$ 28,421,444</u> |
| Annual amount to be paid into Sinking Fund  | <u>\$ 1,675,226</u>  |
| Coverage  | <u>16.97</u>         |
| Coverage requirement  | <u>1.25</u>          |

## **REQUIRED SUPPLEMENTARY INFORMATION**

## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

### Budgetary Comparison Schedules

- General Fund
- Moore Economic Development Authority
- Debt Service Fund
- Moore Public Works Authority
- Risk Management Fund

City of Moore, Oklahoma  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
For the Year Ended June 30, 2011

|  | <u>Budgeted Amounts</u> |                   | Actual<br>Amounts<br>Budgetary<br><u>Basis</u> | Variance With<br>Final Budget<br>Over<br><u>(Under)</u> |
|--|-------------------------|-------------------|--|---|
|  | <u>Original</u>         | <u>Final</u>      |  |   |
| <b>REVENUES</b>  |                         |                   |  |   |
| Taxes  |                         |                   |  |   |
| Sales tax  | \$ 20,730,500           | 20,730,500        | 20,130,050                                     | (600,450)   |
| Use tax  | 450,000                 | 450,000           | 644,322  | 194,322   |
| Franchise tax  | 2,375,000               | 2,375,000         | 2,643,181                                      | 268,181   |
| Other tax  | 300,000                 | 300,000           | 343,345  | 43,345  |
| Intergovernmental  | 690,000                 | 690,000           | 733,275  | 43,275  |
| Licenses and permits   | 200,000                 | 200,000           | 311,368  | 111,368   |
| Charge for services  | -                       | 81,740            | 132,401  | 50,661  |
| Fines and forfeitures  | 1,520,050               | 1,520,050         | 1,531,732                                      | 11,682  |
| Investment revenue   | 50,000                  | 50,000            | 29,976   | (20,024)  |
| Miscellaneous  | 410,865                 | 329,125           | 340,038  | 10,913  |
| Total revenues   | <u>26,726,415</u>       | <u>26,726,415</u> | <u>26,839,688</u>                              | <u>113,273</u>  |
| <b>EXPENDITURES</b>  |                         |                   |  |   |
| General government   | 3,710,813               | 3,788,044         | 2,282,701                                      | 1,505,343   |
| Managerial   | 552,241                 | 592,241           | 581,961  | 10,280  |
| City attorney  | 356,918                 | 363,203           | 361,689  | 1,514   |
| Central purchasing   |                         | 4,218             | -  | 4,218   |
| Finance  | 1,044,985               | 1,045,088         | 1,042,324                                      | 2,764   |
| Information services   | 198,757                 | 198,757           | 190,989  | 7,768   |
| Municipal court  | 463,440                 | 538,440           | 509,336  | 29,104  |
| Police   | 8,579,146               | 8,654,935         | 8,647,809                                      | 7,126   |
| Communications   | 823,924                 | 835,524           | 741,059  | 94,465  |
| Emergency management   | 183,098                 | 202,360           | 176,140  | 26,220  |
| Fire   | 7,180,985               | 7,224,359         | 7,156,368                                      | 67,991  |
| Public works administration                                  | 2,489,770               | 3,843,705         | 3,240,659                                      | 603,046   |
| Animal adoption center                                       | 353,878                 | 353,878           | 321,111  | 32,767  |
| Fleet maintenance  | 537,175                 | 587,175           | 511,307  | 75,868  |
| Building maintenance   | 323,712                 | 324,212           | 320,096  | 4,116   |
| Planning   | 383,740                 | 383,740           | 363,944  | 19,796  |
| Inspections  | 425,500                 | 425,500           | 419,499  | 6,001   |
| Code enforcement   | 282,119                 | 282,119           | 245,135  | 36,984  |
| Parks and recreation   | 403,438                 | 529,284           | 471,936  | 57,348  |
| Brand senior citizens center                                 | 105,709                 | 107,709           | 106,196  | 1,513   |
| Swimming pool  | 190,360                 | 191,835           | 88,163   | 103,672   |
| Parks and recreation activities                              | 96,128                  | 96,633            | 76,886   | 19,747  |
| Park and cemetery maintenance                                | 481,426                 | 610,757           | 605,103  | 5,654   |
| Library  | 85,785                  | 87,894            | 40,305   | 47,589  |
| Moore/Smith cemetery   | 80,000                  | 17,000            | 4,439  | 12,561  |
| Wyndermere special   | -                       | 327,000           | 144,062  | 182,938   |
| Total expenditures   | <u>29,333,047</u>       | <u>31,615,610</u> | <u>28,649,217</u>                              | <u>2,966,393</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | (2,606,632)             | (4,889,195)       | (1,809,529)                                    | 3,079,666   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                   |  |   |
| Transfers  | <u>2,606,632</u>        | <u>2,606,632</u>  | <u>1,199,660</u>                               | <u>(1,406,972)</u>                                      |
| Net change in fund balances                                  | -                       | (2,282,563)       | (609,869)                                      | 1,672,694   |
| Fund balances - beginning                                    | 782,583                 | 3,065,146         | 2,993,194                                      | (71,952)  |
| Fund balances - ending                                       | <u>\$ 782,583</u>       | <u>782,583</u>    | <u>2,383,325</u>                               | <u>1,600,742</u>  |

See accompanying notes to financial statements.



City of Moore, Oklahoma  
Moore Economic Development Authority  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
For the Year Ended June 30, 2011

|  | <u>Budgeted Amounts</u> |                   | Actual<br>Amounts<br>Budgetary<br>Basis | Variance With<br>Final Budget<br>Over<br>(Under) |
|--|-------------------------|-------------------|---|--|
|  | <u>Original</u>         | <u>Final</u>      |   |  |
| <b>REVENUES</b>  |                         |                   |   |  |
| Taxes  | \$ 3,280,000            | 3,280,000         | 2,937,565                               | (342,435)  |
| Loan proceeds  | 18,759,536              | 18,759,536        | 14,927,584                              | (3,831,952)                                      |
| Investment revenue   | 25                      | 25                | 6,407                                   | 6,382  |
| Miscellaneous  | 5,800                   | 173,325           | 210                                     | (173,115)  |
| Total revenues   | <u>22,045,361</u>       | <u>22,212,886</u> | <u>17,871,766</u>                       | <u>(4,341,120)</u>                               |
| <b>EXPENDITURES</b>  |                         |                   |   |  |
| Public Safety  | 22,045,036              | 25,438,908        | 8,648,177                               | 16,790,731                                       |
| Community development  | 521,693                 | 546,693           | 293,005                                 | 253,688  |
| Total expenditures   | <u>22,566,729</u>       | <u>25,985,601</u> | <u>8,941,182</u>                        | <u>17,044,419</u>                                |
| Excess (deficiency) of revenues<br>over (under) expenditures | (521,368)               | (3,772,715)       | 8,930,584                               | 12,703,299                                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                   |   |  |
| Transfers  | <u>348,368</u>          | <u>348,368</u>    | <u>1,735,249</u>                        | <u>1,386,881</u>                                 |
| Net change in fund balances                                  | (173,000)               | (3,424,347)       | 10,665,833                              | 14,090,180                                       |
| Fund balances - beginning                                    | 5,450,523               | 5,450,523         | 5,450,424                               | (99)   |
| Fund balances - ending                                       | <u>\$ 5,277,523</u>     | <u>2,026,176</u>  | <u>16,116,257</u>                       | <u>14,090,081</u>                                |

See accompanying notes to financial statements.

City of Moore, Oklahoma  
Debt Service Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
For the Year Ended June 30, 2011

|  | <u>Budgeted Amounts</u> |                  | Actual<br>Amounts<br>Budgetary<br>Basis | Variance With<br>Final Budget<br>Over<br>(Under) |
|--|-------------------------|------------------|---|--|
|  | <u>Original</u>         | <u>Final</u>     |   |  |
| <b>REVENUES</b>  |                         |                  |   |  |
| Taxes  | \$ 2,532,900            | 2,602,900        | 4,305,008                               | 1,702,108  |
| Investment revenue   | 30,000                  | 30,000           | 9,910                                   | (20,090)   |
| Total revenues   | <u>2,562,900</u>        | <u>2,632,900</u> | <u>4,314,918</u>                        | <u>1,682,018</u>                                 |
| <b>EXPENDITURES</b>  |                         |                  |   |  |
| Debt service   | 2,532,900               | 2,706,900        | 2,450,525                               | 256,375  |
| Total expenditures   | <u>2,532,900</u>        | <u>2,706,900</u> | <u>2,450,525</u>                        | <u>256,375</u>                                   |
| Excess (deficiency) of revenues<br>over (under) expenditures | 30,000                  | (74,000)         | 1,864,393                               | 1,938,393  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                  |   |  |
| Transfers  | <u>(445,916)</u>        | <u>(445,916)</u> | <u>(425,826)</u>                        | <u>20,090</u>                                    |
| Net change in fund balances                                  | (415,916)               | (519,916)        | 1,438,567                               | 1,958,483  |
| Fund balances - beginning                                    | 519,916                 | 519,916          | 1,227,888                               | 707,972  |
| Fund balances - ending                                       | <u>\$ 104,000</u>       | <u>-</u>         | <u>2,666,455</u>                        | <u>2,666,455</u>                                 |

See accompanying notes to financial statements.

City of Moore, Oklahoma  
Moore Public Works Authority  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
For the Year Ended June 30, 2011

|  | <u>Budgeted Amounts</u> |                    | Actual<br>Amounts<br>Budgetary<br>Basis | Variance With<br>Final Budget<br>Over<br>(Under) |
|--|-------------------------|--------------------|---|--|
|  | <u>Original</u>         | <u>Final</u>       |   |  |
| <b>REVENUES</b>  |                         |                    |   |  |
| Charge for services  | \$ 16,260,000           | 16,260,000         | 16,759,718                              | 499,718  |
| Investment revenue   | 112,000                 | 87,000             | 7,245                                   | (79,755)   |
| Miscellaneous  | 25,031,100              | 46,474,847         | 11,806,490                              | (34,668,357)                                     |
| Total revenues   | <u>41,403,100</u>       | <u>62,821,847</u>  | <u>28,573,453</u>                       | <u>(34,248,394)</u>                              |
| <b>EXPENDITURES</b>  |                         |                    |   |  |
| General government   | 35,136,887              | 56,430,250         | 19,089,898                              | 37,340,352                                       |
| Sanitation   | 1,266,213               | 1,391,597          | 1,168,610                               | 222,987  |
| Wastewater   | -                       | -                  | -                                       | -  |
| Total expenditures   | <u>36,403,100</u>       | <u>57,821,847</u>  | <u>20,258,508</u>                       | <u>37,563,339</u>                                |
| Excess (deficiency) of revenues<br>over (under) expenditures | 5,000,000               | 5,000,000          | 8,314,945                               | 3,314,945  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                    |   |  |
| Transfers  | <u>(5,000,000)</u>      | <u>(5,000,000)</u> | <u>5,803,536</u>                        | <u>10,803,536</u>                                |
| Net change in fund balances                                  | -                       | -                  | 14,118,481                              | 14,118,481                                       |
| Fund balances - beginning                                    | 1,505,986               | 1,505,986          | 4,366,664                               | 2,860,678  |
| Fund balances - ending                                       | <u>\$ 1,505,986</u>     | <u>1,505,986</u>   | <u>18,485,145</u>                       | <u>16,979,159</u>                                |

See accompanying notes to financial statements.

City of Moore, Oklahoma  
Risk Management  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
For the Year Ended June 30, 2011

|  | <u>Budgeted Amounts</u> |                  | Actual<br>Amounts<br>Budgetary<br>Basis | Variance With<br>Final Budget<br>Over<br>(Under) |
|--|-------------------------|------------------|---|--|
|  | <u>Original</u>         | <u>Final</u>     |   |  |
| <b>REVENUES</b>  |                         |                  |   |  |
| Charge for services  | \$ 2,804,320            | 2,804,320        | 3,277,426                               | 473,106  |
| Investment revenue   | 5,000                   | 5,000            | 39                                      | (4,961)  |
| Miscellaneous  | 100,000                 | 100,000          | 366,368                                 | 266,368  |
| Total revenues   | <u>2,909,320</u>        | <u>2,909,320</u> | <u>3,643,833</u>                        | <u>734,513</u>                                   |
| <b>EXPENDITURES</b>  |                         |                  |   |  |
| Personal services  | 359,092                 | 359,092          | 352,563                                 | 6,529  |
| Maintenance, operations, and<br>contractual services         | -                       | -                | -                                       | -  |
| Material and supplies  | 2,165                   | 2,165            | 2,044                                   | 121  |
| Insurance claims and expenses                                | 4,929,645               | 6,270,080        | 6,440,498                               | (170,418)  |
| Capital Outlay   | -                       | -                | -                                       | -  |
| Total expenditures   | <u>5,290,902</u>        | <u>6,631,337</u> | <u>6,795,105</u>                        | <u>(163,768)</u>                                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | (2,381,582)             | (3,722,017)      | (3,151,272)                             | 570,745  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                  |   |  |
| Transfers  | <u>2,381,582</u>        | <u>2,727,498</u> | <u>2,415,916</u>                        | <u>(311,582)</u>                                 |
| Net change in fund balances                                  | -                       | (994,519)        | (735,356)                               | 259,163  |
| Fund balances - beginning                                    | <u>1,381,584</u>        | <u>1,381,584</u> | <u>(4,178,080)</u>                      | <u>(5,559,664)</u>                               |
| Fund balances - ending                                       | <u>\$ 1,381,584</u>     | <u>387,065</u>   | <u>(4,913,436)</u>                      | <u>(5,300,501)</u>                               |

See accompanying notes to financial statements.

## **OTHER SUPPLEMENTARY INFORMATION**

**City of Moore, Oklahoma**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2011**

|   | <u>Special Revenue</u><br>Special<br>Revenue<br>Funds | <u>Permanent</u><br>Cemetery<br>Perpetual<br>Care | <u>Capital</u><br>Projects<br>Street 1/2 Cent<br>Sales Tax | <u>Total</u><br>Nonmajor<br>Governmental<br>Funds |
|---|---|---|--|---|
| <b><u>ASSETS</u></b>                        |   |   |  |   |
| Cash and cash equivalents                   | \$ 1,073,523  | 58,936  | 417,772  | 1,550,231   |
| Receivables, net                            | <u>27,063</u>   | <u>-</u>  | <u>-</u>   | <u>27,063</u>                                     |
| <b>TOTAL</b>                                | <b><u><u>1,100,586</u></u></b>                        | <b><u><u>58,936</u></u></b>                       | <b><u><u>417,772</u></u></b>                               | <b><u><u>1,577,294</u></u></b>                    |
| <b><u>LIABILITIES AND FUND BALANCES</u></b> |   |   |  |   |
| Liabilities:                                |   |   |  |   |
| Accounts payable                            | <u>10,000</u>   | <u>-</u>  | <u>-</u>   | <u>10,000</u>                                     |
| <b>Total Liabilities</b>                    | <b><u>10,000</u></b>                                  | <b><u>-</u></b>                                   | <b><u>-</u></b>  | <b><u>10,000</u></b>                              |
| Fund balances:                              |   |   |  |   |
| Reserved for:                               |   |   |  |   |
| Capital improvements                        | -   | -   | 417,772  | 417,772   |
| For other purposes                          | <u>1,090,586</u>                                      | <u>58,936</u>                                     | <u>-</u>   | <u>1,149,522</u>                                  |
| <b>Total Fund Balances</b>                  | <b><u>1,090,586</u></b>                               | <b><u>58,936</u></b>                              | <b><u>417,772</u></b>                                      | <b><u>1,567,294</u></b>                           |
| <b>TOTAL</b>                                | <b><u><u>\$ 1,100,586</u></u></b>                     | <b><u><u>58,936</u></u></b>                       | <b><u><u>417,772</u></u></b>                               | <b><u><u>1,577,294</u></u></b>                    |

See accompanying notes to the basic financial statement.

**City of Moore, Oklahoma**  
**Nonmajor Governmental Funds**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2011**

|  | <u>Special Revenue</u> | <u>Permanent</u> | <u>Capital</u>   | <u>Total</u>     |
|--|------------------------|------------------|------------------|------------------|
|  | Special                | Cemetery         | Projects         | Nonmajor         |
|  | Revenue                | Perpetual        | Street 1/2 Cent  | Governmental     |
|  | <u>Funds</u>           | <u>Care</u>      | <u>Sales Tax</u> | <u>Funds</u>     |
| <b>REVENUES</b>                                      |                        |                  |                  |                  |
| Taxes  | \$ 456,279             | -                | 417,443          | 873,722          |
| Intergovernmental                                    | 1,252,950              | -                | -                | 1,252,950        |
| Licenses and permits                                 | 20,635                 | -                | -                | 20,635           |
| Charge for services                                  | 152,678                | 9,708            | -                | 162,386          |
| Interest   | 2,309                  | -                | 329              | 2,638            |
| Miscellaneous  | 64,680                 | -                | -                | 64,680           |
| Proceeds from debt issuance                          | -                      | -                | -                | -                |
| Total revenues                                       | <u>1,949,531</u>       | <u>9,708</u>     | <u>417,772</u>   | <u>2,377,011</u> |
| <b>EXPENDITURES</b>                                  |                        |                  |                  |                  |
| Current:   |                        |                  |                  |                  |
| Public safety  | 193,312                | -                | -                | 193,312          |
| Culture and recreational                             | 210,726                | 502              | -                | 211,228          |
| Community development                                | 1,270,810              | -                | -                | 1,270,810        |
| Capital outlay                                       | -                      | -                | -                | -                |
| Total expenditures                                   | <u>1,674,848</u>       | <u>502</u>       | <u>-</u>         | <u>1,675,350</u> |
| Excess (deficiency) of revenues<br>over expenditures | <u>274,683</u>         | <u>9,206</u>     | <u>417,772</u>   | <u>701,661</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                        |                  |                  |                  |
| Transfers in   | 75,000                 | -                | -                | 75,000           |
| Transfers out  | -                      | -                | -                | -                |
| Total other financing sources and uses               | <u>75,000</u>          | <u>-</u>         | <u>-</u>         | <u>75,000</u>    |
| Net change in fund balances                          | 349,683                | 9,206            | 417,772          | 776,661          |
| Fund balances-beginning                              | 740,903                | 49,730           | -                | 790,633          |
| Fund balances-ending                                 | <u>\$ 1,090,586</u>    | <u>58,936</u>    | <u>417,772</u>   | <u>1,567,294</u> |

See accompanying notes to the basic financial statement.

City of Moore, Oklahoma

Schedule of Grant Revenues and Expenditures  
Budget, Actual and Reconciliation of Audit  
Grant Period to June 30, 2011

13900 CDBG 09

|                       |               | <u>Cumulative Expenditures to Date</u> |                    |                  | Current          |
|-----------------------|---------------|--|--------------------|------------------|------------------|
|                       | Program       | Per                                    |                    |                  | Year             |
|                       | <u>Budget</u> | Expenditure                            | <u>Adjustments</u> | <u>Per Audit</u> | Activity         |
|                       |               | <u>Report</u>                          |                    |                  | <u>Per Audit</u> |
| <u>REVENUE</u>        |               |  |                    |                  |                  |
| Grant Proceeds        | \$ 74,583     | 74,583                                 | -                  | 74,583           | 74,583           |
| Matching              | 196,006       | 196,006                                | -                  | 196,006          | 196,006          |
|                       |               |  |                    |                  |                  |
| Total Revenue         | 270,589       | 270,589                                | -                  | 270,589          | 270,589          |
| <u>EXPENDITURES</u>   |               |  |                    |                  |                  |
| Sewer system          | 74,583        | 74,583                                 | -                  | 74,583           | 74,583           |
| Sewer system - Match  | 196,006       | 196,006                                | -                  | 196,006          | 196,006          |
|                       |               |  |                    |                  |                  |
| Total Expenditures    | 270,589       | 270,589                                | -                  | 270,589          | 270,589          |
| Revenues Over (Under) |               |  |                    |                  |                  |
| Expenditures          | \$ -          | -                                      | -                  | -                | -                |



## **STATISTICAL SECTION**

**City of Moore, Oklahoma**  
**General Governmental Expenditures by Function**  
*Last Ten Fiscal Years*

| Fiscal<br>Year | General<br>Government | Public<br>Safety | Streets   | Public<br>Works<br>Admin. | Culture &<br>Recreation | Community<br>Development | Debt<br>Service | Total      |
|----------------|-----------------------|------------------|-----------|---------------------------|-------------------------|--------------------------|-----------------|------------|
| 2010-11        | \$ 4,459,664          | 22,048,504       | 5,066,274 | 4,072,063                 | 1,748,320               | 2,592,390                | 6,795,333       | 46,782,548 |
| 2009-10        | 3,981,058             | 24,428,550       | 1,384,743 | 4,825,618                 | 1,363,175               | 1,901,430                | 5,954,990       | 43,839,564 |
| 2008-09        | 5,135,081             | 16,121,287       | 3,365,180 | 1,108,727                 | 1,627,435               | 5,398,905                | 6,339,424       | 39,096,039 |
| 2007-08        | 5,263,788             | 14,127,569       | 3,685,829 | 1,127,403                 | 1,901,216               | 4,832,966                | 5,027,933       | 35,966,704 |
| 2006-07        | 3,310,457             | 12,743,216       | 4,766,394 | 246,951                   | 2,023,890               | 1,635,229                | 2,014,225       | 26,740,362 |
| 2005-06        | 2,573,927             | 12,149,390       | 4,876,973 | 865,028                   | 1,853,505               | 1,533,176                | 1,947,285       | 25,799,284 |
| 2004-05        | 2,459,258             | 11,609,134       | 4,800,439 | 697,088                   | 1,972,973               | 1,074,762                | 1,459,693       | 24,073,347 |
| 2003-04        | 2,448,271             | 10,636,141       | 4,569,997 | 1,210,915                 | 907,751                 | 1,795,604                | 1,064,618       | 22,633,297 |
| 2002-03        | 2,713,306             | 10,481,507       | 1,594,154 | 1,140,710                 | 956,224                 | 1,317,845                | 1,706,555       | 19,910,301 |
| 2001-02        | 3,128,959             | 8,666,943        | 2,353,560 | 1,424,857                 | 618,299                 | 511,069                  | 1,211,762       | 17,915,449 |

**City of Moore, Oklahoma**  
**General Governmental Revenues by Source**  
*Last Ten Fiscal Years*

| <u>Fiscal<br/>Year</u> | <u>Taxes</u>  | <u>Intergov-<br/>ernmental</u> | <u>Licenses<br/>&amp; Permits</u> | <u>Charges<br/>for Services</u> | <u>Fines &amp;<br/>Forfeitures</u> | <u>Investment<br/>Income</u> | <u>Misc.<br/>Revenues</u> | <u>Total</u> |
|------------------------|---------------|--------------------------------|-----------------------------------|---------------------------------|------------------------------------|------------------------------|---------------------------|--------------|
| 2010-11                | \$ 31,877,193 | 1,986,225                      | 332,003                           | 294,787                         | 1,531,732                          | 65,094                       | 404,928                   | 36,491,962   |
| 2009-10                | 29,523,775    | 1,199,115                      | 305,683                           | 189,607                         | 1,572,460                          | 86,752                       | 430,303                   | 33,307,695   |
| 2008-09                | 27,843,448    | 1,194,204                      | 292,896                           | 140,188                         | 1,581,093                          | 176,795                      | 429,536                   | 31,658,160   |
| 2007-08                | 25,783,364    | 1,410,969                      | 354,903                           | 120,882                         | 1,637,630                          | 418,188                      | 549,358                   | 30,275,294   |
| 2006-07                | 21,604,423    | 1,018,601                      | 440,279                           | 98,316                          | 1,357,366                          | 441,633                      | 1,138,852                 | 26,099,470   |
| 2005-06                | 19,731,199    | 1,189,872                      | 550,847                           | 118,059                         | 1,178,058                          | 347,008                      | 548,320                   | 23,663,363   |
| 2004-05                | 17,711,771    | 1,558,992                      | 476,166                           | 139,667                         | 1,049,775                          | 235,539                      | 400,375                   | 21,572,285   |
| 2003-04                | 17,568,982    | 1,360,140                      | 471,379                           | 124,695                         | 1,069,497                          | 98,383                       | 451,620                   | 21,144,696   |
| 2002-03                | 14,435,218    | 1,909,100                      | 388,318                           | 103,798                         | 1,145,879                          | 89,182                       | 452,533                   | 18,524,028   |
| 2001-02                | 14,046,543    | 1,095,182                      | 346,741                           | 132,057                         | 1,088,506                          | 67,624                       | 233,169                   | 17,009,822   |

**City of Moore, Oklahoma**  
**Property Tax Levies and Collections**  
*Last Ten Fiscal Years*

| <u>Fiscal<br/>Year</u> | <u>Total<br/>Tax Levy</u> | <u>Current<br/>Tax<br/>Collections<br/>and<br/>Adjustments</u> | <u>Percent of<br/>Current<br/>Taxes<br/>Collected</u> |
|------------------------|---------------------------|--|---|
| 2010-11                | \$ 4,229,686              | 4,305,008  | 101.78%   |
| 2009-10                | 3,154,797                 | 3,124,966  | 99.05%  |
| 2008-09                | 1,889,552                 | 1,880,998  | 99.55%  |
| 2007-08                | 1,977,696                 | 1,985,186  | 100.38%   |
| 2006-07                | 2,043,924                 | 2,018,939  | 98.78%  |
| 2005-06                | 2,187,819                 | 2,135,679  | 97.62%  |
| 2004-05                | 2,254,618                 | 2,229,734  | 98.90%  |
| 2003-04                | 2,509,857                 | 2,597,836  | 103.51%   |
| 2002-03                | 929,659                   | 926,972  | 99.71%  |
| 2001-02                | 1,069,037                 | 1,078,331  | 100.87%   |

**City of Moore, Oklahoma**  
**Assessed Value of Taxable Property**  
*Last Ten Fiscal Years*

| Fiscal<br>Year | Real<br>Property | Personal<br>Property | Public<br>Service<br>Property | Homestead<br>Exemption | Total Actual      |                           | Ratio of Total<br>Assessed Value<br>to Total Estimated<br>Actual Value |
|----------------|------------------|----------------------|-------------------------------|------------------------|-------------------|---------------------------|--|
|                |                  |                      |                               |                        | Assessed<br>Value | Estimated<br>Actual Value |  |
| 2011           | 311,129,395      | 20,693,247           | 11,368,615                    | 13,203,721             | 329,987,536       | 2,749,896,133             | 12%  |
| 2010           | 298,541,732      | 22,175,312           | 10,488,183                    | 12,761,653             | 318,443,574       | 2,653,696,450             | 12%  |
| 2009           | 283,949,448      | 20,534,706           | 9,657,283                     | 11,978,511             | 302,162,926       | 2,518,024,383             | 12%  |
| 2008           | 260,396,812      | 17,355,935           | 9,939,380                     | 11,476,843             | 276,215,284       | 2,301,794,033             | 12%  |
| 2007           | 234,053,815      | 15,284,972           | 10,151,227                    | 11,116,930             | 248,373,084       | 2,069,775,700             | 12%  |
| 2006           | 212,143,838      | 13,335,903           | 10,578,813                    | 10,691,600             | 225,366,954       | 1,878,057,950             | 12%  |
| 2005           | 188,190,985      | 11,349,974           | 10,676,621                    | 9,266,766              | 200,950,814       | 1,674,590,117             | 12%  |
| 2004           | 163,962,969      | 10,580,435           | 9,416,252                     | 8,975,632              | 174,984,024       | 1,458,200,200             | 12%  |
| 2003           | 130,688,641      | 9,377,804            | 8,593,015                     | 8,693,517              | 139,965,943       | 1,166,382,858             | 12%  |
| 2002           | 123,087,259      | 8,351,001            | 8,149,649                     | 8,648,532              | 130,939,377       | 1,091,161,475             | 12%  |

City of Moore, Oklahoma  
Property Tax Rates- All Overlapping Governments  
(Per \$1,000 of Assessed Value)  
*Last Ten Years*

| Year | City<br>Sinking<br>Fund | Cleveland<br>County | Moore<br>Schools | Total<br>Moore<br>Resident |
|------|-------------------------|---------------------|------------------|----------------------------|
| 2011 | 13.68                   | 23.07               | 80.62            | 117.37                     |
| 2010 | 10.44                   | 23.07               | 82.24            | 115.75                     |
| 2009 | 6.84                    | 23.07               | 81.49            | 111.40                     |
| 2008 | 7.96                    | 23.07               | 82.57            | 113.60                     |
| 2007 | 9.07                    | 21.07               | 74.90            | 105.04                     |
| 2006 | 10.89                   | 16.96               | 76.21            | 104.06                     |
| 2005 | 16.85                   | 16.97               | 76.55            | 110.37                     |
| 2004 | 6.25                    | 21.17               | 72.74            | 100.16                     |
| 2003 | 7.66                    | 21.21               | 71.07            | 99.94                      |
| 2002 | 9.77                    | 21.28               | 72.40            | 103.45                     |

The Moore School district's tax rate (mill levy) includes an amount for the area technical/vocational school.

**City of Moore, Oklahoma**  
**Computation of Legal Debt Margin**  
**June 30, 2011**

|                              |                |
|------------------------------|----------------|
| Net assessed valuation       | \$ 329,987,536 |
| Debt limit (a)               | 32,998,754     |
| Applicable bonds outstanding | -              |
| Legal debt margin            | \$ 32,998,754  |

(a) Article 10, section 26 of the Constitution of the State of Oklahoma limits municipal debt to 10% of net assessed valuation for certain types of general obligation bonds.

**City of Moore, Oklahoma**  
**Ratio of Net General Obligation Bonded Debt**  
**To Assessed Value and Net General Obligation Bonded Debt Per Capita**  
*Last Ten Fiscal Years*

| <u>Fiscal<br/>Year</u> | <u>Population (1)</u> | <u>Assessed<br/>Value* (2)</u> | <u>Net<br/>Bonded<br/>Debt</u> | <u>Ratio of<br/>Net Bonded<br/>Debt to<br/>Assessed<br/>Value</u> | <u>Net<br/>Bonded<br/>Debt<br/>Per<br/>Capita</u> |
|------------------------|-----------------------|--------------------------------|--------------------------------|---|---|
| 2010-11                | 55,081                | 329,987,536                    | 16,525,000                     | 5.01%   | 300   |
| 2009-10                | 53,898                | 318,443,574                    | 18,525,000                     | 5.82%   | 354   |
| 2008-09                | 52,361                | 302,162,926                    | 13,200,000                     | 4.37%   | 252   |
| 2007-08                | 51,277                | 276,215,284                    | 7,400,000                      | 2.68%   | 144   |
| 2006-07                | 50,117                | 248,373,084                    | 9,000,000                      | 3.62%   | 180   |
| 2005-06                | 49,000                | 225,366,954                    | 10,600,000                     | 4.70%   | 216   |
| 2004-05                | 46,852                | 200,950,814                    | 12,070,000                     | 6.01%   | 258   |
| 2003-04                | 45,000                | 174,984,024                    | 12,670,000                     | 7.24%   | 282   |
| 2002-03                | 43,500                | 139,965,943                    | 13,270,000                     | 9.48%   | 305   |
| 2001-02                | 43,000                | 130,939,377                    | 6,000,000                      | 4.58%   | 140   |

(1) From table Demographics

(2) From table Assessed Value of Property



**City of Moore, Oklahoma**  
**Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt**  
**to Total General Governmental Expenditures**  
*Last Ten Fiscal Years*

| <u>Fiscal<br/>Year</u> | <u>Principal</u> | <u>Interest (1)</u> | <u>Total<br/>Debt<br/>Service</u> | <u>Total<br/>General<br/>Governmental<br/>Expenditures (2)</u> | <u>Ratio of<br/>Debt<br/>Service to<br/>Government<br/>Expenditures</u> |
|------------------------|------------------|---------------------|-----------------------------------|--|---|
| 2010-11                | 1,600,000        | 850,525             | 2,450,525                         | 46,782,548   | 5.24%   |
| 2009-10                | 1,600,000        | 224,775             | 1,824,775                         | 43,839,564   | 4.16%   |
| 2008-09                | 1,600,000        | 292,150             | 1,892,150                         | 39,096,039   | 4.84%   |
| 2007-08                | 1,600,000        | 354,500             | 1,954,500                         | 35,966,704   | 5.43%   |
| 2006-07                | 1,600,000        | 413,625             | 2,013,625                         | 26,740,362   | 7.53%   |
| 2005-06                | 1,470,000        | 476,345             | 1,946,345                         | 25,799,284   | 7.54%   |
| 2004-05                | 600,000          | 286,500             | 886,500                           | 24,073,347   | 3.68%   |
| 2003-04                | 600,000          | 322,500             | 922,500                           | 22,633,297   | 4.08%   |
| 2002-03                | 600,000          | 358,500             | 958,500                           | 19,910,301   | 4.81%   |
| 2001-02                | 600,000          | 394,500             | 994,500                           | 17,915,449   | 5.55%   |

(1) Excludes bond issuance and other costs

(2) Totals from General Governmental Expenditures by Function table

**City of Moore, Oklahoma**  
**Revenue Bond and Note Coverage**  
*Last Ten Fiscal Years*

| <u>Fiscal<br/>Year</u> | <u>Gross<br/>Revenues</u> | <u>Direct<br/>Operating<br/>Expenses</u> | <u>Net Revenue<br/>Available for<br/>Debt Service</u> | <u>Maximum<br/>Annual<br/>Debt Service</u> | <u>Debt<br/>Service<br/>Coverage</u> |
|------------------------|---------------------------|--|---|--|--------------------------------------|
| 2011                   | 36,964,609                | 8,543,165                                | 28,421,444  | 1,675,226                                  | 16.97                                |
| 2010                   | 34,783,342                | 8,692,884                                | 26,090,458  | 1,340,667                                  | 19.46                                |
| 2009                   | 33,259,597                | 9,313,844                                | 23,945,753  | 1,340,667                                  | 17.86                                |
| 2008                   | 29,495,190                | 9,851,332                                | 19,643,858  | 1,289,839                                  | 15.23                                |
| 2007                   | 28,545,949                | 7,945,110                                | 20,600,839  | 1,612,299                                  | 12.78                                |
| 2006                   | 27,282,428                | 7,366,007                                | 19,916,421  | 3,672,626                                  | 5.42                                 |
| 2005                   | 25,515,709                | 7,642,879                                | 17,872,830  | 3,427,595                                  | 5.21                                 |
| 2004                   | 23,583,245                | 6,191,004                                | 17,392,241  | 3,427,595                                  | 5.07                                 |
| 2003                   | 22,671,040                | 4,540,415                                | 18,130,625  | 9,005,416                                  | 2.01                                 |
| 2002                   | 21,579,987                | 7,722,617                                | 13,857,370  | 4,465,149                                  | 3.10                                 |

**City of Moore, Oklahoma  
Demographic Statistics**

| <u>Year</u> | <u>Estimated<br/>Population</u> | <u>Per Capita<br/>Income (1)</u> | <u>Moore Public<br/>School<br/>District<br/>Enrollment</u> | <u>Unemployment<br/>Rate as a<br/>Percentage(2)</u> |
|-------------|---------------------------------|----------------------------------|--|---|
| 2011        | 55,081                          | 36,940                           | 22,076   | 5.3   |
| 2010        | 53,898                          | 35,830                           | 22,794   | 6.8   |
| 2009        | 52,361                          | 34,920                           | 21,650   | 6.5   |
| 2008        | 51,277                          | 33,720                           | 21,140   | 3.9   |
| 2007        | 50,117                          | 32,570                           | 22,136   | 4.5   |
| 2006        | 49,000                          | 31,460                           | 21,100   | 4.1   |
| 2005        | 46,852                          | 28,985                           | 19,140   | 3.5   |
| 2004        | 45,000                          | 26,800                           | 18,221   | 2.9   |
| 2003        | 43,500                          | 25,911                           | 18,452   | 2.6   |
| 2002        | 43,000                          | 25,670                           | 18,500   | 2.6   |

Source : City of Moore Community Development Department.

- (1) Per capita income is Cleveland County portion of Oklahoma City Metro area.
- (2) Unemployment rate provided by Cleveland County.

**City of Moore, Oklahoma**  
**New Construction**  
*Last Ten Fiscal Years*

| Calendar<br>Year | Commercial<br>Construction |            | Residential<br>Construction |            | Total New<br>Construction |
|------------------|----------------------------|------------|-----------------------------|------------|---------------------------|
|                  | Number<br>of Units         | Value      | Number<br>of Units          | Value      |                           |
| 2010             | 23                         | 20,131,327 | 267                         | 42,601,041 | 62,732,368                |
| 2009             | 24                         | 25,676,782 | 343                         | 54,402,763 | 80,079,545                |
| 2008             | 25                         | 57,472,277 | 311                         | 44,070,586 | 101,542,863               |
| 2007             | 27                         | 23,274,880 | 463                         | 63,258,762 | 86,533,642                |
| 2006             | 30                         | 41,441,893 | 523                         | 70,047,494 | 111,489,387               |
| 2005             | 29                         | 18,395,556 | 700                         | 93,982,683 | 112,378,239               |
| 2004             | 25                         | 16,574,096 | 817                         | 99,031,227 | 115,605,323               |
| 2003             | 20                         | 41,271,500 | 744                         | 82,039,103 | 123,310,603               |
| 2002             | 36                         | 45,873,799 | 464                         | 45,382,694 | 91,256,493                |
| 2001             | 57                         | 32,344,016 | 390                         | 28,905,300 | 61,249,316                |

Based upon building permits issued by the City of Moore, Community Development Department. Values are estimated construction costs.

**City of Moore, Oklahoma**  
**Miscellaneous Statistics**  
**June 30, 2011**

|                             |                   |
|-----------------------------|-------------------|
| Date of Incorporation       | 1893              |
| Form of government          | Council-manager   |
| Square miles in city limits | 22                |
| Miles of streets            | 463.46 Lane miles |

**Education**

|                             |    |
|-----------------------------|----|
| Number of primary schools   | 23 |
| Number of secondary schools | 5  |
| Number of high schools      | 3  |
| Number of colleges          | 2  |

**Police Protection**

|                    |    |
|--------------------|----|
| Number of officers | 84 |
|--------------------|----|

**Fire Protection**

|                               |    |
|-------------------------------|----|
| Number of stations            | 4  |
| Number of personnel per shift | 22 |

**Public Works**

|  |     |
|--|-----|
| Water storage capacity (millions of gallons) | 7.5 |
| Miles of water lines                         | 223 |
| Miles of sanitary sewer lines                | 218 |

Information obtained from various departments of the City of Moore.

City of Moore, Oklahoma  
Miscellaneous Statistics, Continued  
June 30, 2011

City Employees

| Fiscal<br>Year |     | Full Time<br>Equivalents (1) |
|----------------|-----|------------------------------|
| 2010-11        | (2) | 292                          |
| 2009-10        |     | 312                          |
| 2008-09        |     | 318                          |
| 2007-08        |     | 300                          |
| 2006-07        |     | 300                          |
| 2005-06        |     | 299                          |
| 2004-05        |     | 290                          |
| 2003-04        |     | 284                          |
| 2002-03        |     | 285                          |
| 2001-02        |     | 284                          |

(1) FTE includes part-time and seasonal employees.

(2) Decrease in employee count is due to closing of the swimming pool.

**City of Moore, Oklahoma**  
**Miscellaneous Statistics, Continued**  
**June 30, 2011**

**City Water Usage (Gallons)**

| <u>Fiscal<br/>Year</u> | <u>Billed<br/>Annual<br/>Usage</u> | <u>Average<br/>Daily<br/>Usage</u> |
|------------------------|------------------------------------|------------------------------------|
| 2010-11                | 1,853,339,942                      | 5,077,643                          |
| 2009-10                | 1,788,269,213                      | 4,899,367                          |
| 2008-09                | 1,764,935,829                      | 4,835,441                          |
| 2007-08                | 1,641,242,785                      | 4,496,556                          |
| 2006-07                | 1,699,311,394                      | 4,655,648                          |
| 2005-06                | 1,722,634,209                      | 4,719,546                          |
| 2004-05                | 1,487,011,954                      | 4,074,005                          |
| 2003-04                | 1,577,667,000                      | 4,322,375                          |
| 2002-03                | 1,724,490,000                      | 4,724,630                          |
| 2001-02                | 1,423,612,000                      | 3,900,307                          |

**CITY OF MOORE, OKLAHOMA  
SINGLE AUDIT SUPPLEMENT AND  
INDEPENDENT AUDITOR'S REPORTS  
ON COMPLIANCE AND INTERNAL CONTROL**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2011**



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# DILLON & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
1800 S. AIR DEPOT BLVD., SUITE D  
MIDWEST CITY, OK 73110

ROBERT S. DILLON, CPA  
[bobdilloncpa@gmail.com](mailto:bobdilloncpa@gmail.com)

Phone: (405) 732-1800  
Fax : (405) 732-5517

## 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

Honorable Mayor and City Council Members  
City of Moore, Oklahoma

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 Moore, Oklahoma, as of and for the year ended June 30, 2011, which collectively comprise the City of Moore's basic financial statements and have issued our report thereon dated September 1, 2011. 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.

### Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Moore, Oklahoma's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with

which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Council and management of the City of Moore, Oklahoma, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

***Dillon & Associates, P.C.***

Midwest City, Oklahoma  
September 1, 2011

**DILLON & ASSOCIATES, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS  
1800 S. AIR DEPOT BLVD., SUITE D  
MIDWEST CITY, OK 73110

ROBERT S. DILLON, CPA  
[bobdilloncpa@gmail.com](mailto:bobdilloncpa@gmail.com)

Phone: (405) 732-1800  
Fax : (405) 732-5517

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

The Honorable Mayor and  
Members of the City Council  
City of Moore, Oklahoma

**COMPLIANCE**

We have audited the compliance of the City of Moore, Oklahoma, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. The City of Moore, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Moore, Oklahoma's management. Our responsibility is to express an opinion on the City of Moore, Oklahoma's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Moore, Oklahoma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Moore, Oklahoma's compliance with those requirements.

In our opinion, the City of Moore, Oklahoma complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

## INTERNAL CONTROL OVER COMPLIANCE

Management of the City of Moore, Oklahoma is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Moore, Oklahoma's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Moore, Oklahoma's internal control over compliance.

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

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

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moore, Oklahoma as of and for the year ended June 30, 2011, and have issued our report thereon dated September 1, 2011. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Moore, Oklahoma's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the City Council and management of the City of Moore, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

***Dillon & Associates, P.C.***

Midwest City, Oklahoma  
September 1, 2011

City of Moore, Oklahoma

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2011

| FEDERAL GRANTOR/<br>PASS-THROUGH GRANTOR/<br>PROGRAM TITLE           | FEDERAL<br>CFDA<br>NUMBER | PASS - THROUGH<br>GRANTOR<br>NUMBER | PROGRAM<br>OR AWARD<br>AMOUNT | FEDERAL<br>EXPENDITURES |
|--|---------------------------|-------------------------------------|-------------------------------|-------------------------|
| <u>U.S. Department of Justice</u>                                    |                           |                                     |                               |                         |
| State and Local HIDTA Task Force Grant                               | 16.809                    | HIDTA TREAS 303                     | \$ 12,075                     | 12,075                  |
| Edward Bryne Grant   | 16.738                    | H6930-OK-DJ                         | 10,651                        | 10,651                  |
| Total U.S. Department of Justice                                     |                           |                                     | 22,726                        | 22,726                  |
| <u>U.S. Department of Treasury</u>                                   |                           |                                     |                               |                         |
| OKC Economic & Identity Crimes Task Force                            | 21.100                    | USSS-MOU-2008                       | 15,000                        | 4,525                   |
| <u>U.S. Department of Transportation Highway Enhancement</u>         |                           |                                     |                               |                         |
| Passed through Oklahoma Safety Office:                               |                           |                                     |                               |                         |
| Oklahoma Highway Safety Office                                       | 20.600                    | PT-10-03-26-05                      | 65,600                        | 20,924                  |
| Oklahoma Highway Safety Office                                       | 20.600                    | OP-11-03-09-06                      | 65,000                        | 38,291                  |
| Total U.S. Department of Transportation                              |                           |                                     | 130,600                       | 59,215                  |
| <u>U.S. Department of Agriculture, Food, &amp; Forestry</u>          |                           |                                     |                               |                         |
| Passed through Oklahoma Dept. of Transportation:                     |                           |                                     |                               |                         |
| Tree Planting Program  | 20.205                    | SAFETEAU-10-08                      | 20,325                        | 16,173                  |
| <u>U.S. Department of Environmental Protection Agency</u>            |                           |                                     |                               |                         |
| Passed through Oklahoma Water Resource Board:                        |                           |                                     |                               |                         |
| Cap Grant for State Revolving Fund                                   | 66.458                    | DRF-08-0002-CWA                     | 1,667,470                     | 1,667,470               |
| <u>Federal Emergency Management Agency</u>                           |                           |                                     |                               |                         |
| Passed through Oklahoma Department of<br>Civil Emergency Management: |                           |                                     |                               |                         |
| Emergency Management Assistance                                      | 97.042                    | PL 85-606                           | 22,316                        | 22,316                  |
| May Tornado 2010   | 97.036                    | FEMA-DR-1917-OK                     | 143,239                       | 143,239                 |
| Bi-directional radio   | 97.039                    | FEMA-143.050                        | 50,000                        | 50,000                  |
| Total Federal Emergency Management Agency                            |                           |                                     | 215,555                       | 215,555                 |
| <u>U.S. Department of Housing and Urban Development</u>              |                           |                                     |                               |                         |
| Passed through Oklahoma Department of Commerce:                      |                           |                                     |                               |                         |
| Community Development Block Grant                                    | 14.228                    | 13900 CDBG 09                       | 74,583                        | 74,583                  |
| CDBG Entitlement Grant   | 14.218                    | B-10-MC-40-0010                     | 309,004                       | 21,169                  |
| Total U.S. Department of Housing and Urban Development               |                           |                                     | 383,587                       | 95,752                  |
| <u>U.S. Department of Energy</u>                                     |                           |                                     |                               |                         |
| Energy Efficiency Grant - ARRA Funded                                | 81.128                    | DE-SC0001441                        | 454,200                       | 325,841                 |
| Energy Efficiency Grant - ARRA Funded                                | 81.128                    | 13972 SEECBG 09                     | 130,000                       | 10,411                  |
| Total U.S. Department of Energy                                      |                           |                                     | 584,200                       | 336,252                 |
| Total Federal Assistance   |                           |                                     | \$ 3,039,463                  | 2,417,668               |
| <u>State of Oklahoma</u>   |                           |                                     |                               |                         |
| None   |                           |                                     | -                             | -                       |
| Total Federal and State Assistance                                   |                           |                                     | \$ 3,039,463                  | 2,417,668               |

Notes to Schedule of Expenditures of Federal Awards

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

**CITY OF MOORE, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2011**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Moore, Oklahoma.
2. There were no conditions disclosed during the audit of the financial statements required to be reported in the *Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of non-compliance material to the financial statements were disclosed during the audit.
4. No internal control reportable conditions relating to the audit of the major federal award program are reported.
5. The auditor's report on compliance for the major federal award program expresses an unqualified opinion.
6. The audit disclosed no audit findings related to major programs that are required to be reported.
7. The programs tested as a major program were the U.S. Department of Environmental Protection Agency - Cap Grant for State Revolving Funds, CFDA Number 66.458 and the U.S. Department of Energy - Energy Efficiency Grant, CFDA Number 81.128.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The City of Moore, Oklahoma was determined to be a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

None

**Compliance**

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT**

None