



**CITY OF WYNNEWOOD,
OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

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**INDEPENDENT AUDITOR'S
REPORT**

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INDEPENDENT AUDITOR'S REPORT

City Council
City of Wynnewood
Wynnewood, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wynnewood, Oklahoma, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wynnewood, Oklahoma, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wynnewood's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of state awards are presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2016 on our consideration of the City of Wynnewood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Wynnewood's internal control over financial reporting and compliance.

Dillon & Associates, P.C.

Midwest City, Oklahoma
August 3, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WYNNEWOOD, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2016
Unaudited

Our discussion and analysis of the City of Wynnewood's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- The City's total net position decreased by \$175,108 and the assets of the City exceeded its liabilities \$7,646,212 (net position). Of this amount, \$1,544,212 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2016, the City's governmental funds reported combined ending fund balances of \$2,600,093. Of this total amount, \$909,757 is available for spending at the government's discretion (unassigned fund balance).
- At the end of fiscal year 2016, unassigned fund balance for the General Fund was \$909,757, or approximately 96.2% of total General Fund expenditures.
- Sales and use taxes decreased by \$192,938 or 21.3% over the prior fiscal year.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the City of Wynnewood (the "City") and the Wynnewood City Utility Authority (WCUA). Included in this report are government-wide statements for each of two categories of activities - governmental and business-type. This discussion and analysis focuses on the primary government, composed of the City of Wynnewood and Wynnewood City Utility Authority.

The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. For governmental activities, these statements tell how their services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. These statements include all assets of the City (including infrastructure capital assets) as well as all liabilities (including all long-term debt).

The Statement of Net Position and the Statement of Activities

This discussion and analysis is intended to serve as an introduction to the City of Wynnewood's basic financial statements. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way determining whether the City's overall financial condition improved, declined or remained steady over the past year. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's Net Position and changes in Net Position from the prior year. You can think of the City's Net Position - the difference between assets and deferred outflows and liabilities and deferred inflows - as one way to measure the City's financial condition, or position. Over time, increases or decreases in Net Position are one indicator of whether the financial position of the City is improving, deteriorating or remaining steady. However, you must consider other non-financial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health of the City.

The Statement of Net Position and the Statement of Activities are divided into two types of activities:

- **Governmental activities** - Most of the City's basic services are reported here, including the police, fire, general administration, streets and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- **Business-type activities** - The City's activities that charge a fee to customers to help cover all or most of the cost of certain services it provides. The City's electric, water, sewer, solid waste collections utilities are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Proprietary funds. When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Enterprise funds are one type of proprietary funds and are essentially the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

For the year ended June 30, 2016, net position for governmental activities and business-type activities decreased \$175,108. The results indicate the City, as a whole, incurred an increase in its financial condition from the prior year.

The following is a summary comparison of changes in net position from last year for the City:

	Governmental			Business-type			Total		
	<u>Activities</u>		% Inc.	<u>Activities</u>		% Inc.	<u>Primary Government</u>		% Inc.
	<u>2016</u>	<u>2015</u>	<u>(Dec.)</u>	<u>2016</u>	<u>2015</u>	<u>(Dec.)</u>	<u>2016</u>	<u>2015</u>	<u>(Dec.)</u>
Current and other assets	\$ 2,733	2,611	5%	4,559	4,843	-6%	7,292	7,454	-2%
Capital assets	1,986	2,092	-5%	2,147	2,003	7%	4,133	4,095	1%
Total assets	<u>4,719</u>	<u>4,703</u>	0%	<u>6,706</u>	<u>6,846</u>	-2%	<u>11,425</u>	<u>11,549</u>	-1%
Deferred outflow of resources	<u>2</u>	<u>2</u>		<u>-</u>	<u>-</u>		<u>2</u>	<u>2</u>	
Long-term debt outstanding	6	6	0%	3,290	3,291	0%	3,296	3,297	0%
Other liabilities	165	42	293%	313	386	-19%	478	428	12%
Total liabilities	<u>171</u>	<u>48</u>	256%	<u>3,603</u>	<u>3,677</u>	-2%	<u>3,774</u>	<u>3,725</u>	1%
Deferred inflow of resources	<u>7</u>	<u>5</u>		<u>-</u>	<u>-</u>		<u>7</u>	<u>5</u>	
Net position:									
Invested in capital assets, net of debt	1,986	2,092	-5%	1,732	1,591	9%	3,718	3,683	1%
Restricted	1,691	1,546	9%	693	792	-13%	2,384	2,338	2%
Unrestricted (deficit)	866	1,014	-15%	678	786	-14%	1,544	1,800	-14%
Total net position	\$ <u>4,543</u>	<u>4,652</u>	-2%	<u>3,103</u>	<u>3,169</u>	-2%	<u>7,646</u>	<u>7,821</u>	-2%

The largest portion of the City's net position 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. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$2,384,095 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$1,544,116, may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

For the year ended June 30, 2016 net position of the primary government changed as follows:

Table 2
Changes in Net Position (In Thousands)

	Governmental			Business-type			Total		
	<u>Activities</u>		<u>% Inc.</u>	<u>Activities</u>		<u>% Inc.</u>	<u>Primary Government</u>		<u>% Inc.</u>
	<u>2016</u>	<u>2015</u>	<u>(Dec.)</u>	<u>2016</u>	<u>2015</u>	<u>(Dec.)</u>	<u>2016</u>	<u>2015</u>	<u>(Dec.)</u>
Revenues									
Charges for services	\$ 57	43	33%	2,492	2,588	-4%	2,549	2,631	-3%
Operating grants	13	14	-7%	-	-	-	13	14	-7%
Capital grants	7	268	-97%	-	-	-	7	268	-97%
Sales and use taxes	712	905	-21%	-	-	-	712	905	-21%
Fines/forfeitures	30	27	11%	-	-	-	30	27	11%
Franchise tax (fees)	18	22	-18%	-	-	-	18	22	-18%
Other taxes	59	38	55%	-	-	-	59	38	55%
Investment income	3	8	-63%	3	4	-25%	6	12	-50%
Other	110	44	150%	18	10	80%	128	54	137%
Total revenues	<u>1,009</u>	<u>1,369</u>	<u>-26%</u>	<u>2,513</u>	<u>2,602</u>	<u>-3%</u>	<u>3,522</u>	<u>3,971</u>	<u>-11%</u>
Expenses									
General government	251	237	6%	173	161	7%	424	398	7%
Public safety	442	502	-12%	-	-	-	442	502	-12%
Public works	653	656	0%	-	-	-	653	656	0%
Cultural & recreation	144	141	2%	-	-	-	144	141	2%
Electric	-	-	0%	1,375	1,416	-3%	1,375	1,416	-3%
Water	-	-	-	264	558	-53%	264	558	-53%
Sewer	-	-	-	243	246	-1%	243	246	-1%
Sanitation	-	-	-	152	141	8%	152	141	8%
Total expenses	<u>1,490</u>	<u>1,536</u>	<u>-3%</u>	<u>2,207</u>	<u>2,522</u>	<u>-12%</u>	<u>3,697</u>	<u>4,058</u>	<u>-9%</u>
Increase in net position									
before transfers	(481)	(167)	188%	306	80	283%	(175)	(87)	101%
Transfers	372	317	17%	(372)	(317)	17%	-	-	
Change in net position	<u>(109)</u>	<u>150</u>	<u>-173%</u>	<u>(66)</u>	<u>(237)</u>	<u>-72%</u>	<u>(175)</u>	<u>(87)</u>	<u>101%</u>
Beginning net position	4,652	4,502	3%	3,169	3,099	2%	7,821	7,601	3%
Contributed capital	-	-		-	307		-	307	
Ending net position	<u>\$ 4,543</u>	<u>4,652</u>	<u>-2%</u>	<u>3,103</u>	<u>3,169</u>	<u>-2%</u>	<u>7,646</u>	<u>7,821</u>	<u>-2%</u>

The City's governmental activities capital grants and contributions decreased approximately \$260,935 due in large part to grants received from CDBG in fiscal year 2015.

Governmental Activities

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

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

	Total Expenses		% Inc. (Dec.)	Net Revenue		% Inc. (Dec.)
	of Services			(Expense)		
	<u>2016</u>	<u>2015</u>		<u>2016</u>	<u>2015</u>	
General government	\$ 250,696	237,053	6%	(184,090)	(191,941)	-4%
Public safety	442,361	502,425	-12%	(412,481)	(466,614)	-12%
Public works	652,690	655,866	0%	(645,658)	(387,899)	66%
Cultural & recreation	144,189	141,320	2%	(141,105)	(138,258)	2%
Total	\$ 1,489,936	1,536,664	-3%	(1,383,334)	(1,184,712)	17%

For the year ended June 30, 2016, total expenses for governmental activities amounted to \$1,489,936 which is a 3.1% decrease from the prior year.

Business-type Activities

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

	Total Expenses		% Inc. (Dec.)	Net Revenue		% Inc. (Dec.)
	of Services			(Expense) of Services		
	<u>2016</u>	<u>2015</u>		<u>2016</u>	<u>2015</u>	
General government	\$ 172,933	161,450	7%	(131,457)	(138,343)	-5%
Electric	1,375,364	1,416,169	-3%	404,910	478,258	-15%
Water	264,650	557,578	-53%	36,236	(245,198)	-115%
Sewer	242,801	246,257	-1%	(65,043)	(81,763)	-20%
Sanitation	151,794	140,640	8%	39,893	52,948	-25%
Total	\$ 2,207,542	2,522,094	-12%	284,539	65,902	332%

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

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2016 fiscal year, the governmental funds reported a combined fund balance of \$2,600,093, or 0.1% decrease from the prior year. The enterprise funds reported combined net position of \$3,102,875, or 2.1% decrease from 2015.

Other Fund Highlights Include:

- For the year ended June 30, 2016, the General Fund's total fund balance decreased by \$147,808, or 16.2%, due to an increase in expenses and purchases of capital assets.
- The WCUA Enterprise Fund reported a net position increase before contributions and transfers of \$333,028.

General Fund Budgetary Highlights

For the year ended June 30, 2016, the General Fund reported actual budgetary basis revenues below final estimates by \$59,939 or an 9.1% negative variance. General Fund actual expenditures were under final appropriations by \$42,312 or a 4.3% positive variance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2016, the City had \$4,108,297 invested in capital assets, net of depreciation, including land, buildings, machinery and equipment, park facilities, electric, water, sewer and stormwater systems, roads and bridges. This represents a net increase of approximately \$12,589 over last year.

Table 5
Capital Assets

	Governmental Activities <u>2016</u>	Business-type Activities <u>2016</u>	Total <u>2016</u>
Land and construction in progress	\$ 119,160	582,929	702,089
Building and improvements	2,235,497	19,300	2,254,797
Machinery and equipment	897,637	592,193	1,489,830
Vehicles	842,699	544,924	1,387,623
Infrastructure	1,301,495	5,740,663	7,042,158
	<u>5,396,488</u>	<u>7,480,009</u>	<u>12,876,497</u>
Less : Accumulated depreciation	<u>3,410,179</u>	<u>5,358,021</u>	<u>8,768,200</u>
Net capital assets	<u>\$ 1,986,309</u>	<u>2,121,988</u>	<u>4,108,297</u>

	Governmental Activities <u>2015</u>	Business-type Activities <u>2015</u>	Total <u>2015</u>
Land and construction in progress	\$ 119,160	331,801	450,961
Building and improvements	2,235,497	19,300	2,254,797
Machinery and equipment	889,598	577,729	1,467,327
Vehicles	834,460	544,924	1,379,384
Infrastructure	1,301,495	5,740,663	7,042,158
	<u>5,380,210</u>	<u>7,214,417</u>	<u>12,594,627</u>
Less : Accumulated depreciation	<u>3,288,153</u>	<u>5,210,766</u>	<u>8,498,919</u>
Net capital assets	<u>\$ 2,092,057</u>	<u>2,003,651</u>	<u>4,095,708</u>

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

- Purchase of minor equipment.
- Initial construction of the construction and upgrade of the wastewater system.

Long-term Debt

At year-end, the City had \$3,280,000 in long-term debt outstanding, which represents approximately a \$70,000 decrease from the prior year.

Table 4
Outstanding Debt

	Governmental Activities <u>2016</u>	Business-type Activities <u>2016</u>	Total <u>2016</u>
Revenue bonds	\$ -	3,280,000	3,280,000
Other	-	-	-
Net long-term debt	<u>\$ -</u>	<u>3,280,000</u>	<u>3,280,000</u>

	Governmental Activities <u>2015</u>	Business-type Activities <u>2015</u>	Total <u>2015</u>
Revenue bonds	\$ -	3,350,000	3,350,000
Other	-	-	-
Net long-term debt	<u>\$ -</u>	<u>3,350,000</u>	<u>3,350,000</u>

ECONOMIC OUTLOOK

- The City's finances continue have stable revenue and expense.
- The unemployment rate for the Oklahoma area which includes Wynnewood is currently 4.4 percent, which is a decrease of .4 percent from a year ago. This compares favorably to the state's average unemployment rate of 4.6 percent and favorably to the national average rate of 6.1 percent.
- Inflationary trends in the region compare favorably to national indices.
- The City's major source of revenue is sales tax revenue. Sales tax revenue decreased 21.3% over the prior year total.

All of these factors were considered in preparing the City's budget for the 2016 fiscal year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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 Office at 207 W. Robert S. Kerr Blvd., Wynnewood, Oklahoma 73098.

BASIC FINANCIAL STATEMENTS

City of Wynnewood, Oklahoma
Statement of Net Position
June 30, 2016

	Primary Government		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Pooled cash and cash equivalents	\$ 1,600,399	456,491	2,056,890
Investments	1,083,073	858,616	1,941,689
Receivables (net of allowance for uncollectibles)	-	243,199	243,199
Receivables from other governments	50,112	-	50,112
Restricted assets:			
Restricted cash and investments	-	3,000,222	3,000,222
Capital assets:			
Land	119,160	582,929	702,089
Other capital assets, net of depreciation	1,867,149	1,564,059	3,431,208
Total assets	<u>4,719,893</u>	<u>6,705,516</u>	<u>11,425,409</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts related to pensions	<u>1,746</u>	<u>-</u>	<u>1,746</u>
LIABILITIES			
Accounts payable and accrued expenses	10,218	142,469	152,687
Accrued interest payable	-	42,685	42,685
Due to depositors	123,273	127,325	250,598
Due to bondholders	-	-	-
Net pension liability	31,633	-	31,633
Long-term liabilities			
Due within one year	-	90,000	90,000
Due in more than one year	5,884	3,200,162	3,206,046
Total liabilities	<u>171,008</u>	<u>3,602,641</u>	<u>3,773,649</u>
DEFERRED INFLOW OF RESOURCES			
Deferred amounts related to pensions	<u>7,294</u>	<u>-</u>	<u>7,294</u>
NET POSITION			
Net investment in capital assets	1,986,309	1,731,692	3,718,001
Restricted for:			
Debt service	-	218,068	218,068
Capital projects	996,928	474,922	1,471,850
Public safety	60,448	-	60,448
Other	633,729	-	633,729
Unrestricted (deficit)	865,923	678,193	1,544,116
Total net position	<u>\$ 4,543,337</u>	<u>3,102,875</u>	<u>7,646,212</u>

See accompanying notes to the basic financial statement.

City of Wynnewood, Oklahoma
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Primary government:				
Governmental activities:				
General government	\$ 250,696	56,716	9,890	-
Public safety -				
Police	264,518	29,880	-	-
Fire	41,840	-	-	-
Other	136,003	-	-	-
Public works	652,690	-	-	7,032
Culture and recreation	144,189	-	3,084	-
Total government activities	<u>1,489,936</u>	<u>86,596</u>	<u>12,974</u>	<u>7,032</u>
Business-type activities:				
Electric	1,375,364	1,780,274	-	-
Water	264,650	300,886	-	-
Sewer	242,801	177,758	-	-
Sanitation	151,794	191,687	-	-
General government	172,933	41,476	-	-
Total business-type activities	<u>2,207,542</u>	<u>2,492,081</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 3,697,478</u>	<u>2,578,677</u>	<u>12,974</u>	<u>7,032</u>
				<u>(1,098,795)</u>

City of Wynnewood, Oklahoma
Statement of Activities
For the Year Ended June 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Change in Net Position:			
Net (expense) revenue	\$ (1,383,334)	284,539	(1,098,795)
General revenues:			
Taxes:			
Sales taxes	652,905	-	652,905
Use taxes	59,119	-	59,119
Franchise taxes (fees)	17,799	-	17,799
Other taxes	59,435	-	59,435
Unrestricted investment income	3,337	3,005	6,342
Miscellaneous	109,917	18,170	128,087
Transfers	372,146	(372,146)	-
Total general revenues and transfers	1,274,658	(350,971)	923,687
Change in net position	(108,676)	(66,432)	(175,108)
Net Position - beginning	4,652,013	3,169,307	7,821,320
Net Position - ending	\$ <u>4,543,337</u>	<u>3,102,875</u>	<u>7,646,212</u>

See accompanying notes to the basic financial statement.

City of Wynnewood, Oklahoma
 Governmental Funds
 Balance Sheet
 June 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 399,434	1,193,433	1,592,867
Cash - Police bond account	7,532	-	7,532
Investments	609,107	473,966	1,083,073
Receivables, other governments	27,157	22,955	50,112
Total assets	1,043,230	1,690,354	2,733,584
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	10,200	18	10,218
Accrued liabilities	122,533	-	122,533
Due to depositors	740	-	740
Police bonds outstanding	-	-	-
Total liabilities	133,473	18	133,491
DEFERRED INFLOWS OF RESOURCES			
	-	-	-
Fund balances:			
Nonspendable	-	1,690,336	1,690,336
Unassigned	909,757	-	909,757
Total fund balances	909,757	1,690,336	2,600,093
Total liabilities and fund balances	\$ 1,043,230	1,690,354	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not required in the governmental fund statements.			1,986,309
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:			
Pension related deferred outflows			1,746
Certain liabilities are not due and payable in the current period from current financial resources, and therefore are not reported in the funds:			
Net pension liability			(31,633)
Pension related deferred inflows			(7,294)
Accrued compensated absences			(5,884)
Net position of governmental activities			\$ 4,543,337

See accompanying notes to the basic financial statement.

City of Wynnewood, Oklahoma
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 477,806	311,452	789,258
Intergovernmental	5,600	28,704	34,304
Licenses and permits	1,853	-	1,853
Charge for services	35,896	1,950	37,846
Fines and forfeitures	29,880	-	29,880
Interest	829	2,508	3,337
Miscellaneous	45,817	64,100	109,917
Total revenues	<u>597,681</u>	<u>408,714</u>	<u>1,006,395</u>
EXPENDITURES			
Current:			
General government	235,061	-	235,061
Public safety	401,086	16,897	417,983
Public works	194,736	407,753	602,489
Culture and recreation	114,606	12,058	126,664
Total expenditures	<u>945,489</u>	<u>436,708</u>	<u>1,382,197</u>
Excess (deficiency) of revenues over expenditures	<u>(347,808)</u>	<u>(27,994)</u>	<u>(375,802)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	200,000	172,146	372,146
Transfers out	-	-	-
Total other financing sources and uses	<u>200,000</u>	<u>172,146</u>	<u>372,146</u>
Net change in fund balances	(147,808)	144,152	(3,656)
Fund balances-beginning	1,057,565	1,546,184	2,603,749
Fund balances-ending	<u>\$ 909,757</u>	<u>1,690,336</u>	<u>2,600,093</u>

See accompanying notes to the basic financial statement.

City of Wynnewood, 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, 2016

Net change in fund balances - total governmental funds	\$ (3,656)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:</p>	
Capital asset purchases capitalized	16,278
Depreciation expense	(122,025)
	(105,747)
<p>In the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures.</p>	
	769
<p>Repayment of debt principal and note issue costs is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:</p>	
Long-term debt principal payments	-
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>	
Change in accrued compensated absences	(42)
	(42)
Change in net position of governmental activities	\$ (108,676)

City of Wynnewood, Oklahoma
(Wynnewood City Utilities Authority)
Statement of Net Position - Proprietary Funds
June 30, 2016

	Business-type Activities - Enterprise Funds		
	Operating Fund	Capital Improvement Fund	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 386,295	70,196	456,491
Investments	453,890	404,726	858,616
Restricted:			
Cash and cash equivalents	3,000,221	-	3,000,221
Receivables, accounts, net of allowance for doubtful accounts of \$6,395	243,199	-	243,199
Total current assets	<u>4,083,605</u>	<u>474,922</u>	<u>4,558,527</u>
Non-current assets:			
Land, improvements and construction in progress	582,929	-	582,929
Other capital assets, net of accumulated depreciation	1,564,059	-	1,564,059
Total non-current assets	<u>2,146,988</u>	<u>-</u>	<u>2,146,988</u>
Total assets	<u>6,230,593</u>	<u>474,922</u>	<u>6,705,515</u>
DEFERRED OUTFLOW OF RESOURCES			
	-	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	142,469	-	142,469
Accrued interest payable	42,685	-	42,685
Deposits subject to refund	127,325	-	127,325
Current portion of long-term obligations	90,000	-	90,000
Total current liabilities	<u>402,479</u>	<u>-</u>	<u>402,479</u>
Non-current liabilities:			
Revenue bonds payable, net of current portion	3,190,000	-	3,190,000
Accrued compensated absences	10,162	-	10,162
Total non-current liabilities	<u>3,200,162</u>	<u>-</u>	<u>3,200,162</u>
Total liabilities	<u>3,602,641</u>	<u>-</u>	<u>3,602,641</u>
DEFERRED INFLOW OF RESOURCES			
	-	-	-
NET POSITION			
Net investment in capital assets	1,731,692	-	1,731,692
Restricted:			
Debt service	218,068	-	218,068
Capital improvement	-	474,922	474,922
Unrestricted	678,193	-	678,193
Total net position	<u>\$ 2,627,953</u>	<u>474,922</u>	<u>3,102,875</u>

See accompanying notes to the basic financial statement.

City of Wynnewood, Oklahoma
(Wynnewood City Utilities Authority)
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds		
	Operating Fund	Capital Improvement Fund	Total Enterprise Funds
REVENUES			
Electric	\$ 1,780,274	-	1,780,274
Water	300,886	-	300,886
Sewer	177,758	-	177,758
Sanitation	191,687	-	191,687
Other	41,476	-	41,476
Total operating revenues	<u>2,492,081</u>	<u>-</u>	<u>2,492,081</u>
OPERATING EXPENSES			
General and administration	98,055	1,345	99,400
Electric	1,335,244	25,247	1,360,491
Water	190,580	-	190,580
Sewer	191,443	1,745	193,188
Sanitation	143,116	-	143,116
Utility office	73,512	-	73,512
Depreciation and amortization	147,255	-	147,255
Total operating expenses	<u>2,179,205</u>	<u>28,337</u>	<u>2,207,542</u>
Operating income (loss)	<u>312,876</u>	<u>(28,337)</u>	<u>284,539</u>
NONOPERATING REVENUES (EXPENSES)			
Miscellaneous revenues	18,170		18,170
Interest income	1,982	1,023	3,005
Interest expense and fiscal charges	-	-	-
Total nonoperating revenues (expenses)	<u>20,152</u>	<u>1,023</u>	<u>21,175</u>
OPERATING TRANSFERS AND CAPITAL ITEMS			
Transfers in	-	(14,465)	(14,465)
Transfers out	(282,681)	(75,000)	(357,681)
Total operating transfers	<u>(282,681)</u>	<u>(89,465)</u>	<u>(372,146)</u>
Change in net position	<u>50,347</u>	<u>(116,779)</u>	<u>(66,432)</u>
Net Position - beginning	2,577,606	591,701	3,169,307
Contributed capital - fixed assets	-	-	-
Net Position-ending	<u>\$ 2,627,953</u>	<u>474,922</u>	<u>3,102,875</u>

See accompanying notes to the basic financial statement.

City of Wynnewood, Oklahoma
(Wynnewood City Utilities Authority)
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds		
	Operating	Capital	Total
	Fund	Improvement	Enterprise
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,492,081	-	2,492,081
Payments to suppliers	(1,548,340)	(28,337)	(1,576,677)
Payments to employees	(488,728)	-	(488,728)
Net cash provided (used) by operating activities	<u>455,013</u>	<u>(28,337)</u>	<u>426,676</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Miscellaneous revenues	18,170	-	18,170
Operating transfers in (out)	(282,681)	(89,465)	(372,146)
Net cash provided (used) by noncapital financing activities	<u>(264,511)</u>	<u>(89,465)</u>	<u>(353,976)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on long-term debt	(70,000)	-	(70,000)
Interest expense and fiscal charges	-	-	-
(Acquisition) disposition of capital assets	(290,593)	-	(290,593)
Net cash provided (used) by capital and related financing activities	<u>(360,593)</u>	<u>-</u>	<u>(360,593)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in investments	(993)	149,460	148,467
Interest received	1,982	1,023	3,005
Net cash provided (used) by investing activities	<u>989</u>	<u>150,483</u>	<u>151,472</u>
Net increase (decrease) in cash and cash equivalents	(169,102)	32,681	(136,421)
Cash and cash equivalents, beginning of the year	3,555,619	37,515	3,593,134
Cash and cash equivalents, end of the year	<u>\$ 3,386,517</u>	<u>70,196</u>	<u>3,456,713</u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents	386,295	70,196	456,491
Restricted cash and cash equivalents	3,000,222	-	3,000,222
Total cash and cash equivalents, end of year	<u>\$ 3,386,517</u>	<u>70,196</u>	<u>3,456,713</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	312,876	(28,337)	284,539
Adjustments to reconcile operating income to net cash provided by operating activities:			
Cash flows reported in other categories:			
Depreciation expense	147,255	-	147,255
Change in assets and liabilities:			
Receivable, net	(1,455)	-	(1,455)
Accounts payable	19,609	-	19,609
Accrued expenses	(23,877)	-	(23,877)
Due to depositors	605	-	605
Total adjustments	<u>142,137</u>	<u>-</u>	<u>142,137</u>
Net cash provided by (used in) operating activities	<u>\$ 455,013</u>	<u>(28,337)</u>	<u>426,676</u>

See accompanying notes to the basic financial statements.

**NOTES TO BASIC
FINANCIAL STATEMENTS**

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 1. ORGANIZATION

The City of Wynnewood, Oklahoma (the City) is a municipal corporation, incorporated in 1887. The City is governed by an elected mayor and eight-member council and operates under an Aldermanic form of government under Title 11 of the *Oklahoma Statutes*. The City provides the following services to its citizens: public safety (police and fire), streets and highways, sanitation, social services, culture and recreation, public improvements, utilities, planning and zoning, and general administrative services.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity - The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations.

Blended component unit. The Wynnewood City Utilities Authority (WCUA) serves all the citizens of the City and is governed by a board comprised of the City's elected council (Trustees). The rates for user charges and debt authorization are approved by the city council. The WCUA was created October 4, 1954, to finance, develop, and operate the electric, water, wastewater, and solid waste activities of the City. The WCUA is reported as an enterprise fund type.

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" as amended by Statement 61, and includes all component units for which the City is financially accountable. Each component unit is a Public Trust established pursuant to Title 60 of the Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through the issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. In accordance with state law, all debt obligations incurred by public trusts require 2/3 approval by the City Council. In addition, the City has leased certain existing assets at the creation for the Authority to the Trustees on a long-term basis. The City, as beneficiary of the Public Trust, receives title to any residual assets when a Public Trust is dissolved.

Basis of Presentation and Accounting:

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

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

- Public Safety - Police and Fire - fines and forfeitures, fire run charges, 911 revenues, operating and capital grants
- Streets - commercial vehicle and gasoline excise tax shared by the State, operating and capital grants
- Culture and Recreation - pool fees, library fees and operating grants
- Cemetery - cemetery revenues
- General Government - licenses and permits, rentals, operating and capital grants

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

Governmental Funds:

Major Fund:

General Fund - accounts for general operations of the City including: public safety, parks, public facilities, street maintenance and internal service support.

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

Special Revenue Funds - accounts for the proceeds of government grants or specific revenue sources (other than grants applicable to enterprise fund activities, expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

- EMS Fund
- A.M.C.D. Fund
- Public Library Fund
- Fire Department Fund

Cemetery Perpetual Care Fund - accounts for and reports resources that are restricted, committed, or assigned to expenditure for the maintenance and care of the cemetery.

Capital Projects - accounts for and report financial resources that are restricted, committed, or assigned to expenditure for the construction and repair of streets as approved by a special sales tax ordinance.

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

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The General Fund is considered a major fund and therefore displayed in a separate column. All other governmental funds are considered non-major funds and are aggregated under the column Other Governmental Funds.

Proprietary Funds:

The following are the City's major proprietary funds:

Wynnewood City Utilities Authority (WCUA) - accounts for the revenues from operations of electric, water, sanitary sewer, solid waste.

The proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus.

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

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Fund Equity

- a. *Deposits and Investments* - Oklahoma Statutes authorize the City to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided all deposits are fully covered by approved securities pledged to secure those funds. In addition, the City can invest in direct debt securities of the United States unless law expressly prohibits such investment.

For financial statement presentation and for purposes of the statement of cash flows, the City's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit with maturity dates of three months or less. Debt instruments with a maturity date of three months from the date of issue are considered investments. Investments are stated at cost.

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- b. *Restricted Cash and Investments* - The restricted debt fund cash and investments are the result of financial requirements of debt issues and consist of funds held in accounts with the Trustee bank. Under terms and provisions of the Bond Indenture, these special accounts and reserves funds are maintained for the benefit of the holders of the bonds and notes and are not subject to lien or attachment by any other creditors. These accounts and reserve funds are to be maintained so long as any of the related bonds or notes are outstanding. Monies contained in the accounts and reserve funds held by the Trustee are required to be continuously invested in authorized securities that mature not later than the respective dates when the funds shall be required for the purpose intended by the trust indenture.
- c. *Fair Value of Financial Instruments* - The City's financial instruments include cash and cash equivalents, investments, accounts receivable and accounts payable. The City's estimates of fair value of all financial instruments do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.
- d. *Receivables and payables* - In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

In the governmental fund financial statements, receivables are recorded when they are both measurable and available. Proprietary fund receivables consist of all revenues earned at year-end and not yet received.

- e. *Interfund Receivable and Payables* - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / due 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."
- f. *Inventory* - Inventories in both governmental funds and proprietary funds normally consist of minimal amounts of expendable supplies held for consumption. The costs of such inventories are recorded as expenditures when purchased rather than when consumed.

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

g. *Capital Assets* - Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with initial, individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, the majority of which generally consists of donated land and infrastructure which is recorded in the governmental funds and donated water and sewer distribution systems which are recorded in the proprietary funds, are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 - 65 years
Infrastructure	25 - 50 years
Improvements other than buildings & infrastructure	10 - 20 years
Machinery and equipment	3 - 20 years
Vehicles	3 - 7 years

h. *Long-term Debt* - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, issuance costs and losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred losses on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 issues is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt services expenditures.

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- i. *Claims and Judgments Payable* - Under state law, judgments against the City can be paid over three years or can be paid immediately. The General Fund pays all claims and judgments. A liability has been recorded within the government-wide, proprietary and fiduciary fund financial statements for claims and judgments payable. A liability for these amounts is reported in governmental funds only if they will be paid from current financial resources.
- j. *Compensated Absences* - Under the terms of union contracts and City personnel policies, City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation leave.
- k. *Pensions* - For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions and pension expense, information about the fiduciary net position of the City's multiemployer pension plans and additions to/deductions from the multiemployer pension plans have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
- l. *Fund Equity* - In the government-wide financial statements, equity is classified as net position and displayed in three components:
 - 1. *Net investment in capital assets* - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings attributable to those assets.
 - 2. *Restricted net position* - Consists of net position with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation. The most significant restriction as of June 30, 2016 related to three ordinances benefiting the City's wastewater system which provide funds that are being held to complete capital projects.
 - 3. *Unrestricted net position* - All other assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted net position are available for use, generally it is the City's policy to use restricted resources first. For projects funded with tax-exempt debt proceeds and other sources, the debt proceeds are used first.

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a) *Nonspendable* - Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.
- b) *Restricted* - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- c) *Committed* - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action of the highest level of decision making authority. To commit these funds, formal action is required by the City Council either by resolution or ordinance that identifies the specific circumstances under which the resources may be expended.
- d) *Assigned* - Includes fund balance amount that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be stipulated by the governing body, another body (such as Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance of the classification for all governmental funds with positive balances.
- e) *Unassigned* - Includes the residual balance of the General Fund that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes with the General Fund.

Revenues, Expenditures and Expenses

- a. *Property Tax Revenue* - Property taxes attach an enforceable lien on property as of January 1. Taxes are levied annually on November 1 and are due one-half by December 31 and one-half by March 31. The Tax Assessor's office bills and collects the property taxes and remits to the City its portion. Property taxes not paid prior to April are considered delinquent. Such delinquent tax payments have not historically been material. Delinquent tax payments are received throughout the year and are recognized as revenue in the year received, except those received within 60 days of year end, which are recognized as revenues as of June 30, 2016 in both the government-wide and fund financial statements. The City is not currently assessing property taxes.
- b. *Sales Taxes* - Sales taxes are collected by vendors and required to be remitted to the State of Oklahoma by the 20th of the month following collection. The tax is then paid to the City by the 10th of the next month. A two-month lag exists between collection by the vendor and payment to the City by the State. Revenue received in July and August from sales made in May and June, respectively, is available for prior year expenses and is accrued in both the government-wide and fund financial statements.

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- c. *Charges for Services* - Charges for service consist primarily of charges made by the General Fund for services such as self-insurance, motor pool usage, printing, accounting, data processing, facilities usage and other benefits provided to the other funds of the City.
- d. *Intergovernmental Revenues/Capital Grants Earned* - Revenues from Federal and State operating grants are recognized when expenditures are made. Similarly, capital grants are considered earned when the expenditures are made. The earned portion of capital grants in Proprietary Funds is treated as a capital contribution within the statement of revenues, expenses and changes in fund net position.
- e. *Investment Earnings* - Investment earnings on pooled cash and investments are allocated on a pro-rata basis to the City's funds based on the percentage of each fund's average month-end pooled cash balance.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

The following notes present detailed information to support the amounts reported in the basic financial statements for the City's various assets, liabilities, net position/fund balances, revenues and expenditures/expenses.

Cash and Investments

A summary of cash and investments shown in the Statement of Net Position is as follows:

Cash and equivalents	\$ 2,056,890
Investments	<u>1,941,689</u>
Total	<u>\$ 3,998,579</u>

City of Wynnewood, Oklahoma
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2016

The local government had the following deposits and investments at June 30, 2016:

	Credit rating	Fair value	Maturities in Years		
			On demand	Less than 1	1-5
Demand deposits and cash on hand	(1)	\$ 2,056,890	2,056,890	-	-
Money market mutual funds	AAA	-	-	-	-
Time deposits	(1)	1,941,689	-	1,941,689	-
Total		\$ 3,998,579	2,056,890	1,941,689	-

(1) Note subject to rating

Standard and Poor's (S&P) was the source for all credit ratings reported above.

Custodial Credit Risk

At June 30, 2016, the City held deposits of approximately \$4,167,611 at financial institutions. The City's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with the securities held by the City or by its agent in the City's name.

Investment Interest Credit Risk

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

Investment Credit Risk

The City has no policy that limits its investment choice other than the limitation of the state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime banker's acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.

City of Wynnewood, Oklahoma
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS - Continued

- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by Federal Housing Administrator, and obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraph (a.-d.).

Concentration of Investment Credit Risk

The City places no limit on the amount it may invest in any one issuer. The City has the following of credit risk: 100% in Certificates of deposit (\$1,941,689) and 0% in Money Market funds (\$0).

Receivables and Uncollectible Accounts

Receivables as of June 30, 2016, for the City of Wynnewood's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Nonmajor Governmental Funds	Wynnewood City Utilities Authority	Total
Receivables:				
Taxes	\$ 27,157	22,955	-	50,112
Accounts	-	-	249,594	249,594
Gross receivables	<u>27,157</u>	<u>22,955</u>	<u>249,594</u>	<u>299,706</u>
Less: Allowance for uncollectibles	-	-	6,395	6,395
Net total receivables	<u>\$ 27,157</u>	<u>22,955</u>	<u>243,199</u>	<u>293,311</u>

Restricted Assets

The Wynnewood City Utilities Authority Utility System Refunding Revenue Bonds, Series 2015 include restricted cash and investments for a debt service fund for repayment of the principal and interest when due, and a debt service reserve to be used for payment of principal and interest provided sufficient funds are not available in the debt service fund. All funds are on deposit with trustee banks.

Utility Revenue Bonds, Refunding Series 2015 :	
Construction account	\$ 2,864,704
Debt service account	41,518
Accounts not held at trustee bank :	
Meter deposit funds	<u>94,000</u>
Total restricted assets	<u>\$ 3,000,222</u>

City of Wynnewood, Oklahoma
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS - Continued

Capital Assets

Capital asset balances and activities for the year ended June 30, 2016, were as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u>
<i>Governmental activities</i>				
Capital assets not being depreciated :				
Land	\$ 119,160	-	-	119,160
Total capital assets not being depreciated	<u>119,160</u>	<u>-</u>	<u>-</u>	<u>119,160</u>
Capital assets being depreciated :				
Buildings and improvements	2,235,497	-	-	2,235,497
Machinery and equipment	889,598	8,039	-	897,637
Vehicles	834,460	8,239	-	842,699
Infrastructure	1,301,495	-	-	1,301,495
Total capital assets being depreciated	<u>5,261,050</u>	<u>16,278</u>	<u>-</u>	<u>5,277,328</u>
Less accumulated depreciation for :				
Buildings and improvements	(1,237,820)	(35,828)	-	(1,273,648)
Machinery and equipment	(831,782)	(11,132)	-	(842,914)
Vehicles	(665,326)	(34,494)	-	(699,820)
Infrastructure	(553,225)	(40,572)	-	(593,797)
Total accumulated depreciation	<u>(3,288,153)</u>	<u>(122,026)</u>	<u>-</u>	<u>(3,410,179)</u>
Total capital assets being depreciated, net	<u>1,972,897</u>	<u>(105,748)</u>	<u>-</u>	<u>1,867,149</u>
Governmental activities capital assets, net	<u>\$ 2,092,057</u>	<u>(105,748)</u>	<u>-</u>	<u>1,986,309</u>
<i>Business-type activities</i>				
Capital assets not being depreciated :				
Land	\$ 25,000	-	-	25,000
Construction in progress	306,801	251,128	-	557,929
Total capital assets not being depreciated	<u>331,801</u>	<u>251,128</u>	<u>-</u>	<u>582,929</u>
Capital assets being depreciated :				
Buildings and improvements	19,300	-	-	19,300
Machinery and equipment	577,729	14,464	-	592,193
Vehicles	544,924	-	-	544,924
Infrastructure	5,740,663	-	-	5,740,663
Total capital assets being depreciated	<u>6,882,616</u>	<u>14,464</u>	<u>-</u>	<u>6,897,080</u>
Less accumulated depreciation for :				
Buildings and improvements	(11,113)	(334)	-	(11,447)
Machinery and equipment	(473,702)	(14,084)	-	(487,786)
Vehicles	(386,546)	(22,241)	-	(408,787)
Infrastructure	(4,339,405)	(110,596)	-	(4,450,001)
Total accumulated depreciation	<u>(5,210,766)</u>	<u>(147,255)</u>	<u>-</u>	<u>(5,358,021)</u>
Total capital assets being depreciated, net	<u>1,671,850</u>	<u>(132,791)</u>	<u>-</u>	<u>1,539,059</u>
Business-type activities capital assets, net	<u>\$ 2,003,651</u>	<u>118,337</u>	<u>-</u>	<u>2,121,988</u>

City of Wynnewood, Oklahoma
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS - Continued

Capital Assets -- Continued

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government	\$	15,593
Public safety		38,706
Public works		50,201
Cultural and recreation		17,526
Total depreciation expense - governmental activities	\$	<u>122,026</u>

Business-type activities:

Electric	\$	14,893
Water		74,070
Sewer		49,613
Sanitation		8,679
Total depreciation expense - business-type activities	\$	<u>147,255</u>

Deposits Subject to Refund

Utility customers are required to make a meter deposit, which is refunded upon the customer's termination of services, provided there are no outstanding bills. Monies are deposited in separate accounts, and a liability has been recorded to represent the amount of deposits due to customers. As of June 30, 2016, cash and investments included \$127,325 available for refund of customer deposits, while the liability to customers was \$127,325.

Appearance bonds and other payments made to the municipal court funds are held until final disposition by the court at which time they are refunded to the bondholder or paid over to the City general fund as fines. As of June 30, 2016, \$0 was being held that was subject to refund.

City of Wynnewood, Oklahoma
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS - Continued

Long-term Debt

Long-term liabilities of the City of Wynnewood as of June 30, 2016, are as summarized as follows:

Business-type activities:

Revenue bonds:

\$3,350,000 Wynnewood City Utilities Authority Utility System Revenue Bonds, Series 2015, dated April 1, 2015, due in annual principal installments of \$70,000 to \$210,000 through April 1, 2040, with interest at 3.00% to 4.30%, secured by a pledge of the electric, water and sewer revenues.

	\$ <u>3,280,000</u>
Total business-type activities debt	\$ <u><u>3,280,000</u></u>

Long-term liabilities transactions for the year ended June 30, 2016, and changes therein were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type activities					
Revenue bonds payable:					
Series 2015	<u>3,350,000</u>	<u>-</u>	<u>70,000</u>	<u>3,280,000</u>	<u>90,000</u>
Total business-type activities	<u><u>3,350,000</u></u>	<u><u>-</u></u>	<u><u>70,000</u></u>	<u><u>3,280,000</u></u>	<u><u>90,000</u></u>

City of Wynnewood, Oklahoma
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS - Continued

Long-term Debt - Continued

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ending June 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2017	-	-	90,000
2018	-	-	90,000	125,368
2019	-	-	95,000	122,667
2020	-	-	95,000	119,818
2021	-	-	100,000	116,968
2022-2026	-	-	555,000	532,387
2027-2031	-	-	660,000	423,323
2032-2036	-	-	810,000	274,440
2037-2041	-	-	785,000	86,215
Totals	\$ -	-	3,280,000	1,929,253

Applicability of Federal Arbitrage Regulations - Debt issuances of the City and Authorities issued after the Tax Reform Act of 1986 are subject to the federal arbitrage regulations. The arbitrage rebate regulations require that all earnings from investment of gross proceeds of a bond issue in excess of the amount that could have been earned had the yield on the investment been equal to the yield on the bonds be remitted to the federal government. These carry strict penalties for noncompliance including taxability of interest retroactive to the date of the issue. The City's management believes the City is in compliance with these rules and regulations.

Pledge of Future Revenues

Utility Revenue Pledge - The City has pledged the revenues from future sale of electric, water and sanitary sewer collections to repay the Series 2015 Revenue Bonds which are payable through April 1, 2040. Electric, water and sewer revenues received in the current year were \$2,258,918.

Sales Tax Pledge - The City has entered into a Sales Tax Agreements of future sales tax revenues to fund the Capital Improvement fund and the AMCD fund. Each fund receives one-cent of the sales tax collected by the City.

City of Wynnewood, Oklahoma
Notes to Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS - Continued

Compensated absences

Full-time employees with at least one year of service earn vacation of seven to thirty-one days per year depending on years of service completed. Payment in lieu of vacation is limited to a maximum of thirty days. In accordance with the guidelines set forth by GASB Statement No. 16, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*, a provision has been made for accumulated vacation as follows:

Governmental activities	\$ 5,884
Business-type activities	10,162
Total accrued compensated absences	\$ 16,046

Interfund Receivables, Payables, and Transfers

	Transfers In		
	General Fund	Nonmajor Governmental	Wynnewood City Utilities Authority
Transfer out:			
General fund	\$ -	-	-
Nonmajor governmental	-	-	-
Wynnewood Cities Utilities Authority	200,000	172,146	-
Totals	\$ 200,000	172,146	-

NOTE 4- OTHER INFORMATION

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; unemployment; and natural disasters. The City purchases commercial insurance to cover these and other risks, including general auto liability, property damage, and public officials' liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

City of Wynnewood, Oklahoma
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 4 - OTHER INFORMATION - Continued

The City is a member of the Oklahoma Municipal Assurance Group Workers' Compensation Plan (the Plan), an organization formed for the purpose of providing workers' compensation coverage through the State Insurance Fund to participating municipalities in the State of Oklahoma. In that capacity, the Plan is responsible for providing loss control services and certain fiscal activities including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to it during the Plan year.

As a matter of the Plan, the City is required to pay fees set by the Plan according to an established payment schedule. The City is responsible for complying with all requirements of the Oklahoma Workers' Compensation Act. A loss Fund has been established from the proceeds of the fees paid by the City. The City expensed these fees when paid. The State Insurance Fund provides coverage in excess of the Loss Fund so the City's Liability for claim loss is limited to the balance of that fund. However, failure of the State Insurance Fund to honor its obligations could result in losses to the Plan.

Commitments and Contingencies

Litigation - The City is party to various legal proceedings which normally occur in governmental operations. Management and management's counsel do not believe these legal proceedings will have a material adverse impact on the affected funds of the City. However, events could occur in the near term that would cause these estimates to change materially. Resulting judgments will be paid from ad valorem taxes to be received over a three year period.

Federal Grants - In the normal course of operations, the City receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds. Management does not believe any liability for reimbursement which may arise as the result of these audits will be material.

Water Revenues - The City entered into a contract with the Arbuckle Master Conservancy District (the "District") in 1961 for the purchase of water and operation of the water facilities. In general, the contract provides for reimbursing the District for costs of providing the City with water from Arbuckle Lake. The contract is effective for a term of fifty years beginning with the first calendar year during which water was used by the City (1967). The principal portion of the contract was paid off early in 2012. The operating expense paid by City during the year ended June 30, 2016 was \$103,168.

Construction in Progress - The City Council has approved the construction and financing of improvement to the water treatment plant for approximately \$3,000,000. Through June 30, 2016, the City has spent \$557,929 towards completion of the project.

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 4 - OTHER INFORMATION - Continued

Stewardship, Compliance, and Accountability

By its nature as a local government entity, the City and its component units are subject to various federal, state and local laws and contractual regulations. 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, 2016, the City did not have deficits in any funds.

Employee Retirement Systems and Pension Plans

The City of Wynnewood participates in the Oklahoma State Firefighters' Pension and Retirement System, which is a cost sharing multiple-employer defined benefit plan administered by the State of Oklahoma. The State of Oklahoma is responsible for any funding deficiencies. Additionally, for other City employees not covered by the other plans, the City maintains the Oklahoma Municipal Retirement Fund, an agent multiple employer defined contribution pension plan.

Oklahoma Firefighters' Pension and Retirement System (OFPRS)

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

Benefits Provided - OFPRS provides retirement, disability, and death benefits to members of the Plan.

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

Benefits for members hired after November 1, 2013 are determined as 2.5% of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 22 years of service, whichever is later. Benefits vest with 11 years or more of service.

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

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

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

Contributions - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. The City annually contributes \$60 per volunteer firefighter. Contributions to the pension plan from the City were \$1,140. The State of Oklahoma also made on-behalf contributions to OFPRS in the amount of \$2,719; these on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the City reported a liability of \$31,633 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2015. Based upon this information, the City's proportion was 0.0030%.

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

For the year ended June 30, 2016, the City recognized pension expense of \$1,969. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 625	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,121	3,479
Changes in proportion and differences between City contributions and proportionate share of contributions	-	3,815
City contributions subsequent to the measurement date	<u>1,140</u>	<u>-</u>
Total	<u>\$ 2,886</u>	<u>\$ 7,294</u>

\$1,140 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	2016	\$ (1,738)
	2017	(1,738)
	2018	(1,738)
	2019	(147)
	2020	(147)
	2021	(50)

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

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

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	5.13%
Domestic equity	37%	8.02%
International equity	20%	9.94%
Real estate	10%	7.47%
Other assets	13%	6.25%

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net position liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower - (6.5%) or one percentage point higher - (8.5%) than the current rate:

	1% Decrease 6.5%	Current Discount Rate (7.5%)	1% Increase 8.5%
Employers' net pension liability	\$ 41,343	\$ 31,633	\$ 23,873

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OFPRS; which can be located at www.ok.gov/fprs.

Payables to the Pension Plan - There are no payables to the pension plan for the year ended June 30, 2016.

City of Wynnewood Retirement Plan (the Plan)

Plan Description - The City of Wynnewood Retirement Plan is a single-employer defined contribution money purchase pension plan covering City employees not covered by other plans. The Plan operates as a trust administered by the Ameritas Life Insurance. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. All regular, full-time City employees not covered by other plans are eligible to participate in the Plan after 30 days of service and fully vest after 60 days of employment.

City of Wynnewood, Oklahoma
Notes to Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 4. OTHER INFORMATION - Continued

Benefits to be paid to employees at a future date are dependent on the sum of the employee contributions with interest, the City financed contributions with interest, and the respective employee vesting percentage as established by the plan. There are no guaranteed retirement benefits in the plan, and the City disclaims any liability between the employer and the employee regarding benefits in the plan. Any and all claims of the employee may be satisfied only out of the funds held in the plan under the individual employee's account. Each employee receives a year-end statement of his account and selects how the funds are invested.

Funding Policy - The employer contributes 6.00% of employee compensation to the Plan, and the employee contributes on a discretionary basis. For the year ended June 30, 2016, the City's covered payroll was \$608,172. Covered payroll refers to all compensation paid by the City of Wynnewood to active employees covered by the Plan on which contributions are based.

The required contributions from the City for the retirement plan are as follows:

Fiscal Year	Required Contribution	Amount Contributed
2016	\$ 36,490	36,490
2015	36,591	36,591
2014	37,770	37,770

Other Post-Employment Benefits

Plan Description: City provides post-retirement benefit options for health care, prescription drug, dental and vision benefits for retired employees and their dependents that elect to make required contributions. The benefits are provided in accordance with State Law, police and firefighter's union contracts and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The relationship for these benefits is not formalized in a contract or plan document, only a few sentences in the administrative policy. These benefits are considered for accounting purposes to be provided in accordance with a single employer substantive plan. A substantive plan is one in which the plan terms are understood by the City and plan members. This understanding is based on communications between the employers and plan member and the historical pattern of practice with regard to the sharing of benefit costs.

Substantially all of the government's employees may become eligible for those post-retirement benefits if they reach normal retirement age while working for the City. The plan is only provided for employees between the ages of 62 and 65. As of June 30, 2016, approximately no retired employees are receiving benefits under this plan.

City of Wynnewood, Oklahoma
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 4 - OTHER INFORMATION - Continued

Annual OPEB Cost and Net OPEB Obligation. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. GASB 45 requires entities with over 200 employees to have the actuarial valuation performed biennially. The City is not required to perform the actuarial valuation of the OPEB cost and related OPEB obligation for the year ended June 30, 2016 since no one is participating at this time.

Actuarial valuations of an ongoing plan involve estimates of the value of reporting amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

New Accounting Pronouncements

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

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement establishes accounting and financial reporting standards related to improving the usefulness of information about postemployment benefits other than pension plans (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. It is the result of a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity and creating additional transparency. This standard is effective for financial reporting period beginning after June 15, 2016. Earlier application is encouraged. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

City of Wynnewood, Oklahoma
Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2016

NOTE 4 - OTHER INFORMATION - Continued

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local government employers. GASB Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. For defined benefit OPEB, GASB Statement No. 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This standard is effective for financial reporting periods beginning after June 15, 2017. Earlier application is encouraged. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (1) agreements that are entered into by the reporting government and (2) agreements that are entered into by other governments and reduce the reporting government's tax revenues. The provisions of this Statement should be applied to all state and local governments subject to such tax abatement agreements. This standard is effective for financial reporting periods beginning after December 15, 2016. Earlier application is encouraged. The City has not yet determined the potential impact, if any, this statement could have on its financial statements.

Subsequent Events

Management has evaluated subsequent events through August 3, 2016, which is the date the financial statements were available to be issued and has determined that no additional information needs to be added to the financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Wynnewood, Oklahoma
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 490,500	490,500	477,806	(12,694)
Intergovernmental	53,200	60,200	5,600	(54,600)
Licenses and permits	1,570	1,570	1,853	283
Charge for services	3,950	3,950	35,896	31,946
Fines and forfeitures	28,400	28,400	29,880	1,480
Interest	2,200	2,200	829	(1,371)
Miscellaneous	70,800	70,800	45,817	(24,983)
Total revenues	<u>650,620</u>	<u>657,620</u>	<u>597,681</u>	<u>(59,939)</u>
EXPENDITURES				
General government:				
General government	80,950	87,950	89,662	(1,712)
Elected officials	53,637	53,137	47,796	5,341
City attorney	12,500	9,000	8,787	213
City clerk	85,557	84,057	82,102	1,955
Municipal court	7,819	7,819	6,714	1,105
Public safety:				
Police	294,184	288,984	264,518	24,466
Fire	41,861	40,861	40,659	202
Emergency services	49,303	46,303	45,397	906
Animal control	47,865	46,065	50,512	(4,447)
Public works:				
Streets	110,873	141,873	133,708	8,165
Cemetery	83,280	71,280	61,028	10,252
Culture and recreation:				
Park	3,800	5,100	9,273	(4,173)
Library	61,874	60,074	61,798	(1,724)
Swimming pool	45,298	45,298	43,535	1,763
Total expenditures	<u>978,801</u>	<u>987,801</u>	<u>945,489</u>	<u>42,312</u>
Excess (deficiency) of revenues over (under) expenditures	(328,181)	(330,181)	(347,808)	(17,627)
OTHER FINANCING SOURCES (USES)				
Transfers	<u>195,875</u>	<u>195,875</u>	<u>195,825</u>	<u>(50)</u>
Net change in fund balances	(132,306)	(134,306)	(151,983)	(17,677)
Fund balances - beginning	1,057,565	1,057,565	1,057,565	-
Fund balances - ending	<u>\$ 925,259</u>	<u>923,259</u>	<u>905,582</u>	<u>(17,677)</u>

See accompanying notes to the basic financial statement.

City of Wynnewood, Oklahoma
Notes to Required Supplemental Information
On Budgetary Accounting and Control
For the Year Ended June 30, 2016

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

The City prepares its annual operating budget under the provisions of the Oklahoma Municipal Budget Act of 1979 (the "Budget Act"). In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to June 1, the City Clerk submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted at regular Council meetings to obtain taxpayer comments. Public hearings are held no later than 15 days prior to the beginning of the budget year.
- c. Subsequent to the public hearings but no later than seven days prior to July 1, the budget is legally enacted through the passage of a resolution by the City Council.
- d. Subsequent to City Council enactment, the adopted budget is filed with the office of the State Auditor and Inspector.

All funds with revenues and/or expenditures/expenses as defined by State law are required to have annual budgets under this section of state law, except funds of public trusts or authorities. The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund. The following departments exceeded their budgeted appropriations:

General Fund -	
General government	\$1,712
Animal control	\$4,447
Parks	\$4,173
Library	\$1,724

All supplemental appropriations require the approval of the City Council. All transfers of appropriation between funds also require the approval of the City Council. The City prepared and adopted a legal annual budget for all governmental funds.

In accordance with Title 60 of the Oklahoma State Statutes, the Wynnewood City Utilities Authority is required to prepare an annual budget and submit a copy to the City as beneficiary. However, there are no further requirements such as form of budget, approval of budget or definition of a legal spending limit.

Budgetary Accounting

The annual operating budgets of the General Fund are prepared and presented on a modified accrual basis of accounting.

The City utilizes encumbrance accounting under which purchase orders, contracts, and other commitments for expenditure of funds are recorded in order to reserve a portion of the applicable appropriation. The City considers most all appropriations to lapse at year-end; any open purchase orders to be honored in the subsequent budget year are reappropriated in the next year's budget. As a result, encumbrances are not treated as the equivalent of expenditures in the budget and actual financial statements.

**City of Wynnewood, Oklahoma
Schedule of Employer's Share of Net Pension Liability
Oklahoma Firefighters' Pension and Retirement System
Last 10 Fiscal Years***

	2014	2015
1. Employer's proportion of the net pension liability (asset)	0.003400%	0.003000%
2. Employer's proportionate share of the net pension liability (asset)	\$ 34,668	\$ 31,633
3. Employer's covered-employee payroll	\$ -	\$ -
4. Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
5. Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%

* Complete data for this schedule is not available prior to 2014.

Data is reported is measured as of July 1, 2014.

**City of Wynnewood, Oklahoma
Schedule of Employer Contributions
Oklahoma Firefighters' Pension and Retirement System
Last 10 Fiscal Years***

	2014	2015
Statutorily required contribution	\$ 1,260	\$ 1,140
Contributions in relation to the statutorily required contribution	\$ (1,260)	\$ (1,140)
Contribution deficiency (excess)	\$ -	\$ -
City's covered-employee payroll	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	0.00%	0.00%

* Complete data for this schedule is not available prior to 2014.

Data is reported is measured as of July 1, 2014.

**OTHER SUPPLEMENTARY
INFORMATION**

City of Wynnewood, Oklahoma
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2016

	Special Revenue				Permanent Cemetery Perpetual Care	Capital Projects		Total Nonmajor Governmental Funds
	EMS Fund	A.M.C.D Payment Fund	Public Library Fund	Fire Dept. Fund		Street Improvement Fund	Capital Projects	
ASSETS								
Cash and cash equivalents	\$ 10,223	206,925	8,876	24,884	55,186	785,410	101,929	1,193,433
Investments	-	252,130	2,897	34,795	86,033	44,227	53,884	473,966
Taxes receivables, net	-	11,477	-	-	-	11,478	-	22,955
Total assets	10,223	470,532	11,773	59,679	141,219	841,115	155,813	1,690,354
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	18	-	-	-	-	-	-	18
Total liabilities	18	-	-	-	-	-	-	18
Fund balances:								
Committed	10,205	470,532	11,773	59,679	141,219	841,115	155,813	1,690,336
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	10,205	470,532	11,773	59,679	141,219	841,115	155,813	1,690,336
TOTAL	\$ 10,223	470,532	11,773	59,679	141,219	841,115	155,813	1,690,354

See accompanying notes to the basic financial statement.

City of Wynnewood, Oklahoma
Combining Statement of Revenues, Expenses and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue				Permanent Cemetery Perpetual Care	Capital Projects		Total Nonmajor Governmental Funds
	EMS Fund	A.M.C.D Payment Fund	Public Library Fund	Fire Dept. Fund		Street Improvement Fund	Capital Projects	
REVENUES								
Taxes	\$ -	155,726	-	-	-	155,726	-	311,452
Intergovernmental	-	-	3,084	4,290	-	-	21,330	28,704
Charge for services	-	-	-	1,950	-	-	-	1,950
Interest	10	691	10	111	227	1,186	273	2,508
Miscellaneous	-	-	100	-	4,120	-	59,880	64,100
Total revenues	<u>10</u>	<u>156,417</u>	<u>3,194</u>	<u>6,351</u>	<u>4,347</u>	<u>156,912</u>	<u>81,483</u>	<u>408,714</u>
EXPENDITURES								
Current:								
Public safety	247	-	-	3,963	-	-	12,687	16,897
Public works	-	103,168	-	-	-	-	304,585	407,753
Cultural and recreational	-	-	2,558	-	-	-	9,500	12,058
Total expenditures	<u>247</u>	<u>103,168</u>	<u>2,558</u>	<u>3,963</u>	<u>-</u>	<u>-</u>	<u>326,772</u>	<u>436,708</u>
Excess (deficiency) of revenues over expenditures	<u>(237)</u>	<u>53,249</u>	<u>636</u>	<u>2,388</u>	<u>4,347</u>	<u>156,912</u>	<u>(245,289)</u>	<u>(27,994)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	172,146	172,146
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,146</u>	<u>172,146</u>
Net change in fund balances	<u>(237)</u>	<u>53,249</u>	<u>636</u>	<u>2,388</u>	<u>4,347</u>	<u>156,912</u>	<u>(73,143)</u>	<u>144,152</u>
Fund balances-beginning	10,442	417,283	11,137	57,291	136,872	684,203	228,956	1,546,184
Fund balances-ending	<u>\$ 10,205</u>	<u>470,532</u>	<u>11,773</u>	<u>59,679</u>	<u>141,219</u>	<u>841,115</u>	<u>155,813</u>	<u>1,690,336</u>

See accompanying notes to the basic financial statement.

City of Wynnewood, Oklahoma
 Debt Service Coverage Schedule
 For the Year Ended June 30, 2016

	2015 Revenue <u>Bonds</u>
Gross Revenue Available For Debt Service:	
System-wide gross revenues - Electric, water and sewer	\$ <u>2,258,918</u>
Total Gross Revenues Available	<u>2,258,918</u>
System-wide operating expense - Exclusive of capital improvement and debt service	<u>1,790,779</u>
Net Revenues Available for Debt Service	\$ <u><u>468,139</u></u>
Debt Service Requirements:	
Maximum annual debt service	\$ <u><u>219,483</u></u>
Coverage	<u><u>2.13</u></u>
Coverage requirement	<u><u>1.25</u></u>

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

Honorable Mayor and City Council Members
City of Wynnewood, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wynnewood, Oklahoma, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Wynnewood's basic financial statements and have issued our report thereon dated August 3, 2016.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Dillon & Associates, P.C.

Midwest City, Oklahoma
August 3, 2016

City of Wynnewood, Oklahoma
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2016

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR NUMBER	FEDERAL EXPENDITURES
FEDERAL ASSISTANCE			
<u>U.S. Department of Housing and Urban Development</u>			
Passed through the Oklahoma Department of Commerce:			
Community Development Block Grant	14.228	15967 CDBG 14	<u>7,032</u>
Total U.S. Department of Housing and Urban Development			<u>7,032</u>
Total Federal Assistance			<u>\$ 7,032</u>

Footnotes to Schedule of Expenditures of Federal Awards:

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

CITY OF WYNNEWOOD, OKLAHOMA
 Schedule of Expenditures of State Awards
 For the Year Ended June 30, 2016

STATE GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	STATE EXPENDITURES
<u>STATE PROGRAMS:</u>			
<u>State of Oklahoma</u>			
Oklahoma Department of Libraries			
State Aid Grant		\$ 3,084	3,084
Oklahoma Department of Agriculture, Food, and Forestry			
State Aid Grant		4,290	4,290
Passed through the Southern Oklahoma Development Association (SODA) :			
CENA Grant	06 CENA 16	5,600	5,600
		12,974	12,974
Total State of Oklahoma		12,974	12,974
		\$ 12,974	12,974
Total State Awards		\$ 12,974	12,974

City of Wynnewood, Oklahoma

Schedule of Grant Revenues and Expenditures
Budget, Actual and Reconciliation of Audit Grant
June 30, 2016

15967 CDBG ED 14

	<u>Program Budget</u>	<u>Cumulative Expenditures to Date Per Expenditure Report</u>	<u>Adjustments</u>	<u>Per Audit</u>	<u>Current Year Activity Per Audit</u>
<u>REVENUE</u>					
Grant Proceeds	\$ 274,999	274,999		274,999	7,031
Matching funds	314,501	314,501		314,501	254,501
Total Revenue	589,500	589,500	-	589,500	261,532
<u>EXPENDITURES</u>					
Construction	274,999	274,999		274,999	7,031
Match - Construction	220,911	220,911		220,911	220,911
Match - Professional	71,590	71,590		71,590	11,590
Match - Administrative	22,000	22,000	-	22,000	22,000
Total Expenditures	589,500	589,500	-	589,500	261,532
Revenues Over (Under) Expenditures	\$ -	-	-	-	-