

**THE CITY OF MIAMI, OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**

**CITY OF MIAMI, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council of the  
City of Miami, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami, Oklahoma, (the "City") as of and for the year ended June 30, 2019, 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 did not audit the financial statements of the Miami Industrial Development Authority ("MIDA"), which represents 10 percent, 7 percent, and 10 percent, respectively, of the assets, net position, and operating revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for MIDA, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the

business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, 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 information, and the pension plan and other post-employment benefits funding schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information 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 February 11, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



February 11, 2020

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**MANAGEMENT DISCUSSION AND ANALYSIS**

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Our discussion and analysis of the City of Miami's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the City's financial statements, which follow this section.

***FINANCIAL HIGHLIGHTS***

- For the fiscal year ended June 30, 2019, the City's total net position increased by \$1,421,575 or 5.1% from the prior year.
- During the year, the City's expenses for governmental activities were \$13.3 million and were funded by program revenues of \$2.3 million and further funded with taxes and other general revenues that totaled \$11.7 million.
- In the City's business-type activities, such as utilities, program revenues exceeded expenses by \$4.5 million.
- At June 30, 2018, the General Fund reported an unassigned fund balance of \$352,315.
- For budgetary reporting purposes, the General Fund reported revenues above estimates of \$271,033 or 3.6%, while expenditures were under the final appropriations by \$959,457 or 9.7%.

***OVERVIEW OF THE FINANCIAL STATEMENTS***

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

**About the City**

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

- Legislative – the governing body includes an elected five-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

***The City's Financial Reporting Entity***

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

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

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**Primary Government:**

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

**Blended Component Units:**

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

**Miami Development Authority (MDA)** – public trust created to promote economic development in Miami.

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

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

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

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

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

**Miami Industrial Development Authority (MIDA)** – public trust that promotes industry in and around the City of Miami. The Authority issues separate financial statements, and can be obtained by contacting in the MIDA offices.

**Using This Annual Report**

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

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

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

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

### **Reporting the City as a Whole**

#### **The Statement of Net Position and the Statement of Activities**

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

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

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

- **Governmental activities** -- Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- **Business-type activities** -- The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, electric, airport, and sanitation activities are reported here.
- **Discretely-presented component units** -- Accounts for various activities related to economic development, facility management, facility construction, and downtown development.

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**Reporting the City's Most Significant Funds**

**Fund Financial Statements**

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

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

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

***A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE***

**Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$29,440,795 at the close of the most recent fiscal year.

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

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2019	Restated, 2018		2019	Restated, 2018		2019	Restated, 2018	
Current assets	\$ 12,936	\$ 12,621	2%	\$ 20,506	\$ 12,657	62%	\$ 33,442	\$ 25,278	32%
Capital assets, net	25,043	26,004	-4%	19,910	20,171	-1%	44,953	46,175	-3%
<b>Total assets</b>	<b>37,979</b>	<b>38,625</b>	<b>-2%</b>	<b>40,416</b>	<b>32,828</b>	<b>23%</b>	<b>78,395</b>	<b>71,453</b>	<b>10%</b>
<b>Deferred outflows</b>	<b>2,876</b>	<b>2,386</b>	<b>21%</b>	<b>636</b>	<b>721</b>	<b>-12%</b>	<b>3,512</b>	<b>3,107</b>	<b>13%</b>
Current liabilities	3,855	4,027	-4%	4,169	3,663	14%	8,024	7,690	4%
Non-current liabilities	27,409	28,738	-5%	14,598	8,728	67%	42,007	37,466	12%
<b>Total liabilities</b>	<b>31,264</b>	<b>32,765</b>	<b>-5%</b>	<b>18,767</b>	<b>12,391</b>	<b>51%</b>	<b>50,031</b>	<b>45,156</b>	<b>11%</b>
<b>Deferred inflows</b>	<b>1,478</b>	<b>931</b>	<b>59%</b>	<b>957</b>	<b>454</b>	<b>111%</b>	<b>2,435</b>	<b>1,385</b>	<b>76%</b>
Net position									
Net investment capital assets	15,786	16,409	-4%	7,232	14,500	-50%	23,018	30,909	-26%
Restricted	1,677	1,730	-3%	817	801	2%	2,494	2,531	-1%
Unrestricted (deficit)	(9,350)	(10,824)	14%	13,279	5,403	146%	3,929	(5,421)	-172%
<b>Total net position</b>	<b>\$ 8,113</b>	<b>\$ 7,315</b>	<b>11%</b>	<b>\$ 21,328</b>	<b>\$ 20,704</b>	<b>3%</b>	<b>\$ 29,441</b>	<b>\$ 28,019</b>	<b>5%</b>

The largest portion of the City's net position reflects its net investment capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. For 2019, the net investment in capital assets amounted to \$23,017,341. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A major portion of the City's net position, \$2,493,876 also represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is amounting to \$3,929,578.

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

*Governmental Activities:*

Deferred inflows – Increase of \$.5 million (59%) due to changes in pension and OPEB elements.

*Business-Type Activities:*

Deferred inflows – Increases of \$0.5 million (111%) due to changes in pension and OPEB elements.

**Changes in Net Position**

For the year ended June 30, 2019, net position of the primary government changed as follows:

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**TABLE 2  
CHANGES IN NET POSITION (In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2019	2018		2019	2018		2019	2018	
<b>Revenues</b>									
Charges for service	\$ 1,070	\$ 1,073	0%	\$ 25,628	\$ 25,545	0%	\$ 26,698	\$ 26,618	0%
Operating grants and contributions	1,260	874	44%	-	12	100%	1,260	886	42%
Capital grants and contributions	27	-	100%	550	629	-13%	577	629	-8%
Taxes	7,520	7,405	2%	-	-	-	7,520	7,405	2%
Investment income	23	17	35%	149	36	314%	172	53	225%
Miscellaneous	198	80	148%	-	-	0%	198	80	148%
<b>Total revenues</b>	<b>10,098</b>	<b>9,449</b>	<b>7%</b>	<b>26,327</b>	<b>26,222</b>	<b>0%</b>	<b>36,425</b>	<b>35,671</b>	<b>2%</b>
<b>Expenses</b>									
General government	1,837	2,170	-15%	-	-	-	1,837	2,170	-15%
Public safety	4,930	5,414	-9%	-	-	-	4,930	5,414	-9%
Streets	3,618	2,916	24%	-	-	-	3,618	2,916	24%
Culture and recreation	1,452	1,574	-8%	-	-	-	1,452	1,574	-8%
Economic development	610	705	-13%	-	-	-	610	705	-13%
Interest on debt	845	781	8%	-	-	-	845	781	8%
Water	-	-	-	2,407	1,843	31%	2,407	1,843	31%
Wastewater	-	-	-	1,439	1,484	-3%	1,439	1,484	-3%
Sanitation	-	-	-	1,723	1,776	-3%	1,723	1,776	-3%
Electric	-	-	-	15,768	15,354	3%	15,768	15,354	3%
Airport	-	-	-	374	440	-15%	374	440	-15%
<b>Total expenses</b>	<b>13,292</b>	<b>13,560</b>	<b>-2%</b>	<b>21,711</b>	<b>20,897</b>	<b>4%</b>	<b>35,003</b>	<b>34,457</b>	<b>2%</b>
Excess (deficiency) before transfers	(3,194)	(4,111)	22%	4,616	5,325	-13%	1,422	1,214	17%
Transfers	3,992	5,824	-31%	(3,992)	(5,824)	-31%	-	-	-
<b>Change in net position</b>	<b>\$ 798</b>	<b>\$ 1,713</b>	<b>-53%</b>	<b>\$ 624</b>	<b>\$ (499)</b>	<b>-225%</b>	<b>\$ 1,422</b>	<b>\$ 1,214</b>	<b>17%</b>

Explanations of significant changes in Table 2 are as follows:

*Governmental Activities:*

Streets – Increase of \$.7 million (24%) due to an increase in purchase of equipment.

Transfers – Decrease of \$1.8 million (31%) due to decreased operational funding from other funds.

*Business-Type Activities:*

Capital grants and contributions – decrease of \$79,266 (13%) due to a decrease in airport grants.

Transfers – Decrease of \$1.8 million (31%) due to decreased operational funding to other funds.

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**Governmental Activities**

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

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

	Total Expense		% Inc. (Dec.)	Net Revenue		% Inc. (Dec.)
	of Services			(Expense)		
	2019	2018		2019	2018	
General government	\$ 1,837	\$ 2,170	-15%	\$ (1,555)	\$ (1,882)	-17%
Public safety	4,931	5,414	-9%	(3,932)	(4,534)	-13%
Streets	3,618	2,916	24%	(3,401)	(2,690)	26%
Culture, parks and recreation	1,452	1,574	-8%	(883)	(1,329)	-34%
Economic development	610	705	-13%	(318)	(396)	-20%
Interest on long-term debt	845	781	-8%	(845)	(781)	8%
<b>Total</b>	<b>\$ 13,293</b>	<b>\$ 13,560</b>	<b>-2%</b>	<b>(\$10,934)</b>	<b>\$ (11,612)</b>	<b>-6%</b>

For the year ended June 30, 2019 total expenses for governmental activities amounted to approximately \$13.3 million which was a decrease from the prior year of 2%. See Table 2 above for explanations of changes.

**Business-type Activities**

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

	Total Expense		% Inc. Dec.	Net Revenue		% Inc. Dec.
	of Services			(Expense)		
	2019	2018		2019	2018	
Water	\$ 2,407	\$ 1,843	31%	\$ 297	\$ 677	-56%
Wastewater	1,439	1,484	-3%	521	336	55%
Sanitation	1,723	1,776	-3%	892	824	8%
Electric	15,768	15,354	3%	2,454	3,135	-22%
Airport	374	440	-15%	303	317	-4%
<b>Total</b>	<b>\$ 21,711</b>	<b>\$ 20,897</b>	<b>4%</b>	<b>\$ 4,467</b>	<b>\$ 5,289</b>	<b>-16%</b>

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

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

- Total business-type activities reported net revenues of \$4,466,953 for the year ended June 30, 2019.

***A FINANCIAL ANALYSIS OF THE CITY’S FUNDS***

As the City completed its 2019 fiscal year, the governmental funds reported a combined fund balance of \$8.4 million or a 4.6% increase of approximately \$369,000. The enterprise funds reported combined net position of \$20.5 million or a 12.9% increase from 2018.

<b><u>Fund Balance/Net Position</u></b>			
	Governmental Funds		Proprietary Funds
Restricted	\$ 1,722,676	Net investment in capital assets	\$ 7,231,645
Committed	2,044,759	Restricted for debt service and other	817,112
Assigned	4,544,556	Unrestricted	12,443,768
Unassigned	<u>53,227</u>		
Total Fund Balance	<u>\$ 8,365,218</u>	Total Net Position	<u>\$ 20,492,525</u>

**General Fund Budgetary Highlights**

For budgetary reporting purposes, the General Fund reported revenues above estimates of \$271,033 or 3.6%, while expenditures were under the final appropriations by \$959,457 or 9.7%.

***CAPITAL ASSET AND DEBT ADMINISTRATION***

**Capital Assets**

At the end of June 30, 2019, the City had \$45.0 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, electrical infrastructure, water lines and sewer lines. (See table below). This represents a net decrease of \$1.2 million or 2.6% from the prior year.

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2019</u>	<u>Restated 2018</u>	<u>2019</u>	<u>Restated 2018</u>	<u>2019</u>	<u>Restated 2018</u>
Land	\$ 4,601	\$ 4,601	\$ 755	\$ 751	5,356	\$ 5,352
Buildings	6,557	6,914	8,739	9,232	15,296	16,146
Machinery, furniture and equipment	2,169	2,252	4,313	4,111	6,482	6,363
Infrastructure	11,241	12,062	4,367	4,534	15,608	16,596
Construction in progress	475	176	1,736	1,543	2,211	1,719
<b>Totals</b>	<b>\$ 25,043</b>	<b>\$ 26,005</b>	<b>\$ 19,910</b>	<b>\$ 20,171</b>	<b>\$ 44,953</b>	<b>\$ 46,176</b>

This year's more significant capital asset additions placed into service included:

150 Power Transformers	\$512,647
HWY 125 Water line replacement	\$269,794
Honors Plaza and Robertson field	\$250,810
180 Transmitters	\$241,938
2019 Mack Truck	\$197,131

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

**Long- Term Debt**

At year-end, the City had \$32.4 million in long-term debt outstanding which represents a \$6.3 million increase, or 24%, from the prior year. The City's changes in long-term debt by type of debt are as follows:

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accrued absences	\$ 525	\$ 519	\$ 126	\$ 144	\$ 651	\$ 663
Revenue Bonds	18,375	18,815	8,615	810	26,990	19,625
Bond Premium (Discount)	206	226	(3)	(4)	203	222
Notes Payable- Direct borrowing	-	-	3,483	4,114	3,483	4,114
Capital Leases	506	697	583	753	1,089	1,450
<b>Totals</b>	<b>\$ 19,612</b>	<b>\$ 20,257</b>	<b>\$ 12,804</b>	<b>\$ 5,817</b>	<b>\$ 32,416</b>	<b>\$ 26,074</b>

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

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**The Upcoming Year**

The City will spend the upcoming year completing projects with an emphasis on expanding utility services; implementing the approved comprehensive plan; street and additional utility improvements; and installing a splash pad.

The FY 2019-2020 budget will remain level with the exception of the continued electric, water, and wastewater utility rate increases that will fund much needed electric, water, and wastewater system improvements to include substation upgrades, line replacement, and utility expansion for an economic development project. The City expects to continue to be impacted by a struggling economy but continues building financial capacity by expanding utility services thereby improving budget stabilization for the future.

The City will also continue revenue bond and loan projects on various utility improvements such as substation and water/wastewater line replacement. Utility funds will continue to repay the debts.

The primary sources of revenue for the City of Miami are sales tax and utility (water/wastewater and electric) revenue. Sales tax requires a vote of the people and cannot be adjusted without the people's consent. The addition of online sales tax collections has positively impacted our budget capacity to some degree. In addition, the City continues to look for ways to enhance our revenue base that will assist in the completion of major infrastructure and development projects.

**Contacting the City's Financial Management**

This report is designed to provide our citizens, taxpayers, customers and creditors with an understanding of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact:

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

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**BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE**

**CITY OF MIAMI, OKLAHOMA  
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**Statement of Net Position– June 30, 2019**

	<b>Primary Government</b>			<b>Discretely Presented Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
Cash and equivalents	\$ 10,648,485	\$ 13,776,644	\$ 24,425,129	\$ 482,028
Investments	153,265	1,612,896	1,766,161	-
Interest receivable	-	809	809	-
Accounts receivable, net	261,342	3,445,023	3,706,365	-
Due from other governments	1,204,477	-	1,204,477	-
Other receivables	949,520	31,718	981,238	74,733
Internal balances	(475,543)	475,543	-	-
Inventory	-	1,036,369	1,036,369	-
Net pension asset	194,728	-	194,728	-
Capital Assets				
Land and construction in progress	5,076,091	2,490,655	7,566,746	351,738
Other capital assets, net of depreciation	19,967,039	17,419,017	37,386,056	9,078,569
Total assets	<u>37,979,404</u>	<u>40,288,674</u>	<u>78,268,078</u>	<u>9,987,068</u>
<b>DEFERRED OUTFLOWS:</b>				
Deferred amounts related to pensions	2,084,887	594,849	2,679,736	-
Deferred amounts related to OPEB	332,652	40,935	373,587	-
Deferred amount on refunding	458,624	-	458,624	-
Deferred amount related to GRDA settlement	-	127,012	127,012	-
Total deferred outflows of resources	<u>2,876,163</u>	<u>762,796</u>	<u>3,511,947</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	1,799,493	2,447,398	4,246,891	45,387
Claims liability	1,310,623	-	1,310,623	-
Accrued interest payable	45,912	139,761	185,673	-
Long-term liabilities				
Due within one year	699,533	1,581,251	2,280,784	391,950
Due in more than one year	27,408,646	14,598,174	42,006,820	-
Total liabilities	<u>31,264,207</u>	<u>18,766,584</u>	<u>50,030,791</u>	<u>437,337</u>
<b>DEFERRED INFLOWS:</b>				
Deferred amounts related to pensions	1,103,059	507,356	1,610,415	-
Deferred amounts related to OPEB	375,411	449,625	825,036	-
Total deferred inflows of resources	<u>1,478,470</u>	<u>956,981</u>	<u>2,435,451</u>	<u>-</u>
<b>NET POSITION:</b>				
Net investment in capital assets	15,785,696	7,231,645	23,017,341	9,040,820
Restricted	1,676,764	817,112	2,493,876	-
Unrestricted	(9,349,570)	13,279,148	3,929,578	508,911
Total net position	<u>\$ 8,112,890</u>	<u>\$ 21,327,905</u>	<u>\$ 29,440,795</u>	<u>\$ 9,549,731</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA**  
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**Statement of Activities –Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Discretely Presented Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
Governmental Activities								
General Government	\$ 1,837,358	\$ 123,524	\$ 158,439	\$ -	\$ (1,555,395)	\$ -	\$ (1,555,395)	\$ -
Public Safety	4,929,798	387,217	583,667	27,374	(3,931,540)	-	(3,931,540)	-
Public Works and Streets	3,617,850	99,461	117,348	-	(3,401,041)	-	(3,401,041)	-
Culture and Recreation	1,452,361	188,498	380,412	-	(883,451)	-	(883,451)	-
Economic Development	610,059	271,566	20,000	-	(318,493)	-	(318,493)	-
Interest on long-term Debt	844,505	-	-	-	(844,505)	-	(844,505)	-
Total governmental activities	<u>13,291,931</u>	<u>1,070,266</u>	<u>1,259,866</u>	<u>27,374</u>	<u>(10,934,425)</u>	<u>-</u>	<u>(10,934,425)</u>	<u>-</u>
Business-type activities								
Water	2,406,885	2,704,185	-	-	-	297,300	297,300	-
Wastewater	1,439,146	1,960,335	-	-	-	521,189	521,189	-
Sanitation	1,722,549	2,614,242	-	-	-	891,693	891,693	-
Electric	15,767,752	18,221,599	-	-	-	2,453,847	2,453,847	-
Airport	374,621	127,591	-	549,954	-	302,924	302,924	-
Total business-type activities	<u>21,710,953</u>	<u>25,627,952</u>	<u>-</u>	<u>549,954</u>	<u>-</u>	<u>4,466,953</u>	<u>4,466,953</u>	<u>-</u>
Total primary government	<u>\$ 35,002,884</u>	<u>\$ 26,698,218</u>	<u>\$ 1,259,866</u>	<u>\$ 577,328</u>	<u>(10,934,425)</u>	<u>4,466,953</u>	<u>(6,467,472)</u>	<u>-</u>
<b>Component Units</b>								
Culture and Recreation	\$ 719,843	\$ 507,369	\$ 326,350	\$ -	-	-	-	113,876
Economic Development	81,066	107,515	-	-	-	-	-	26,449
Total component units	<u>\$ 800,909</u>	<u>\$ 614,884</u>	<u>\$ 326,350</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,325</u>
<b>General revenues:</b>								
Taxes:								
Sales and use taxes					7,003,720	-	7,003,720	-
Property tax					16,032	-	16,032	-
Franchise and public service taxes					313,512	-	313,512	-
Hotel/motel taxes					186,483	-	186,483	-
Investment income					22,767	148,948	171,715	122
Miscellaneous					197,684	(99)	197,585	-
Transfers - internal activity					3,992,132	(3,992,132)	-	-
Total general revenues and transfers					<u>11,732,330</u>	<u>(3,843,283)</u>	<u>7,889,047</u>	<u>122</u>
Change in net position					797,905	623,670	1,421,575	140,447
Net position - beginning restated					7,314,985	20,704,235	28,019,220	9,409,284
Net position - ending					<u>\$ 8,112,890</u>	<u>\$ 21,327,905</u>	<u>\$ 29,440,795</u>	<u>\$ 9,549,731</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA  
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**BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS**

**CITY OF MIAMI, OKLAHOMA**  
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**Governmental Funds Balance Sheet - June 30, 2019**

	<u>General Fund</u>	<u>Street and Stadium Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 980,274	\$ 763,739	\$ 7,033,292	\$ 8,777,305
Investments	25,435	-	-	25,435
Receivables:				
Accounts receivable	198,470	-	62,872	261,342
Due from other funds	705,085	-	45,061	750,146
Due from other governments and entities	726,768	139,057	338,652	1,204,477
Other receivables	12,500	-	-	12,500
Total assets	<u>\$ 2,648,532</u>	<u>\$ 902,796</u>	<u>\$ 7,479,877</u>	<u>\$ 11,031,205</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 163,754	\$ 4,450	\$ 1,337,756	\$ 1,505,960
Wages payable	281,765	-	11,768	293,533
Due to other funds	261,198	-	129,111	390,309
Total liabilities	<u>706,717</u>	<u>4,450</u>	<u>1,478,635</u>	<u>2,189,802</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	<u>146,835</u>	<u>-</u>	<u>329,350</u>	<u>476,185</u>
Fund balances:				
Restricted	23,213	898,346	801,117	1,722,676
Committed	-	-	2,044,759	2,044,759
Assigned	1,419,452	-	3,125,104	4,544,556
Unassigned (deficit)	352,315	-	(299,088)	53,227
Total fund balances	<u>1,794,980</u>	<u>898,346</u>	<u>5,671,892</u>	<u>8,365,218</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,648,532</u>	<u>\$ 902,796</u>	<u>\$ 7,479,877</u>	<u>\$ 11,031,205</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA  
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**Governmental Funds Statement of Changes in Fund Balances – Year Ended June 30, 2019**

	<u>General Fund</u>	<u>Street and Stadium Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 5,648,999	\$ 1,148,266	\$ 571,796	\$ 7,369,061
Intergovernmental	789,373	-	212,542	1,001,915
Charges for services	246,815	-	214,207	461,022
Fines and forfeitures	324,637	-	-	324,637
Licenses and permits	74,655	-	-	74,655
Investment income	17,126	5,104	537	22,767
Miscellaneous	417,100	-	145,335	562,435
Total revenues	<u>7,518,705</u>	<u>1,153,370</u>	<u>1,144,417</u>	<u>9,816,492</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,569,465	-	96,693	1,666,158
Public Safety	5,299,386	-	124,133	5,423,519
Public works and streets	1,356,458	199,312	185,872	1,741,642
Culture and recreation	1,150,106	-	564,695	1,714,801
Economic development	635,033	-	-	635,033
Capital Outlay	-	-	1,621,159	1,621,159
Debt Service:				
Principal	181,383	440,000	8,969	630,352
Interest and other charges	24,669	559,838	1,889	586,396
Total expenditures	<u>10,216,500</u>	<u>1,199,150</u>	<u>2,603,410</u>	<u>14,019,060</u>
Excess (deficiency) of revenues over expenditures	(2,697,795)	(45,780)	(1,458,993)	(4,202,568)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,754,852	1,162,925	1,337,149	11,254,926
Transfers out	(5,424,943)	(1,157,120)	(142,779)	(6,724,842)
Total other financing sources and uses	<u>3,329,909</u>	<u>5,805</u>	<u>1,194,370</u>	<u>4,530,084</u>
Net change in fund balances	632,114	(39,975)	(264,623)	327,516
Fund balances - beginning, restated	1,162,866	938,321	5,936,515	8,037,702
Fund balances - ending	<u>\$ 1,794,980</u>	<u>\$ 898,346</u>	<u>\$ 5,671,892</u>	<u>\$ 8,365,218</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA  
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**Reconciliation of Governmental Funds and Government-Wide Financial Statements:**

Total fund balance, governmental funds	\$	8,365,218
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		25,043,130
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds.		476,185
Certain other assets and long-term elements are not available to pay current period expenditures and are classified as deferred outflows and are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Net pension asset		194,728
Pension related deferred outflows		2,084,887
OPEB related deferred outflows		332,652
Deferred amounts on refunding		458,624
Some liabilities are not due and payable in the current period and they, along with deferred inflows, are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:		
Capital lease obligations		(506,167)
Interest payable		(45,912)
Net pension liability		(6,416,401)
Pension related deferred inflows		(1,103,059)
Total OPEB liability		(2,079,123)
OPEB related deferred inflows		(375,411)
Accrued compensated absences		(525,347)
Unamortized debt premium		(206,141)
Revenue bond payable		(18,375,000)
Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance, to individual funds. The net position of the internal service funds are reported in governmental activities:		
Internal service fund net position		790,027
Net Position of Governmental Activities in the Statement of Net Position	\$	8,112,890

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA  
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**Changes in Fund Balances – Changes in Net Position Reconciliation:**

Net change in fund balances - total governmental funds:	\$	327,516
<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		733,924
Depreciation expense		(1,695,538)
<p>In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as expenditures. This amount represents the difference between pension contributions and calculated pension expense.</p>		
		1,029,593
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Change in deferred revenue		289,141
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:</p>		
Capital lease principal payments		190,352
Revenue bond principal payments		440,000
<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 interest payable		733
Change in accrued compensated absences		(6,600)
Change in total OPEB liability		(134,550)
Change in amortization of bond premium		20,276
Change in amortization of unamortized gain/loss		(88,766)
<p>Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain net revenues are reported in governmental activities on the Statement of Activities:</p>		
Total change in net position for internal service funds		(308,176)
Change in net position of governmental activities	\$	797,905

See accompanying notes to the basic financial statements.

**CITY OF MIAMI, OKLAHOMA  
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**BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS**

**CITY OF MIAMI, OKLAHOMA**  
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**As of and for the Year Ended June 30, 2019**

**Proprietary Funds Statement of Net Position - June 30, 2019**

	<u>Enterprise Funds</u>			
	<u>Miami Special Utility Authority</u>	<u>Airport Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 5,087,225	\$ 35	\$ 5,087,260	\$ 1,871,180
Cash and cash equivalents, restricted	8,253,862	-	8,253,862	-
Investments	1,420,451	-	1,420,451	127,830
Accounts receivable, net	3,409,262	35,761	3,445,023	-
Other receivable	436	31,282	31,718	937,020
Accrued interest receivable	809	-	809	-
Inventory	1,004,129	32,240	1,036,369	-
Due from other funds	28,286	30,128	58,414	-
Total current assets	<u>19,204,460</u>	<u>129,446</u>	<u>19,333,906</u>	<u>2,936,030</u>
Non-current assets:				
Cash and cash equivalents, restricted	435,522	-	435,522	-
Investments, restricted	192,445	-	192,445	-
Capital assets:				
Land, construction in progress, and water rights	1,181,978	1,308,677	2,490,655	-
Other capital assets, net of accumulated depreciation	14,410,136	3,008,881	17,419,017	-
Total non-current assets	<u>16,220,081</u>	<u>4,317,558</u>	<u>20,537,639</u>	<u>-</u>
Total assets	<u>35,424,541</u>	<u>4,447,004</u>	<u>39,871,545</u>	<u>2,936,030</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred amounts related to pensions	587,990	6,859	594,849	-
Deferred amounts related to OPEB	40,935	-	40,935	-
Deferred amounts related to GRDA settlement	127,012	-	127,012	-
Total deferred outflow of resources	<u>755,937</u>	<u>6,859</u>	<u>762,796</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	2,320,506	5,741	2,326,247	-
Claims liability	-	-	-	1,310,623
Wages payable	119,276	1,875	121,151	-
Due to other funds	356,459	61,792	418,251	-
Accrued interest payable	139,761	-	139,761	-
Accrued compensated absences	12,544	91	12,635	-
Refundable deposits	41,697	-	41,697	-
Capital lease payable	270,326	-	270,326	-
Revenue bond payable	615,000	-	615,000	-
Notes payable	641,593	-	641,593	-
Total current liabilities	<u>4,517,162</u>	<u>69,499</u>	<u>4,586,661</u>	<u>1,310,623</u>
Non-current liabilities:				
Accrued compensated absences	112,899	816	113,715	-
Net pension liability	1,919,621	-	1,919,621	-
Total OPEB liability	1,039,561	-	1,039,561	-
Refundable deposits	374,115	-	374,115	-
Capital lease payable	312,957	-	312,957	-
Revenue bond payable	7,996,433	-	7,996,433	-
Notes payable, net	2,841,772	-	2,841,772	-
Total non-current liabilities	<u>14,597,358</u>	<u>816</u>	<u>14,598,174</u>	<u>-</u>
Total liabilities	<u>19,114,520</u>	<u>70,315</u>	<u>19,184,835</u>	<u>1,310,623</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred amounts related to pensions	483,582	23,774	507,356	-
Deferred amounts related to OPEB	449,625	-	449,625	-
Total deferred inflow of resources	<u>933,207</u>	<u>23,774</u>	<u>956,981</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,914,087	4,317,558	7,231,645	-
Restricted for debt service	817,112	-	817,112	-
Unrestricted (deficit)	12,401,552	42,216	12,443,768	1,625,407
Total net position	<u>\$ 16,132,751</u>	<u>\$ 4,359,774</u>	<u>20,492,525</u>	<u>\$ 1,625,407</u>

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund balances are included with business-type activities and reported as interfund balances \$ 835,380

Total net position per Government-Wide financial statements \$ 21,327,905

See accompanying notes to the basic financial statements.

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**Proprietary Funds Statement of Changes in Net Position - Year Ended June 30, 2019**

	<b>Enterprise Funds</b>			<b>Internal Service Fund</b>
	<b>Miami Special Utility Authority</b>	<b>Airport Fund</b>	<b>Total</b>	
	<b>Authority</b>	<b>Airport Fund</b>	<b>Total</b>	
<b>REVENUES</b>				
Charges for services	\$ 24,693,752	\$ 127,454	\$ 24,821,206	\$ 1,920,585
Fees, licenses and permits	134,539	-	134,539	-
Miscellaneous	649,041	-	649,041	(73,102)
Total operating revenues	<u>25,477,332</u>	<u>127,454</u>	<u>25,604,786</u>	<u>1,847,483</u>
<b>OPERATING EXPENSES</b>				
Personal services	3,675,119	38,333	3,713,452	-
Materials and supplies	11,743,957	61,647	11,805,604	-
Other services and charges	4,135,885	38,613	4,174,498	399,060
Insurance claims and expense	-	-	-	1,135,741
Depreciation expense	1,523,984	226,028	1,750,012	-
Total operating expenses	<u>21,078,945</u>	<u>364,621</u>	<u>21,443,566</u>	<u>1,534,801</u>
Operating income (loss)	<u>4,398,387</u>	<u>(237,167)</u>	<u>4,161,220</u>	<u>312,682</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	148,948	-	148,948	9,812
Miscellaneous	34,625	137	34,762	-
Loss on sale of capital assets	-	(10,000)	(10,000)	-
Interest expense and fiscal charges	(391,752)	-	(391,752)	-
Total non-operating revenue (expenses)	<u>(208,179)</u>	<u>(9,863)</u>	<u>(218,042)</u>	<u>9,812</u>
Income (loss) before contributions and transfers	<u>4,190,208</u>	<u>(247,030)</u>	<u>3,943,178</u>	<u>322,494</u>
Contributed capital revenue	29,952	549,954	579,906	-
Transfers in	6,578,421	79,986	6,658,407	-
Transfers out	(10,680,491)	-	(10,680,491)	(508,000)
Change in net position	<u>118,090</u>	<u>382,910</u>	<u>501,000</u>	<u>(185,506)</u>
Total net position - beginning restated	16,014,661	3,976,864	19,991,525	1,810,913
Total net position - ending	<u>\$ 16,132,751</u>	<u>\$ 4,359,774</u>	<u>\$ 20,492,525</u>	<u>\$ 1,625,407</u>
Change in net position above			501,000	
Some amounts reported for business-type activities in the Statement of Activities are difference because the net revenue of certain internal service funds is reported with business-type activities			122,670	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements			<u>\$ 623,670</u>	

See accompanying notes to the basic financial statements.

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**Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2019**

	<b>Enterprise Funds</b>			<b>Internal Service Fund</b>
	<b>Miami Special Utility Authority</b>	<b>Airport Fund</b>	<b>Total</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 25,756,431	\$ 163,678	\$ 25,920,109	\$ 2,634,043
Payments to suppliers	(15,548,812)	(395,770)	(15,944,582)	(399,130)
Payments to employees	(3,891,753)	(38,655)	(3,930,408)	-
Receipts from other funds	17,725	(165,693)	(147,968)	-
Payments to other funds	481,584	-	481,584	-
Receipts of customer meter deposits	219,365	-	219,365	-
Refunds of customer meter deposits	(200,845)	-	(200,845)	-
Claims and judgments paid	-	-	-	(2,203,101)
<b>Net cash provided by (used in) operating activities</b>	<b>6,833,695</b>	<b>(436,440)</b>	<b>6,397,255</b>	<b>31,812</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	6,578,421	79,986	6,658,407	-
Transfers to other funds	(10,680,491)	-	(10,680,491)	(508,000)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(4,102,070)</b>	<b>79,986</b>	<b>(4,022,084)</b>	<b>(508,000)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets purchased	(1,079,289)	(193,500)	(1,272,789)	-
Principal paid on debt	(1,192,465)	-	(1,192,465)	-
Proceeds of capital grants	-	549,954	549,954	-
Proceeds from debt	8,000,000	-	8,000,000	-
Note issuance cost paid	-	-	-	-
Interest and fiscal agent fees paid on debt	(280,673)	-	(280,673)	-
<b>Net cash provided by capital and related financing activities</b>	<b>5,447,573</b>	<b>356,454</b>	<b>5,804,027</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale (Purchase) of investments	(22,031)	-	(22,031)	498,188
Interest and dividends	148,947	-	148,947	9,812
<b>Net cash provided by investing activities</b>	<b>126,916</b>	<b>-</b>	<b>126,916</b>	<b>508,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,306,114</b>	<b>-</b>	<b>8,306,114</b>	<b>31,812</b>
<b>Balances - beginning of year</b>	<b>5,470,495</b>	<b>35</b>	<b>5,470,530</b>	<b>1,839,368</b>
<b>Balances - end of year</b>	<b>\$ 13,776,609</b>	<b>\$ 35</b>	<b>\$ 13,776,644</b>	<b>\$ 1,871,180</b>
<b>Reconciliation to Statement of Net Position:</b>				
Cash and cash equivalents	\$ 5,087,225	\$ 35	\$ 5,087,260	\$ 1,871,180
Restricted cash and cash equivalents - current	8,253,862	-	8,253,862	-
Restricted cash and cash equivalents - non-current	435,522	-	435,522	-
Total cash and cash equivalents, end of year	<b>\$ 13,776,609</b>	<b>\$ 35</b>	<b>\$ 13,776,644</b>	<b>\$ 1,871,180</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income	\$ 4,398,387	\$ (237,167)	\$ 4,161,220	\$ 312,682
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	1,523,984	226,028	1,750,012	-
Other nonoperating revenue	34,625	137	34,762	-
Change in assets and liabilities:				
Receivables, net	236,845	(728)	236,117	786,560
Other receivable	7,629	36,815	44,444	-
Due from other funds	481,584	-	481,584	-
Inventory	(6,243)	(4,505)	(10,748)	-
Deferred outflows related to pension	75,461	7,367	82,828	-
Deferred outflows related to OPEB	2,436	-	2,436	-
Accounts payable	337,270	(291,005)	46,265	(70)
Claims liability	-	-	-	(1,067,360)
Due to other funds	17,725	(165,693)	(147,968)	-
Due to employees	(12,375)	1,056	(11,319)	-
Refundable deposits	18,520	-	18,520	-
Total OPEB liability	(340,530)	-	(340,530)	-
Net pension liability	(435,365)	-	(435,365)	-
Accrued compensated absences	(18,397)	907	(17,490)	-
Deferred inflows related to pension	164,905	(9,652)	155,253	-
Deferred inflows related to OPEB	347,231	-	347,231	-
Deferred inflows related to GRDA Settlement	3	-	3	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 6,833,695</b>	<b>\$ (436,440)</b>	<b>\$ 6,397,255</b>	<b>\$ 31,812</b>
<b>Noncash activities:</b>				
Asset acquired by capital lease	\$ 197,131	\$ -	\$ 197,131	\$ -
Asset contributed by others	29,952	-	29,952	-
	<b>\$ 227,083</b>	<b>\$ -</b>	<b>\$ 227,083</b>	<b>\$ -</b>

See accompanying notes to the basic financial statements.

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**BASIC FINANCIAL STATEMENTS – DISCRETELY PRESENTED COMPONENT UNITS**

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**Discretely Presented Component Units Combining Statement of Net Position - June 30, 2019**

	<u>MCEA</u>	<u>MDRA</u>	<u>MIDA</u>	<u>MIPFA</u>	<u>Total</u>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 167,394	\$ 28,579	\$ 174,697	\$ 111,358	\$ 482,028
Other receivable	74,733	-	-	-	74,733
Total current assets	<u>242,127</u>	<u>28,579</u>	<u>174,697</u>	<u>111,358</u>	<u>556,761</u>
Non-current assets:					
Capital assets:					
Land, construction in progress, and water rights	-	-	103,517	248,221	351,738
Other capital assets, net of accumulated depreciation	7,988,764	7,574	746,360	335,871	9,078,569
Total non-current assets	<u>7,988,764</u>	<u>7,574</u>	<u>849,877</u>	<u>584,092</u>	<u>9,430,307</u>
Total assets	<u>8,230,891</u>	<u>36,153</u>	<u>1,024,574</u>	<u>695,450</u>	<u>9,987,068</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	28,823	14,784	-	1,780	45,387
Accrued compensated absences	-	156	-	-	156
Accrued interest on notes payable	-	-	2,307	-	2,307
Notes payable	-	-	389,487	-	389,487
Total liabilities	<u>28,823</u>	<u>14,940</u>	<u>391,794</u>	<u>1,780</u>	<u>437,337</u>
<b>NET POSITION</b>					
Net investment in capital assets	7,988,764	7,574	460,390	584,092	9,040,820
Unrestricted	213,304	13,639	172,390	109,578	508,911
Total net position	<u>\$ 8,202,068</u>	<u>\$ 21,213</u>	<u>\$ 632,780</u>	<u>\$ 693,670</u>	<u>\$ 9,549,731</u>

See accompanying notes to the basic financial statements.

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**Discretely Presented Component Units Combining Statement of Changes in Net Position - Year Ended June 30, 2019**

	<u>MCFE</u>	<u>MDRA</u>	<u>MIDA</u>	<u>MIPFA</u>	<u>Total</u>
<b>REVENUES</b>					
Charges for services	\$ 244,421	\$ 262,948	\$ 59,811	\$ 45,536	\$ 612,716
Miscellaneous	-	-	2,168	-	2,168
Total operating revenues	<u>244,421</u>	<u>262,948</u>	<u>61,979</u>	<u>45,536</u>	<u>614,884</u>
<b>OPERATING EXPENSES</b>					
Personal services	541	106,459	-	-	107,000
Materials and supplies	5,009	35,356	250	-	40,615
Other services and charges	81,367	249,428	6,600	13,284	350,679
Depreciation expense	239,157	2,526	20,727	25,600	288,010
Total operating expenses	<u>326,074</u>	<u>393,769</u>	<u>27,577</u>	<u>38,884</u>	<u>786,304</u>
Operating income (loss)	<u>(81,653)</u>	<u>(130,821)</u>	<u>34,402</u>	<u>6,652</u>	<u>(171,420)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	-	-	1	121	122
Miscellaneous income	180,634	145,716	-	-	326,350
Interest expense and fiscal charges	-	-	(14,605)	-	(14,605)
Total non-operating revenue (expenses)	<u>180,634</u>	<u>145,716</u>	<u>(14,604)</u>	<u>121</u>	<u>311,867</u>
Total net position - beginning	8,103,087	6,318	612,982	686,897	9,409,284
Total net position - ending	<u>\$ 8,202,068</u>	<u>\$ 21,213</u>	<u>\$ 632,780</u>	<u>\$ 693,670</u>	<u>\$ 9,549,731</u>

See accompanying notes to the basic financial statements.

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**FOOTNOTES TO BASIC FINANCIAL STATEMENTS**

**Footnotes to the Basic Financial Statements:**

**1. Financial Reporting Entity**

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

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

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

- Legislative – the governing body includes an elected five-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

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

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

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

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

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

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

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

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

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

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

## **2. Basis of Presentation and Accounting**

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

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

### **Government-Wide Financial Statements:**

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

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

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

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

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

### **Fund Financial Statements:**

#### ***Governmental Funds:***

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Governmental

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

**Major Funds:**

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

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

Special Revenue Funds include the Fishing License Fund, Street and Alley, Drug Forfeiture Fund, Summer Recreation Program, Grant Fund, RFC 07-09 Grant, MDA Housing Construction, and Police Grant.

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

**Capital Project Funds:**

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

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

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

***Proprietary Funds:***

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

The City's proprietary funds include the following:

**Enterprise Funds**

Major Funds:

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

**Internal Service Funds** (combined for reporting purposes)

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

**New Accounting Pronouncements Adopted in Fiscal Year 2019:**

The City adopted the following new accounting pronouncement during the year ended June 30, 2019:

GASB Statement No. 83, *Certain Asset Retirement Obligations* – GASB No. 83 was issued in December 2016, under this statement a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information. See Note 15. Commitments and Contingencies for additional information.

GASB Statement 88, *Certain Disclosures Related to Debt* – GASB No. 88 was issued April 2018, the primary objective of this Statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. It

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defines debt for purposes of disclosure in the notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date of the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

**3. Cash and Cash Equivalents, Deposits and Investments**

Cash and cash equivalents includes all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three months or less, and money market investments. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

Investments consist of long-term certificates of deposits and government money market funds. Certificates of deposit are reported at cost.

**Deposits and Investments Risks**

The City of Miami primary government and component units are governed by the deposit and investment limitations of state law and trust indentures. The deposits and investments held at June 30, 2019 by these entities are as follows:

Type	Fair Value	Credit Rating	Maturities in Years	
			On Demand	Less Than One
Demand deposits	\$ 15,470,638	N/A	\$ 15,470,638	\$ -
Cash on hand	3,345	N/A	3,345	-
Time deposits	1,766,161	N/A	-	1,766,161
Money Market Funds	8,951,146	Not rated	-	8,951,146
Sub-Total	<u>\$ 26,191,290</u>		<u>\$ 15,473,983</u>	<u>\$ 10,717,307</u>

**Reconciliation to Financial Statements:**

Cash and cash equivalents	\$ 24,425,129
Investments	1,766,161
	<u>\$ 26,191,290</u>

GASB Statement No. 72, *Fair Value Measurement and Application*, established a hierarchy based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2019:

- Money Market Mutual Funds of \$8,951,146 were valued using quoted market prices (Level 1 inputs).

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

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 102% of the uninsured deposits and accrued interest thereon. The City’s policy limits acceptable collateral to U.S. Treasury securities, federally insured obligations, or direct debt obligations of municipalities, counties, and school districts in Oklahoma.

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

At June 30, 2019, the City was not exposed to custodial credit risk.

*Component Unit:*

The bank deposits of the MDRA component unit of \$28,579 at June 30, 2019 were fully insured by the F.D.I.C.

The bank deposits of the MCFA component unit of \$167,394 at June 30, 2019 were fully insured by the F.D.I.C.

The bank deposits of the MIPFA component unit of \$111,358 at June 30, 2019 were fully insured by the F.D.I.C.

The bank deposits of the MIDA component unit of \$174,697 at June 30, 2019 were fully insured by the F.D.I.C.

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

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

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

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*Investment Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments by date range.

As noted in the schedule of deposits and investments above, at June 30, 2019, the investments held by the City mature between 2019 through 2020.

*Concentration of Investment Credit Risk* - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). No concentration of credit risk existed as of June 30, 2019.

**Restricted Cash and Investments**

The amounts reported as restricted assets of the Enterprise Funds on the Statement of Net Position are comprised of amounts held by the MSUA Enterprise Fund in accounts for the Oklahoma Water Resources Board promissory notes, 2001 Utility Revenue Bond and other accounts with restricted uses. The restricted assets as of June 30, 2019 are as follows:

Cash and cash equivalents:	
Cash Restricted for Refundable deposits	\$ 49,524
Money Markets Restricted for Debt Service	8,204,338
	<u>\$ 8,253,862</u>
Cash and cash equivalents, noncurrent:	
Money Markets Restricted for Debt Service	\$ 434,327
Cash Restricted for Refundable deposits	1,195
	<u>\$ 435,522</u>
Investments:	
Refundable deposits	\$ 192,445
	<u>\$ 192,445</u>

**4. Receivables**

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

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

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	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
<b>Governmental Activities:</b>			
Taxes	993,409	\$ -	\$ 993,409
Due from other governments	273,940	-	273,940
Court fines	527,563	(350,112)	177,451
Other	970,539	-	970,539
Total Governmental Activities	\$ 2,765,451	\$ (350,112)	\$ 2,415,339
 <b>Reconciliation to Statement of Net Position:</b>			
Accounts receivable, net			\$ 261,342
Due from other governmental agencies			1,204,477
Other receivable			949,520
Total			\$ 2,415,339
 <b>Business-Type Activities:</b>			
Utilities	\$ 5,346,857	\$ (1,901,834)	\$ 3,445,023

**5. Inventories**

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

**6. Capital Assets and Depreciation**

**Capital Assets:**

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

For the year ended June 30, 2019, capital assets balances changed as follows:

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	Restated Balance at July 1, 2018	Additions	Transfers/ Deductions	Balance at June 30, 2019
<b>PRIMARY GOVERNMENT:</b>				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 4,601,374	\$ -	\$ -	\$ 4,601,374
Construction in progress	175,847	335,480	36,610	474,717
Total capital assets not being depreciated	<u>4,777,221</u>	<u>335,480</u>	<u>36,610</u>	<u>5,076,091</u>
Other capital assets:				
Buildings	22,627,083	39,916	-	22,666,999
Infrastructure	43,399,955	-	-	43,399,955
Machinery, furniture and equipment	11,098,459	395,138	145,894	11,347,703
Total other capital assets at historical cost	<u>77,125,497</u>	<u>435,054</u>	<u>145,894</u>	<u>77,414,657</u>
Less accumulated depreciation for:				
Buildings	15,713,488	396,475	-	16,109,963
Infrastructure	31,337,598	821,246	-	32,158,844
Machinery, furniture and equipment	8,846,888	477,817	145,894	9,178,811
Total accumulated depreciation	<u>55,897,974</u>	<u>1,695,538</u>	<u>145,894</u>	<u>57,447,618</u>
Other capital assets, net	<u>21,227,523</u>	<u>(1,260,484)</u>	<u>-</u>	<u>19,967,039</u>
Governmental activities capital assets, net	<u>\$ 26,004,744</u>	<u>\$ (925,004)</u>	<u>\$ 36,610</u>	<u>\$ 25,043,130</u>

	Restated Balance at July 1, 2018	Additions	Transfers/ Deductions	Balance at June 30, 2019
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 750,531	\$ 4,519	\$ -	\$ 755,050
Construction in progress	1,542,512	462,887	269,794	1,735,605
Total capital assets not being depreciated	<u>2,293,043</u>	<u>467,406</u>	<u>269,794</u>	<u>2,490,655</u>
Other capital assets:				
Buildings and utility infrastructure	21,098,912	-	-	21,098,912
Machinery, furniture and equipment	16,783,135	1,017,858	128,348	17,672,645
Infrastructure	20,173,933	284,403	-	20,458,336
Total other capital assets at historical cost	<u>58,055,980</u>	<u>1,302,261</u>	<u>128,348</u>	<u>59,229,893</u>
Less accumulated depreciation for:				
Buildings and utility infrastructure	11,866,590	493,312	-	12,359,902
Machinery, furniture and equipment	12,672,311	805,712	(118,348)	13,359,675
Infrastructure	15,640,311	450,988	-	16,091,299
Total accumulated depreciation	<u>40,179,212</u>	<u>1,750,012</u>	<u>(118,348)</u>	<u>41,810,876</u>
Other capital assets, net	<u>17,876,768</u>	<u>(447,751)</u>	<u>246,696</u>	<u>17,419,017</u>
Business-type activities capital assets, net	<u>\$ 20,169,811</u>	<u>\$ 19,655</u>	<u>\$ (23,098)</u>	<u>\$ 19,909,672</u>

**Depreciation:**

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

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

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

**Governmental Activities:**

General Government	\$	258,282
Public Safety		168,248
Streets		891,460
Culture and Recreation		376,948
Economic Development		600
Total	<u>\$</u>	<u>1,695,538</u>

**Business-Type Activities:**

Airport	\$	226,028
Electric		466,453
Water		378,185
Wastewater		442,989
Sanitation		236,357
Total	<u>\$</u>	<u>1,750,012</u>

Capital assets of the component units were:

MIDA

	Balance at August 1, 2018	Additions	Deductions	Balance at July 31, 2019
<i>MIDA - Discreetly Presented Component unit</i>				
Capital assets not being depreciated:				
Land	\$ 103,517	\$ -	\$ -	\$ 103,517
Total capital assets not being depreciated	<u>103,517</u>	<u>-</u>	<u>-</u>	<u>103,517</u>
Other capital assets:				
Buildings and utility infrastructure	1,036,353	-	-	1,036,353
Less accumulated depreciation for:				
Buildings and utility infrastructure	269,266	20,727	-	289,993
Other capital assets, net	<u>767,087</u>	<u>(20,727)</u>	<u>-</u>	<u>746,360</u>
MIDA capital assets, net	<u>\$ 870,604</u>	<u>\$ (20,727)</u>	<u>\$ -</u>	<u>\$ 849,877</u>

MDRA

	Balance at July 1, 2018	Additions	Deductions	Balance at June 30, 2019
<i>MDRA - Discreetly Presented Component unit</i>				
Other capital assets:				
Buildings	6,500	-	-	6,500
Machinery, furniture and equipment	18,756	-	-	18,756
Total other capital assets at historical cost	<u>25,256</u>	<u>-</u>	<u>-</u>	<u>25,256</u>
Less accumulated depreciation for:				
Buildings	3,900	650	-	4,550
Machinery, furniture and equipment	11,256	1,876	-	13,132
Total accumulated depreciation	<u>15,156</u>	<u>2,526</u>	<u>-</u>	<u>17,682</u>
Other capital assets, net	<u>10,100</u>	<u>(2,526)</u>	<u>-</u>	<u>7,574</u>
MDRA capital assets, net	<u>\$ 10,100</u>	<u>\$ (2,526)</u>	<u>\$ -</u>	<u>\$ 7,574</u>

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MIPFA

	Restated Balance at July 1, 2018	Additions	Deductions	Balance at June 30, 2019
<i>MIPFA - Discreetly Presented Component unit</i>				
Capital assets not being depreciated:				
Land	\$ 248,221	\$ -	\$ -	\$ 248,221
Total capital assets not being depreciated	248,221	-	-	248,221
Other capital assets:				
Buildings	570,924	-	-	570,924
Machinery, furniture and equipment	162,236	23,350	-	185,586
Total other capital assets at historical cost	733,160	23,350	-	756,510
Less accumulated depreciation for:				
Buildings	314,587	19,681	-	334,268
Machinery, furniture and equipment	80,452	5,919	-	86,371
Total accumulated depreciation	395,039	25,600	-	420,639
Other capital assets, net	338,121	(2,250)	-	335,871
MIPFA capital assets, net	\$ 586,342	\$ (2,250)	\$ -	\$ 584,092

MCFA

	Balance at July 1, 2018	Additions	Deductions	Balance at June 30, 2019
<i>MCFA - Discreetly Presented Component unit</i>				
Other capital assets:				
Buildings	8,600,400	250,809	-	8,851,209
Less accumulated depreciation for:				
Buildings	623,288	239,157	-	862,445
Other capital assets, net	7,977,112	11,652	-	7,988,764
MCFA capital assets, net	\$ 7,977,112	\$ 11,652	\$ -	\$ 7,988,764

**7. Internal and Interfund Balances and Transfers**

**Internal and Interfund Balances:**

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

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Receivable Fund	Payable Fund	Amount	Nature of Interfund Balance
General Fund	* Grant Fund	\$ 90,707	To cover negative balance in pooled cash
General Fund	* Travel center	134,962	To cover negative balance in pooled cash
General Fund	* MCVB & Tourism	61,700	To cover negative balance in pooled cash
General Fund	* Utility Improvement Fund	269,964	To cover negative balance in pooled cash
General Fund	* Airport Fund	59,944	To cover negative balance in pooled cash
General Fund	* Airport Fund	1,313	Payroll reimbursement
General Fund	* MSUA	86,495	Payroll reimbursement
Street and Alley	Capital Improvement Fund	38,404	Expense reimbursement
Capital Improvement Fund	General Fund	6,657	Reclassification
Street and Alley	Travel center	27,751	Expense reimbursement
MSUA	* Airport Fund	535	Expense reimbursement
Airport Fund	* General Fund	30,128	Posting correction
Total		<u>\$ 808,560</u>	

\* Denotes major fund.

Reconciliation to Fund Financial Statements:	Due From Other Funds	Due To Other Funds	Net Internal Balances
Governmental Funds	\$ 750,146	\$ (390,309)	\$ 359,837
Proprietary Funds	58,414	(418,251)	(359,837)
Total	<u>\$ 808,560</u>	<u>\$ (808,560)</u>	<u>\$ -</u>

Reconciliation to Statement of Net Position:	Amount
Net Internal Balances	\$ (359,837)
Internal Service Fund Activity reported in Business-type Activities	835,380
Net Internal Balance	<u>\$ 475,543</u>

**Internal and Interfund Transfers:**

The City's policy is to eliminate interfund transfers between funds in the Statement of Activities to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and then offset in the total column. Internal activities between funds and activities for the year ended June 30, 2019 were as follows:

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<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Nature of Interfund Transfer</u>
* General Fund	* MSUA	\$ 8,246,852	Operating subsidy/pledged sales tax
* General Fund	* Street Project	1,157,120	Pledged sales tax
* Street Project	* MSUA	1,162,925	Pledged sales tax
Street and alley	* MSUA	500,000 A	Operating subsidy
Capital Improvement Fund	* MSUA	147,951 A	Capital project
Capital Improvement Fund	* MSUA	623,409 A	Capital project
Grant Fund	Street and Alley	63,093 A,B	Operating subsidy
Airport	* General Fund	300	Budgeted
Summer recreation program	* General Fund	500	Budgeted
Grant Fund	* General Fund	2,196	Budgeted
Airport	* Police Grants	79,686 B	Reimbursement of revenue
MSUA	* General Fund	5,421,301	Operating subsidy/pledged sales tax
* General Fund	* Workers Compensation Fund	508,000	Overfunding
		<u>\$ 17,913,333</u>	
* Denotes Major Fund	Subtotal non-major Governmental Funds transfers in	\$ 1,337,149 A	
	Subtotal non-major Governmental Funds transfers out	\$ 142,779 B	

<b>Reconciliation to fund financial statements:</b>	Transfers to	Transfers from	Net
	Other Funds	Other Funds	Transfers
Governmental Funds	\$ (6,724,842)	\$ 11,254,926	\$ 4,530,084
Enterprise Funds	(10,680,491)	6,658,407	(4,022,084)
Internal Service Funds	(508,000)	-	(508,000)
Totals	<u>\$ (17,913,333)</u>	<u>\$ 17,913,333</u>	<u>\$ -</u>

<b>Reconciliation to Statement of Activities:</b>		
Net Transfers		\$ (4,022,084)
Transfer of assets from Governmental Activities to Business Type Activities		29,952
Transfers - Internal Activity		<u>\$ (3,992,132)</u>

## 8. Long-Term Debt

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

For the year ended June 30, 2019, the City's long-term debt balances changed as follows:

### Primary Government:

<u>Type of Debt</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Revenue Bond Premium	\$ 226,417	\$ -	\$ 20,274	\$ 206,143	\$ -
Revenue Bonds	18,815,000	-	440,000	18,375,000	450,000
Capital Lease Obligations	696,519	-	190,352	506,167	196,999
Accrued Compensated Absences	518,745	6,600		525,345	52,534
Total Governmental Activities	<u>\$ 20,256,681</u>	<u>\$ 6,600</u>	<u>\$ 650,626</u>	19,612,655	699,533
Plus: Total OPEB liability				2,079,123	-
Net pension liability				6,416,401	-
				<u>\$ 28,108,179</u>	<u>\$ 699,533</u>
Reconciliation to Statement of Net Position:					
Due within one year				\$ 699,533	
Due in more than one year				27,408,646	
				<u>\$ 28,108,179</u>	

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<u>Type of Debt</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
<b>Business-Type Activities:</b>					
Notes Payable - Direct borrowings	\$ 4,113,620	\$ -	\$ 630,255	\$ 3,483,365	\$ 641,593
Unamortized Bond Discount	(5,045)	-	(1,478)	(3,567)	-
Revenue Bonds	810,000	8,000,000	195,000	8,615,000	615,000
Capital Lease Obligations	753,362	197,131	367,210	583,283	270,326
Accrued Compensated Absences	143,840	-	17,490	126,350	12,635
Total Business-Type Activities	<u>\$ 5,815,777</u>	<u>\$ 8,197,131</u>	<u>\$ 1,208,477</u>	12,804,431	1,539,554
Plus: Total OPEB liability				1,039,561	-
Net pension obligation				1,919,621	-
Refundable deposits				415,812	41,697
				<u>\$ 16,179,425</u>	<u>\$ 1,581,251</u>
Reconciliation to Statement of Net Position:					
Due within one year				\$ 1,581,251	
Due in more than one year				14,598,174	
				<u>\$ 16,179,425</u>	

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

**Revenue Bond Payable –**

2016 Sales Tax Revenue Bond for \$19,375,000 with interest from .45% to 2.375%

Debt service payments are due semi-annually through December 2046. Bonds are secured with net revenues of the Special Utility Authority and a pledged sales tax.

\$18,375,000

Current portion \$450,000  
Non-current portion 17,925,000

\$18,375,000

**Capital Lease Obligations:**

\$90,154 capital lease obligation for the purchase of a crawler/dozer, matures September 2021 with a stated interest rate of 3.81% \$23,303

\$993,730 capital lease obligation for the purchase of fire trucks, matures July 2020 with a stated interest rate of 5.00% 330,913

\$102,111 capital lease obligation for the purchase of police cars, matures September 2020 with a stated interest rate of 2.66% 43,537

\$149,481 capital lease obligation for the purchase of fire rescue truck, matures March 21, 2022 with a stated interest rate of 3.01% 84,848

\$113,194 capital lease obligation for the purchase of two Torro mowers, matures July 2020 with a stated interest rate of 2.15% 23,566

Total capital lease obligations \$506,167

Current portion \$196,999  
Non-current portion 309,168

\$506,167

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

**Capital Lease Obligation:**

\$44,900 capital lease obligation for the purchase of a mini excavator, matures July 2021 with a stated interest rate of 1.95%	\$11,790
\$209,365 capital lease obligation for the purchase of a bucket truck, matures October 2019 with a stated interest rate of 2.300%	10,836
\$503,720 capital lease obligation for the purchase of a trash truck, matures July 2019 with a stated interest rate of 1.97%	15,567
\$82,210 capital lease obligation for the purchase of a work truck, matures July 2019 with a stated interest rate of 2.13%	1,505
\$69,950 capital lease obligation for the purchase of a mini excavator, matures July 2021 with a stated interest rate of 1.95%.	18,368
\$95,994 capital lease obligation for the purchase of a truck for water, matures August 2022 with a stated interest rate of 2.99%.	62,450
\$362,837 capital lease obligation for the purchase of a refuse truck, matures June 2021 with a stated interest rate of 3.62%.	245,974
\$86,408 capital lease obligation for the purchase of a tractor, matures July 2021 with a stated interest rate of 1.95%.	40,842
\$197,131 capital lease obligation for the purchase of a roll-off truck, matures February 2022 with a stated interest rate of 3.98%.	<u>175,951</u>
Total Capital Leases	<u>\$583,283</u>
Current portion	\$270,326
Non-current portion	<u>312,957</u>
	<u>\$583,283</u>

**Revenue Bond Payable –**

2011 SUA Revenue Bond for \$1,915,000 with interest from 1.45% to 2.90% Debt service payments are due semi-annually through December 2021. Bonds are secured with net revenues of the Special Utility Authority.	\$615,000
2018 Utility System Revenue Bond for \$8,000,000 with interest from 3.5% to 4.0% Debt service payments are due semi-annually through August 2033. Bonds are secured with net revenues of the Special Utility Authority and a pledged sales tax.	<u>\$8,000,000</u>
Total Capital Leases	<u>\$8,615,000</u>
Current portion	\$615,000
Non-current portion	<u>8,000,000</u>
	<u>\$8,615,000</u>

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**Notes Payable –**

**Oklahoma Water Resources Board – Direct Borrowings:**

2003A Note payable to Oklahoma Water Resources Board, dated December 31, 2003, original amount \$1,760,000 with an annual administration fee of 0.5% due in semi-annual installments, with final payment due December 31, 2023 secured by and payable from utility revenues for sanitation, water, and sewer. Proceeds used for capital improvements related to waste water. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.	\$396,000
2003B Note payable to Oklahoma Water Resources Board, dated December 11, 2003, original amount \$3,020,000 with interest rate of 1.78% and 0.5% annual administrative fee due in semi-annual installments, secured by and payable from utility revenues for water, sewer, and garbage collection and disposal system, with final payment due December 11, 2023. Proceeds used for capital improvements related to waste water. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.	987,860
2004A Note payable to Oklahoma Water Resources Board, dated June 25, 2004, original amount \$1,595,538 with an annual administration fee of 0.5% due in semi-annual installments, with final payment due June 25, 2024 secured by and payable from utility revenues for water, sewer, and garbage collection and disposal system. Proceeds used for capital improvements related to waste water. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.	398,884
2004B Note payable to Oklahoma Water Resources Board, dated June 25, 2005, original amount \$2,740,000 with interest rate of 1.78% and 0.5% annual administrative fee due in semi-annual installments, with final payment due June 25, 2025 secured by and payable from utility revenues for water, sewer, and garbage collection and disposal system. Proceeds used for capital improvements related to waste water. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.	907,140
2004C Note payable to Oklahoma Water Resources Board, dated October 26, 2004, original amount \$1,620,000 with interest rate of 3.0% and 0.5% annual administrative fee due in semi-annual installments, with final payment due October 26, 2024 secured by and payable from utility revenues for water, sewer, and garbage collection and disposal system. Proceeds used for capital improvement related to water. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.	590,840

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2005 Note payable to Oklahoma Water Resources Board, dated September 15, 2005, original amount \$563,000 with an annual administration fee of 0.5% due in semi-annual installments, with final payment due September 15, 2025 secured by and payable from utility revenues for water, sewer, and garbage collection and disposal system. Proceeds used for capital improvements related to waste water. In the event of default on the OWRB loans, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture, security agreement or lease agreement.

202,641

Total Notes Payable – Oklahoma Water Resources Board \$3,483,365

	Current portion	\$641,593
	Non-current portion	<u>2,841,772</u>
		<u>\$3,483,365</u>

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

Governmental-Type Activities				
Year Ending June 30,	Revenue Bonds Payable		Capital Leases	
	Principal	Interest	Principal	Interest
2020	\$ 450,000	\$ 546,438	\$ 196,999	\$ 17,617
2021	455,000	537,388	282,806	2,524
2022	465,000	528,188	26,362	469
2023	475,000	518,788	-	-
2024	485,000	509,188	-	-
2025-2029	2,575,000	2,393,088	-	-
2030-2034	550,000	2,194,781	-	-
2035-2039	4,435,000	1,744,750	-	-
2040-2044	3,925,000	1,006,875	-	-
2045-2047	4,560,000	356,250	-	-
Total	<u>\$ 18,375,000</u>	<u>\$ 10,335,734</u>	<u>\$ 506,167</u>	<u>\$ 20,610</u>

Business-Type Activities						
Year Ending June 30,	Notes Payable-Direct Borrowings		Revenue Bonds Payable		Capital Leases Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 641,593	\$ 82,226	\$ 615,000	\$ 287,150	\$ 270,326	\$ 15,833
2021	658,024	66,114	635,000	265,383	236,019	7,229
2022	669,477	48,626	660,000	242,370	71,055	1,081
2023	691,702	29,264	465,000	221,325	5,883	13
2024	663,647	9,932	485,000	202,725	-	-
2025-2029	158,922	57	2,650,000	786,375	-	-
2030-2034	-	-	3,105,000	333,375	-	-
Total	<u>\$ 3,483,365</u>	<u>\$ 236,219</u>	<u>\$ 8,615,000</u>	<u>\$ 2,338,703</u>	<u>\$ 583,283</u>	<u>\$ 24,156</u>

MDRA Debt:

Type of Debt	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
<b>Component Unit:</b>					
Accrued Compensated Absences	2,808	-	2,652	156	156
Total MDRA	<u>\$ 2,808</u>	<u>\$ -</u>	<u>\$ 2,652</u>	<u>\$ 156</u>	<u>\$ 156</u>

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MIDA Debt (direct borrowings):

The MIDA issued the 2005 note payable to the Miami Area Economic Development Services, Inc, payable in monthly Installments of \$3,300 with interest at 5.00% maturity date of February 1, 2020	\$210,963
The MIDA issued the 2005 note payable to the Miami Area Economic Development Services, Inc, payable in monthly Installments of \$1,918, with interest of 1.25%, maturity date of February 1, 2020	138,346
The MIDA issued the 2005 note payable to the Miami Area Economic Development Services, Inc. payable in monthly Installments of \$607, with interest of 4.00%, maturity date of February 1, 2020	<u>40,179</u>
Total debt outstanding – MIDA	<u>\$389,487</u>

<u>Type of Debt</u>	<u>Balance August 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance July 31, 2019</u>	<u>Due Within One Year</u>
<b>Component Unit:</b>					
MIDA Note payable (direct borrowings)	\$ 435,431	\$ -	\$ 45,944	\$ 389,487	\$ 389,487

<u>Component Unit - MIDA</u>		
<u>Year Ending June 30,</u>	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2020	389,487	8,936
Total	<u>\$ 389,487</u>	<u>\$ 8,936</u>

**Pledge of Future Revenues**

*Utility Net Revenues Pledge* - The City and Special Utility Authority have pledged net utility revenues of the water, electric and wastewater systems to repay the OWRB Series 2003 B, 2003 A, 2004 A, 2004 B, 2004C, and 2005 promissory notes payable. Proceeds from the notes provided financing for capital assets. The notes are payable from net utility revenues and are payable through 2025. The total principal and interest payable for the remainder of the life of these notes is \$3,719,584. Net utility revenues received in the current year were \$4,936,402. Debt service payments of \$732,438 for the current fiscal year were 14.8% of pledged net utility revenues.

*Pledged Sales Tax* – The City has pledged 3.65 cents (or 100%) of future sales tax revenues to repay \$1,915,000 of the Series 2011 Revenue Bonds, \$19,375,000 of the Series 2016 Sales Tax Revenue Refunding Bonds, and 8,000,000 of the Series 2018 Revenue Bonds. Three cents of the sales tax was voted by the citizens for general operations and .65 cent is legally restricted by a vote of the citizens for street purposes. The 2011 Revenue bonds are for water improvements. The 2016 bonds refinanced the 2010 bonds that were originally for street purposes and the 2013 bond anticipation note for the stadium construction. The .65 sales tax is used to pay the debt service on the 2016 bonds and the three cents is sent back to the general fund if not needed for debt service. The bonds are payable from pledged sales tax and net utility revenues and are payable through 2021, 2046 and 2033, respectively. The total principal and interest payable for the remainder of the life of these bonds is \$39,664,434. Pledged sales taxes received in the current year were \$5,421,301. Net revenues and sales tax pledged during the year was \$10,357,703. Debt service payments of \$1,354,792 for the current fiscal year were 13.1% of the pledged revenue.

## 9. Net Position and Fund Balances

Government-wide net position is displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

At June 30, 2019 net position restricted by enabling legislation totaled \$237,291.

### *Fund Balance:*

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – included amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance.
- d. Assigned – includes amounts that are constrained by the city’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision (city manager) when the city council has delegated that authority. Assignments for revenues in other governmental funds are made through budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund.

The City’s policy for the use of fund balance amounts require that committed amounts would be reduced first followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet:

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	Major Capital Project Fund		Other Governmental Fund		Total
	General Fund	Street and Stadium Project Fund	Governmental Fund	Governmental Fund	
Fund Balance:					
Restricted For:					
Police operations - grants	\$ -	\$ -	\$ 15,548	\$ 15,548	\$ 15,548
General obligation debt service	-	312,454	142,334	454,788	454,788
Capital improvements	-	-	243,886	243,886	243,886
Street improvements	-	585,892	-	585,892	585,892
Culture and rec programs	23,213	-	304,083	327,296	327,296
Economic development	-	-	92,811	92,811	92,811
Police - drug programs	-	-	2,455	2,455	2,455
Sub-total restricted	<u>23,213</u>	<u>898,346</u>	<u>801,117</u>	<u>1,722,676</u>	<u>1,722,676</u>
Committed for:					
Street operations	-	-	2,044,759	2,044,759	2,044,759
Assigned for:					
Capital improvements	-	-	3,125,104	3,125,104	3,125,104
Demolition	170,415	-	-	170,415	170,415
Culture and rec programs	13,772	-	-	13,772	13,772
Supplement next year's budget	1,235,265	-	-	1,235,265	1,235,265
Sub-total assigned	<u>1,419,452</u>	<u>-</u>	<u>3,125,104</u>	<u>4,544,556</u>	<u>4,544,556</u>
Unassigned (deficit):	352,315	-	(299,088)	53,227	53,227
<b>TOTAL FUND BALANCE</b>	<u>\$ 1,794,980</u>	<u>\$ 898,346</u>	<u>\$ 5,671,892</u>	<u>\$ 8,365,218</u>	<u>\$ 8,365,218</u>

Beginning net positions was restated due to a capital asset inventory clean up project and an error related to accounts receivable. Restatements were as follows:

	Governmental Activities:	Non-Major Governmental Funds	Business-type Activities:	
	Government-wide		Fund Level	Government-wide
<b>Statement of Activities:</b>				
Beginning net position as previously reported	\$8,601,030	\$5,895,004	\$18,138,726	\$18,851,436
Account receivable	41,511	41,511	127,015	127,015
Adjustment for asset inventory clean up project	(1,327,556)	-	1,725,784	1,725,784
Beginning net position, restated	<u>\$7,314,985</u>	<u>\$5,936,515</u>	<u>\$19,991,525</u>	<u>\$20,704,235</u>

## 11. Revenues

### Program Revenues:

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

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

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

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**Sales Tax Revenue:**

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

**Property Tax Revenue:**

In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City. The City's property taxes are billed and collected by the County and remitted to the City. Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2019, the City did not assess a property tax.

**12. Risk Management**

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

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

Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past two fiscal years.

	<u>Worker's Compensation</u>	<u>Health Care</u>	<u>Unemployment Fund</u>	<u>Total</u>
Claim liability, June 30, 2017	\$ 2,362,057	\$ 86,595	\$ -	\$ 2,448,652
Claims and changes in estimates	431,497	1,641,563	5,604	2,078,664
Claims payments	<u>(707,835)</u>	<u>(1,435,894)</u>	<u>(5,604)</u>	<u>(2,149,333)</u>
Claim liability, June 30, 2018	2,085,719	292,264	-	2,377,983
Claims and changes in estimates	729,866	1,263,145	12,680	2,005,691
Claims payments	<u>(1,598,529)</u>	<u>(1,461,842)</u>	<u>(12,680)</u>	<u>(3,073,051)</u>
Claim liability, June 30, 2019	<u>\$ 1,217,056</u>	<u>\$ 93,567</u>	<u>\$ -</u>	<u>\$ 1,310,623</u>

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**13. Retirement Plan Participation**

The following is a summary of the deferred outflows, deferred inflows and net pension liability by plan as of June 30, 2019:

	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>
Deferred Outflows:					
Police Pension	\$ 367,601	\$	-	\$	367,601
Fire Pension	1,245,114		-		1,245,114
OkMRF	472,172		594,849		1,067,021
Total	<u>\$ 2,084,887</u>	\$	<u>594,849</u>	\$	<u>2,679,736</u>
Deferred Inflows:					
Police Pension	\$ 218,940	\$	-	\$	218,940
Fire Pension	428,231		-		428,231
OkMRF	455,888		507,356		963,244
Total	<u>\$ 1,103,059</u>	\$	<u>507,356</u>	\$	<u>1,610,415</u>
Net Pension Liability:					
Fire Pension	4,741,794		-		4,741,794
OkMRF	1,674,607		1,919,621		3,594,228
Total	<u>\$ 6,416,401</u>	\$	<u>1,919,621</u>	\$	<u>8,336,022</u>
Net Pension Asset:					
Police Pension	\$ 194,728	\$	-	\$	194,728
Total	<u>\$ 194,728</u>	\$	<u>-</u>	\$	<u>194,728</u>

**Oklahoma Municipal Retirement Plan (OkMRF) – Defined Benefit Plan**

**A. Plan Description**

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

**B. Summary of Significant Accounting Policies**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by OkMRF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value based on published market prices. Detailed information about the OkMRF plans' fiduciary net position is available in the separately issued OkMRF financial report.

**C. Eligibility Factors and Benefit Provisions**

<u>Provision</u>	<u>As of 07/01/18 OkMRF Plan</u>
a. Eligible to participate	Full-time employees except police, firefighters and other employees who are covered under an approved system.
b. Period Required to Vest	7 years of credited service beginning September 1, 2018
c. Eligibility for Distribution	-Normal retirement at age 65 with 10 years of service -Early retirement at age 55 with 10 years of service -Disability retirement upon disability with 10 years of service -Death benefit with 10 years of service for married employees
d. Benefit Determination Base	Final average salary - the average of the five highest consecutive annual salaries out of the last 10 calendar years of service
e. Benefit Determination Methods:	
Normal Retirement	-1.875% of final average salary multiplied by credited years of service
Early Retirement	-Actuarially reduced benefit based upon age, final average salary, and years of service at termination
Disability Retirement	-Same as normal retirement
Death Benefit	-50% of employees accrued benefit, but terminates upon spouse re-marriage
Prior to 10 Years Service	-No benefits
f. Benefit Authorization	-Benefits are established and amended by City Council adoption of an ordinance in accordance with O.S. Title, 11, Section 48-101-102
g. Form of Benefit Payments	Normal form is a 60 months certain and life thereafter basis. Employee may elect, with City consent, option form based on actuarial equivalent.

**D. Employees Covered by Benefit Terms**

Active Employees	123
Deferred Vested Former Employees	9
Retirees or Retiree Beneficiaries	<u>80</u>
Total	<u>212</u>

**E. Contribution Requirements**

The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 10.50% of covered payroll as of July 1, 2018. For the year ended June 30, 2019, the City recognized \$647,362 of employer contributions to the plan which is in excess of the actuarially determined amount by \$134,745 based on covered payroll of \$4,882,062. Employees contribute 3.75% to the plan in accordance with the plan provisions adopted by the City Council. Employee contributions for fiscal 2019 were \$183,079.

Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2018
a. Actuarial cost method	Entry age normal
b. Rate of Return on Investments and Discount Rate	7.50%
c. Projected Salary Increase	Varies between 7.42% and 4% based on age
d. Post Retirement cost-of-Living Increase	None
e. Inflation Rate	3%
f. Mortality Table	UP 1994, with projected mortality improvement
g. Percent of married employees	100%
h. Spouse age difference	3 years (female spouses younger)
i. Turnover	Select and ultimate rates Ultimate rates are age-related as shown
	Additional rates per thousand are added during the first 5 years:
	Year 1: 225
	Year 2: 140
	Year 3: 100
	Year 4: 70
	Year 5: 40
j. Date of last experience study	September 2012 for fiscal years 2007 thru 2011

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**F. Discount Rate –**

The discount rate used to value benefits was the long-term expected rate of return on plan investments of 7.50% since the plan’s net fiduciary position is projected to be sufficient to make projected benefit payments.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of July 1, 2018 are summarized in the following table:

	<u>Target Allocation</u>	<u>Real Return</u>	<u>Weighted Return</u>
Large cap stocks S&P 500	25%	5.80%	1.45%
Small/mid cap stocks Russell 2500	10%	6.40%	0.64%
Long/short equity MSCI ACWI	10%	5.00%	0.50%
International stocks MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds Barclay's Capital Aggregate	30%	2.30%	0.69%
Real estate NCREIF	5%	4.60%	0.23%
Cash equivalents 3 month Treasury	0%	0.00%	0.00%
	<hr/>		<hr/>
TOTAL	<u>100%</u>		
Average Real Return			4.75%
Inflation			<u>2.75%</u>
Long-term expected return			<u>7.50%</u>

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**G. Changes in Net Pension Liability** – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2018 which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2018 and the City’s report ending date of June 30, 2019, that would have had a significant impact on the net pension liability. The following table reports the components of changes in net pension liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balances Beginning of Year</b>	\$ 14,682,635	\$ 10,342,425	\$ 4,340,210
<b>Changes for the Year:</b>			
Service cost	283,926	-	283,926
Interest expense	1,061,577	-	1,061,577
Experience losses (gains) - (amortized over avg remain svc period of actives & inactive)	(541,596)	-	(541,596)
Changes of assumptions	-	-	-
Contributions--City	-	635,453	(635,453)
Contributions--members	-	179,680	(179,680)
Net investment income	-	755,918	(755,918)
Benefits paid	(1,076,009)	(1,076,009)	-
Plan administrative expenses	-	(21,162)	21,162
<b>Net Changes</b>	<u>(272,102)</u>	<u>473,880</u>	<u>(745,982)</u>
<b>Balances End of Year</b>	<u>\$ 14,410,533</u>	<u>\$ 10,816,305</u>	<u>\$ 3,594,228</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.50 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 5,348,049	\$ 3,594,228	\$ 2,158,819

The City reported \$198,635 in pension expense for the year ended June 30, 2019. At June 30, 2019, 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	\$ 26,358	\$ 818,521
Net difference between projected and actual earnings	80,054	-
Changes in assumptions	182,644	-
Changes in proportion and differences between City contributions and proportionate share of contributions	117,877	117,878
City contributions during measurement date	12,726	26,845
City contributions subsequent to the measurement date	647,362	-
<b>Total</b>	<u>\$ 1,067,021</u>	<u>\$ 963,244</u>

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The \$647,362 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, 2020. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2020	\$	(66,895)
2021		(156,168)
2022		(244,710)
2023		(75,812)
2024		-
	<u>\$</u>	<u>(543,585)</u>

**Oklahoma Firefighter’s Pension – Statewide Cost Sharing Plan**

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

**Benefits provided** - FPRS provides defined retirement benefits based on members’ final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan’s benefits are established and amended by Oklahoma statute. Retirement provisions are as follows:

Normal Retirement:

- **Hired Prior to November 1, 2013**  
Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member’s final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.
  
- **Hired After November 1, 2013**  
Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member’s final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

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

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

***Contributions*** - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$170,934. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$428,412 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$422,654. 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, 2019, the City reported a liability of \$4,741,794 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2018. Based upon this information, the City's proportion was .4213%.

For the year ended June 30, 2019, the City recognized pension expense of \$19,174. At June 30, 2019, 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	\$ 990,427	\$ -
Net difference between projected and actual earnings on pension plan investments	-	394,005
Changes in proportion	83,753	26,832
Contributions during the measurement date	-	7,394
Contributions subsequent to the measurement date	170,934	-
Total	\$ 1,245,114	\$ 428,231

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In the year ending June 30, 2019, \$170,934 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 subsequent year. 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:

	2020	\$	227,292
	2021		175,557
	2022		29,872
	2023		136,717
	2023		76,511
	Total	\$	645,949

**Actuarial Assumptions**- The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

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

The actuarial assumptions used in the July 1, 2018, 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, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	4.37%
Domestic equity	47%	7.01%
International equity	15%	8.83%
Real estate	10%	6.58%
Other assets	8%	5.70%

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

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**-The following presents the net pension liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	\$ 6,210,805	\$ 4,741,794	\$ 3,508,044

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

**Oklahoma Police Pension – Statewide Cost Sharing Plan**

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

**Benefits provided** - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later. Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

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

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

**Contributions** - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$166,813. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$161,714 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$159,543. These on-behalf payments did not meet the criteria of a special funding situation.

**Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2019, the City reported an asset of \$194,728 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2018. Based upon this information, the City's proportion was .4088%.

For the year ended June 30, 2019, the City recognized pension expense of \$127,911. At June 30, 2019, 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	\$ 1,150	\$ 182,461
Changes of assumptions	85,045	-
Net difference between projected and actual earnings on pension plan investments	101,402	-
Changes in proportion	11,977	24,629
Contributions during measurement date	1,214	11,850
Contributions subsequent to the measurement date	166,813	-
Total	<u>\$ 367,601</u>	<u>\$ 218,940</u>

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In the year ending June 30, 2019, \$166,813 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 or an addition to the net pension liability (asset) in the subsequent year. 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:

2020	\$	92,128
2021		31,997
2022		(110,159)
2023		(37,292)
2024		5,174
Total	\$	(18,152)

**Actuarial Assumptions**-The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all prior periods included in the measurement:

- Inflation: 2.75%
- Salary increases: 3.5% to 10% average, including inflation
- Investment rate of return: 7.5% net of pension plan investment expense
- Cost-of-living adjustments: Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).
- Mortality rates:
  - Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.
  - Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.
  - Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

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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, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	4.53%
Domestic equity	5.86%
International equity	8.83%
Real estate	6.58%
Private Equity	9.21%
Commodities	5.06%

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

**Discount Rate**-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability(Asset) to Changes in the Discount Rate**- The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (-6.5%)	Current Discount Rate (7.5%)	1% Increase (-8.5%)
Employers' net pension liability (asset)	\$ 903,284	\$ (194,728)	\$ (1,122,973)

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OPPRS; which can be located at [www.ok.gov/OPPRS](http://www.ok.gov/OPPRS) .

**City of Miami 457 Deferred Compensation Plan (DC Plan)**

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

Funding Policy – DC Plan participants may contribute up to \$15,000 of eligible compensation per year. During the year ended June 30, 2019, employees contributed \$125,657 and the employer contributed \$0 to the DC Plan.

**ICMA Retirement Deferred Compensation Plan**

In addition to the above plans, the City of Miami offers a retirement plan through ICMA which is funded 18% by the employer and zero percent by employee contributions. There were no contributions to the plan for the fiscal year ended June 30, 2019. Separate audited financial statements are not available.

**14. Postemployment Healthcare Plan**

*Plan Description.* The City sponsors Medical, Rx, and Dental insurance to qualifying retirees and their dependents. Coverage is provided through fully-insured arrangements that collectively operate as a substantive single-employer defined benefit plan. A substantive plan is one in which the plan terms are understood by the employer and the plan members. This understanding is based on communication between the employer and the plan member and historical pattern of practice with regard to the sharing of benefit costs. Qualifying retirees are those employees who are eligible for immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter’s Pension and Retirement System, or the City of Miami Retirement Plan. Retirees may continue coverage with the City by paying the carrier premium rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amend benefit provisions rest with the City Council. Retirees may continue coverage with the City by paying the premium rate. Benefits are paid from general operating assets of the City.

*Benefits provided* - The Plan covers all current retirees of the City who elected postretirement medical coverage through the City Health Plan and future retired employees of the City fully self-insured health plan. In accordance with administrative policy, the benefit levels are the same as those afforded to active employees; this creates an implicit rate subsidy. The benefits offered by the City to retirees include health and prescription drug benefits. The retiree retains coverage with the City, by making an election within 30 days of termination of service and have 10+ years of creditable service in with the City and are at least 55 years old at the time of termination.

The amount of benefit payments during fiscal year June 30, 2019 were \$103,265.

*Employees Covered by Benefit Terms*

Active Employees	180
Inactive or beneficiaries receiving benefits	<u>9</u>
Total	<u>189</u>

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*Total OPEB Liability* – The total OPEB liability was determined based on an alternative measurement method valuation performed as of June 30, 2018 which is also the measurement date.

*Actuarial Assumptions*- The total OPEB liability in the June 30, 2018 valuation, was determined using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age
- Discount Rate – 3.87% based on the 20 year municipal bond yield
- Retirement Age – Civilians - 55 with 10 years of service, Police and Fire 20 years of service
- Medical Trend Rates:
 

2019	6.02%
2020	5.99%
2025	5.86%
2030	5.99%
2035	5.87%
2040	5.33%
2045	5.15%
2050	5.03%
2060	4.87%

*Changes in Total OPEB Liability -*

	<b>Total OPEB Liability</b>
<b>Balances at Beginning of Year</b>	<u>\$ 3,285,906</u>
<b>Changes for the Year:</b>	
Service cost	206,592
Interest expense	125,031
Change in assumptions	(378,465)
Difference between expected and actual experience	(17,115)
Benefits paid	<u>(103,265)</u>
<b>Net Changes</b>	<u>(167,222)</u>
<b>Balances End of Year</b>	<u>\$ 3,118,684</u>

*OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB* – For the year ended June 30, 2019, the City recognized OPEB expense of \$243,173. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 14,901
Changes of assumptions	-	536,528
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion	266,334	265,815
City Contributions during measurement date	7,776	7,792
Benefits paid subsequent to the measurement date	99,477	-
Total	<u>\$ 373,587</u>	<u>\$ 825,036</u>

In the year ending June 30, 2019, \$99,477 reported as deferred outflows of resources related to pensions resulting from City benefits paid subsequent to the measurement date will be recognized as a reduction of or an addition to the total OPEB liability in the subsequent year. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year Ended June 30:**

2020	\$ (88,450)
2021	\$ (88,450)
2022	\$ (88,450)
2023	\$ (88,450)
2024	\$ (88,450)
Thereafter	(108,676)
	<u>\$ (550,926)</u>

*Sensitivity of the City's total OPEB liability to changes in the discount rate-* The following presents the City's total OPEB liability, as well as what the City's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1- percentage-point higher (4.87 percent) than the current discount rate:

	Current Discount Rate		
	1% Decrease ( 2.87%)	(3.87%)	1% Increase ( 4.87%)
Employers' total OPEB liability	\$ 3,774,875	\$ 3,118,684	\$ 2,603,252

*Sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rates -* The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.09 percent decreasing to 3.87 percent) or 1- percentage point higher (7.09 percent decreasing to 5.87 percent) than the current healthcare cost trend rates:

	Current Discount Rate		
	1% Decrease (5.90% decreasing to 3.87%)	(6.90% decreasing to 4.87%)	1% Increase (7.09% decreasing to 5.87%)
Employers' total OPEB liability	\$ 2,618,871	\$ 3,118,684	\$ 3,738,331

**15. Commitments and Contingencies**

### **Litigation**

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

### **Grant Programs**

The City of Miami participates in various federal or state grant/loan programs from year to year. In 2018, the City's involvement in federal and state award programs is relatively material. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

### **Pensacola Dam Licensing**

The City has experienced flooding at various degrees for many years which the City asserts has been aggravated by operational changes at a nearby lake. The City contends that the instances of flooding have increased because the quasi-governmental agency that operates the Pensacola Dam that forms Grand Lake (and its hydroelectric operations), the Grand River Dam Authority (GRDA), has been granted permission to raise lake levels by the Federal Energy Regulatory Commission (FERC), which licenses GRDA to operate the dam.

FERC has notified the City that the appropriate time to address these problems is at the time the operational license for the dam is renewed in 2022. That process started in 2018 and could potentially take over five years to complete. The City has engaged legal counsel to represent its interest during the relicensing process and to require GRDA to modify its lake operations to reduce instances of flooding and to purchase flood easements.

During fiscal 2019, the City incurred approximately \$890,700 of costs related to this matter in the form of legal, technical, and other supporting activities. The ultimate disposition of this matter is not known, but management does not expect these costs to materially impact the City's operations or financial condition. No provisions or reserves have been established in the accompanying financial statements regarding this matter.

### **Asset Retirement Obligation**

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of June 30, 2019, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs and obtaining an estimate of those costs in the subsequent fiscal year.

**16. Future Accounting Pronouncements**

GASB Statement 84, *Fiduciary Activities*, issued January 2017, will be effective for the City beginning with its fiscal year ending June 30, 2020. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City has not yet determined the impact that implementation of GASB 84 will have on its net position.

GASB Statement 87, *Leases*, issued June 2017, will be effective for the City beginning with its fiscal year ending June 30, 2021. The primary objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City has not yet determined the impact that implementation of GASB 87 will have on its net position.

GASB Statement 90, *Majority Equity Interests (An amendment of GASB Statement 14 and 61)* –issued August 2018, will be effective for the City beginning with its fiscal year ending June 30, 2020. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The City has not yet determined the impact that implementation of GASB 90 will have on its net position.

GASB Statement 91, *Conduit Debt Obligations* – issue May 2019, will be effective for the City beginning with its fiscal year ending June 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City has not yet determined the impact that implementation of GASB 91 will have on its net position.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2019**

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budget basis)	Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ 335,762	\$ 335,762	\$ 894,063	\$ 558,301
<b>Resources (Inflows):</b>				
Taxes and assessments	6,636,000	6,636,000	6,823,940	187,940
Fees, licenses and permits	47,150	47,150	55,059	7,909
Charges for services	177,650	185,905	167,129	(18,776)
Fines and forfeitures	213,000	213,000	268,870	55,870
Interest earned	12,500	12,500	15,174	2,674
Miscellaneous	-	163,262	208,374	45,112
Intergovernmental	92,699	190,635	180,939	(9,696)
<b>Total Resources (Inflows)</b>	<u>7,178,999</u>	<u>7,448,452</u>	<u>7,719,485</u>	<u>271,033</u>
<b>Amounts available for appropriation</b>	<u>7,514,761</u>	<u>7,784,214</u>	<u>8,613,548</u>	<u>829,334</u>
<b>Charges to Appropriations (Outflows):</b>				
General Government				
Municipal Court	179,514	180,014	174,300	5,714
General Government	1,333,873	1,291,499	1,002,023	289,476
Human Resources	369,301	285,731	239,461	46,270
Legal	129,070	129,070	96,998	32,072
Public Safety				
Police	2,229,203	2,264,356	2,225,244	39,112
Fire	2,023,737	2,022,975	1,995,342	27,633
Emergency Management	48,482	120,345	99,824	20,521
Police Communications	396,022	396,022	351,254	44,768
Code Enforcement	113,025	116,929	116,025	904
Risk Management		89,370	80,316	9,054
Public Works and Streets				
Streets	708,147	703,147	655,537	47,610
Cemetery	347,980	364,160	315,632	48,528
Facilities	302,919	302,919	226,240	76,679
Animal Control	123,560	174,425	155,843	18,582
Culture and Recreation				
Parks	615,033	616,007	507,938	108,069
Swimming Pool	191,273	191,273	134,883	56,390
Library	537,674	626,387	538,312	88,075
<b>Total Charges to Appropriations</b>	<u>9,648,813</u>	<u>9,874,629</u>	<u>8,915,172</u>	<u>959,457</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	8,536,438	8,552,438	8,704,852	152,414
Transfers to other funds	(6,404,650)	(6,497,946)	(6,691,367)	(193,421)
<b>Total other financing sources (uses)</b>	<u>2,131,788</u>	<u>2,054,492</u>	<u>2,013,485</u>	<u>(41,007)</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ (2,264)</u>	<u>\$ (35,923)</u>	<u>\$ 1,711,861</u>	<u>\$ 1,747,784</u>

See accompanying notes to this schedule.

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**Schedule Footnotes to Budgetary Comparison:**

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

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

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

	<u>Fund Balance June 30, 2018</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance June 30, 2019</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$1,162,866	\$632,114	\$1,794,980
Increases (Decreases):			
Revenues:			
Receivable from other governments and entities	(803,696)	102,939	(700,757)
Accounts receivable	(185,647)	(11,823)	(197,470)
State on behalf pension payments	(539,043)	(51,083)	(590,126)
Combining accounts	(42,620)	69,358	26,738
Expenditures:			
Accrued payroll	295,110	(20,595)	274,515
Other expenditures	468,050	45,805	513,855
State on behalf pension payments	539,043	51,083	590,126
Fund Balance - Budgetary Basis	<u>\$894,063</u>	<u>\$817,798</u>	<u>\$1,711,861</u>

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**Pension Information**

**Schedules of Required Supplementary Information**

**SCHEDULE OF THE CITY OF MIAMI'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM**

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's proportion of the net pension liability	0.413176%	0.418954%	0.4143524%	0.4169184%	0.421250%
City's proportionate share of the net pension liability	\$ 4,887,039	\$ 4,446,809	\$ 5,062,191	\$ 5,243,677	\$4,741,794
City's covered-employee payroll	\$ 1,089,326	\$ 1,144,680	\$ 1,159,023	\$ 1,185,003	\$1,208,603
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	449%	388%	437%	443%	392%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%

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

**Notes to Schedule:**

Only the previous five fiscal years are presented because 10-year data is not yet available.

**SCHEDULE OF CITY CONTRIBUTIONS  
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM**

**Last 10 Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Statutorially required contribution	\$ 160,255	\$ 162,264	\$ 165,905	\$ 169,204	\$ 170,934
Contributions in relation to the statutorially required contribution	<u>160,255</u>	<u>162,264</u>	<u>165,905</u>	<u>169,204</u>	<u>170,934</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>_____</u>
City's covered-employee payroll	\$ 1,144,680	\$ 1,159,023	\$ 1,185,033	\$ 1,208,603	\$ 1,220,957
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%

**Notes to Schedule:**

Only the previous five fiscal years are presented because 10-year data is not yet available.

**CITY OF MIAMI, OKLAHOMA  
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**Schedules of Required Supplementary Information**

**SCHEDULE OF THE CITY OF MIAMI PORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM**

Last 10 Fiscal Years\*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's proportion of the net pension liability (asset)	0.4416%	0.3977%	0.4577%	0.3683%	0.4088%
City's proportionate share of the net pension liability (asset)	\$ (148,685)	\$ 16,217	\$ 700,954	\$ 29,715	\$ (194,728)
City's covered-employee payroll	\$ 1,184,882	\$ 1,131,472	\$ 1,201,369	\$ 1,169,953	\$ 1,283,171
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.55%	1.43%	58.35%	2.54%	15.18%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%

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

**Notes to Schedule:**

Only the previous five fiscal years are presented because 10-year data is not yet available.

**SCHEDULE OF CITY CONTRIBUTIONS  
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM  
Last 10 Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Statutorially required contribution	\$ 145,903	\$ 156,178	\$ 152,094	\$ 162,102	\$ 166,813
Contributions in relation to the statutorially required contribution	<u>145,903</u>	<u>156,178</u>	<u>152,094</u>	<u>162,102</u>	<u>166,813</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 1,131,472	\$ 1,201,369	\$ 1,169,953	\$ 1,246,941	\$ 1,283,171
Contributions as a percentage of covered-employee payroll	12.89%	13.00%	13.00%	13.00%	13.00%

**Notes to Schedule:**

Only the previous five fiscal years are presented because 10-year data is not yet available.

**CITY OF MIAMI, OKLAHOMA  
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**Required Supplementary Information  
Oklahoma Municipal Retirement Fund**

**Schedule of Changes in Net Pension Liability and Related Ratios**

	2015	2016	2017	2018	2019
<b>Total pension liability</b>					
Service cost	\$ 276,403	\$ 308,701	\$ 344,545	\$ 330,866	\$ 283,926
Interest	1,034,763	1,037,326	1,073,154	1,087,717	1,061,577
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	102,207	(202,315)	(535,480)	(541,596)
Changes of assumptions	-	-	-	321,010	-
Benefit payments, including refunds of member contributions	(997,138)	(1,006,438)	(964,663)	(1,092,673)	(1,076,009)
<b>Net change in total pension liability</b>	<u>314,028</u>	<u>441,796</u>	<u>250,721</u>	<u>111,440</u>	<u>(272,102)</u>
<b>Total pension liability - beginning</b>	<u>13,564,650</u>	<u>13,878,678</u>	<u>14,320,474</u>	<u>14,571,195</u>	<u>14,682,635</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 13,878,678</u>	<u>\$ 14,320,474</u>	<u>\$ 14,571,195</u>	<u>\$ 14,682,635</u>	<u>\$ 14,410,533</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 569,542	\$ 618,748	\$ 640,172	\$ 650,799	\$ 635,453
Contributions - member	166,578	175,420	181,046	183,989	179,680
Net investment income	1,363,071	261,920	83,267	1,149,965	755,918
Benefit payments, including refunds of member contributions	(997,138)	(1,006,438)	(964,663)	(1,092,673)	(1,076,009)
Administrative expense	(20,151)	(19,533)	(18,698)	(20,154)	(21,162)
Other	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>1,081,902</u>	<u>30,117</u>	<u>(78,876)</u>	<u>871,926</u>	<u>473,880</u>
<b>Plan fiduciary net position - beginning</b>	<u>8,437,357</u>	<u>9,519,259</u>	<u>9,549,376</u>	<u>9,470,500</u>	<u>10,342,425</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 9,519,259</u>	<u>\$ 9,549,376</u>	<u>\$ 9,470,500</u>	<u>\$ 10,342,426</u>	<u>\$ 10,816,305</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 4,359,419</u>	<u>\$ 4,771,098</u>	<u>\$ 5,100,695</u>	<u>\$ 4,340,209</u>	<u>\$ 3,594,228</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	68.59%	66.68%	64.99%	70.44%	75.06%
<b>Covered employee payroll</b>	\$ 4,356,987	\$ 4,742,831	\$ 4,657,554	\$ 4,735,571	\$ 4,920,014
<b>Net pension liability as a percentage of covered-employee payroll</b>	100.06%	100.60%	109.51%	91.65%	73.05%

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

**Notes to Schedule:**

Only the previous five fiscal years are presented because 10-year data is not yet available.

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**Required Supplementary Information  
Oklahoma Municipal Retirement Fund**

**Schedule of Employer Contributions**

	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 616,160	\$ 643,059	\$ 592,589	\$ 590,967	\$ 512,617
Contributions in relation to the actuarially determined contribution	616,160	643,059	623,633	635,553	647,362
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,044)</u>	<u>\$ (44,586)</u>	<u>\$ (134,745)</u>
Covered employee payroll	\$ 4,661,027	\$ 4,849,681	\$ 4,703,091	\$ 4,792,921	\$ 4,882,062
Contributions as a percentage of covered-employee payroll	13.22%	13.26%	13.26%	13.26%	13.26%

**Notes to Schedule:**

1. Only the previous five fiscal years are presented because 10-year data is not yet available.
2. Latest Valuation Date: July 1, 2018
3. Actuarially determined contribution rate is calculated as of July 1, 2018  
July 2018 through June 2019 contributions were at a rate of 10.50%.
4. Methods and assumptions used to determine contribution rates:
  - Actuarial cost method - Entry age normal
  - Amortization method - Level percent of payroll, closed
  - Remaining amortization period - 29 years
  - Asset valuation method - Actuarial:
    - Smoothing period - 4 years
    - Recognition method - Non-asymptotic
    - Corridor - 70% - 130%
  - Salary increases - 4.00% to 7.42% (varies by attained age)
  - Investment rate of return - 7.50%

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***Required Supplementary Information – OPEB***

**Schedule of Changes in Total OPEB Liability and Related Ratios**  
Postemployment Health Insurance Implicit Rate Subsidy Plan

	<b>2018</b>	<b>2019</b>
Total OPEB Liability		
Service cost	\$ 233,167	\$ 206,592
Interest	91,262	125,031
Changes in assumptions	(280,566)	(378,465)
Differences between expected and actual experience		(17,115)
Benefit payments	(78,120)	(103,265)
<b>Net change in total OPEB liability</b>	<b>(34,257)</b>	<b>(167,222)</b>
<b>Balances at Beginning of Year</b>	<b>3,320,163</b>	<b>3,285,906</b>
<b>Balances End of Year</b>	<b>\$ 3,285,906</b>	<b>\$ 3,118,684</b>
Covered employee payroll	\$ 7,310,000	
Total OPEB liability as a percentage of covered- employee payroll	42.66%	

**Notes to Schedule:**

Only two fiscal years are presented because 10-year data is not yet available

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**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF MIAMI, OKLAHOMA  
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**Combining Balance Sheet – General Fund Accounts - June 30, 2019**

	<u>General Fund</u>	<u>Municipal Court Account</u>	<u>Travel Information Center Account</u>	<u>MCVB &amp; Tourism Account</u>	<u>Demolition Account</u>	<u>Total General Fund</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 790,996	\$ 26,822	\$ -	\$ -	\$ 162,456	\$ 980,274
Investments	25,435	-	-	-	-	25,435
Receivables:						
Accounts receivable	197,470	-	-	1,000	-	198,470
Due from other funds	705,085	-	-	-	-	705,085
Due from other accounts	10,005	-	-	-	-	10,005
Receivable from other governments	700,757	-	-	18,052	7,959	726,768
Other receivables	-	-	12,500	-	-	12,500
Total assets	<u>\$ 2,429,748</u>	<u>\$ 26,822</u>	<u>\$ 12,500</u>	<u>\$ 19,052</u>	<u>\$ 170,415</u>	<u>\$ 2,658,537</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 122,144	\$ 16,622	\$ 9,411	\$ 15,577	\$ -	\$ 163,754
Wages payable	274,515	-	-	7,250	-	281,765
Due to other funds	64,536	-	134,962	61,700	-	261,198
Due to other accounts	-	10,005	-	-	-	10,005
Total liabilities	<u>461,195</u>	<u>26,627</u>	<u>144,373</u>	<u>84,527</u>	<u>-</u>	<u>716,722</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred revenue	146,835	-	-	-	-	146,835
Fund balances:						
Restricted	23,213	-	-	-	-	23,213
Assigned	1,249,037	-	-	-	170,415	1,419,452
Unassigned (deficit)	549,468	195	(131,873)	(65,475)	-	352,315
Total fund balances	<u>1,821,718</u>	<u>195</u>	<u>(131,873)</u>	<u>(65,475)</u>	<u>170,415</u>	<u>1,794,980</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,429,748</u>	<u>\$ 26,822</u>	<u>\$ 12,500</u>	<u>\$ 19,052</u>	<u>\$ 170,415</u>	<u>\$ 2,658,537</u>

**CITY OF MIAMI, OKLAHOMA  
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**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund  
Accounts – Year Ended June 30, 2019**

	<u>General Fund</u>	<u>Municipal Court Account</u>	<u>Travel Information Center Account</u>	<u>MCVB &amp; Tourism Account</u>	<u>Demolition Account</u>	<u>Total General Fund</u>
<b>REVENUES</b>						
Taxes	\$ 5,462,516	\$ -	\$ -	\$ 186,483	\$ -	\$ 5,648,999
Intergovernmental	789,373	-	-	-	-	789,373
Charges for services	183,790	-	-	63,025	-	246,815
Fines and forfeitures	279,348	-	-	-	45,289	324,637
Licenses and permits	74,655	-	-	-	-	74,655
Investment income	17,126	-	-	-	-	17,126
Miscellaneous	259,687	-	157,413	-	-	417,100
Total revenues	<u>7,066,495</u>	<u>-</u>	<u>157,413</u>	<u>249,508</u>	<u>45,289</u>	<u>7,518,705</u>
<b>EXPENDITURES</b>						
Current:						
General government	1,524,726	-	-	-	44,739	1,569,465
Public safety	5,299,386	-	-	-	-	5,299,386
Public works and streets	1,356,458	-	-	-	-	1,356,458
Culture and recreation	1,150,106	-	-	-	-	1,150,106
Economic development	-	-	209,998	425,035	-	635,033
Debt Service:						
Principal	181,383	-	-	-	-	181,383
Interest and fiscal charges	24,669	-	-	-	-	24,669
Total expenditures	<u>9,536,728</u>	<u>-</u>	<u>209,998</u>	<u>425,035</u>	<u>44,739</u>	<u>10,216,500</u>
Excess (deficiency) of revenues over expenditures	<u>(2,470,233)</u>	<u>-</u>	<u>(52,585)</u>	<u>(175,527)</u>	<u>550</u>	<u>(2,697,795)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in - interaccount	-	-	1,100	107,750	-	108,850
Transfers out - interaccount	(108,850)	-	-	-	-	(108,850)
Transfers in	8,704,852	-	-	-	50,000	8,754,852
Transfers out	(5,424,297)	-	-	(646)	-	(5,424,943)
Total other financing sources and uses	<u>3,171,705</u>	<u>-</u>	<u>1,100</u>	<u>107,104</u>	<u>50,000</u>	<u>3,329,909</u>
Net change in fund balances	701,472	-	(51,485)	(68,423)	50,550	632,114
Fund balances - beginning	1,120,246	195	(80,388)	2,948	119,865	1,162,866
Fund balances - ending	<u>\$ 1,821,718</u>	<u>\$ 195</u>	<u>\$ (131,873)</u>	<u>\$ (65,475)</u>	<u>\$ 170,415</u>	<u>\$ 1,794,980</u>

**CITY OF MIAMI, OKLAHOMA  
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**Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2019**

	SPECIAL REVENUE FUNDS							
	FISHING LICENSE FUND	STREET AND ALLEY	DRUG FORFEITURE FUND	SUMMER RECREATION PROGRAM	GRANT FUND	RFC 07-09 GRANT FUND	MDA-HOUSING CONSTRUCTION FUND	POLICE GRANTS
<b>ASSETS</b>								
Cash and cash equivalents	\$ 66,792	\$ 2,814,603	\$ 2,455	\$ 265,098	\$ 30,569	\$ 1,902	\$ 91,716	\$ 15,903
Accounts receivable	-	-	-	-	-	-	-	-
Due from other governments	-	9,302	-	-	273,940	-	-	-
Due from other funds	-	38,404	-	-	-	-	-	-
Total assets	<u>\$ 66,792</u>	<u>\$ 2,862,309</u>	<u>\$ 2,455</u>	<u>\$ 265,098</u>	<u>\$ 304,509</u>	<u>\$ 1,902</u>	<u>\$ 91,716</u>	<u>\$ 15,903</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ 817,550	\$ -	\$ 16,039	\$ 238,950	\$ 807	\$ -	\$ 355
Wages payable	-	-	-	11,768	-	-	-	-
Due to other funds	-	-	-	-	90,707	-	-	-
Total liabilities	<u>-</u>	<u>817,550</u>	<u>-</u>	<u>27,807</u>	<u>329,657</u>	<u>807</u>	<u>-</u>	<u>355</u>
Deferred Inflows:								
Deferred revenue	-	-	-	-	273,940	-	-	-
Fund balances:								
Restricted	66,792	-	2,455	237,291	-	1,095	91,716	15,548
Committed	-	2,044,759	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(299,088)	-	-	-
Total fund balances	<u>66,792</u>	<u>2,044,759</u>	<u>2,455</u>	<u>237,291</u>	<u>(299,088)</u>	<u>1,095</u>	<u>91,716</u>	<u>15,548</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 66,792</u>	<u>\$ 2,862,309</u>	<u>\$ 2,455</u>	<u>\$ 265,098</u>	<u>\$ 304,509</u>	<u>\$ 1,902</u>	<u>\$ 91,716</u>	<u>\$ 15,903</u>

(continued)

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**Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2019, Continued**

	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS					TOTALS
	G.O. BOND SINKING FUND	CEMETERY PERPETUAL CARE	MAIN STREET PROJECT	CAPITAL IMPROVEMENT FUND	POOL IMPROVEMENT FUND	PARK DEPARTMENT PROJECTS	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 142,334	\$ 106,924	\$ 67,776	\$ 3,332,134	\$ 53,045	\$ 42,041	\$ 7,033,292
Accounts receivable	-	-	-	62,872	-	-	62,872
Due from other governments	55,410	-	-	-	-	-	338,652
Due from other funds	-	-	-	6,657	-	-	45,061
Total assets	<u>\$ 197,744</u>	<u>\$ 106,924</u>	<u>\$ 67,776</u>	<u>\$ 3,401,663</u>	<u>\$ 53,045</u>	<u>\$ 42,041</u>	<u>\$ 7,479,877</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 238,155	\$ 25,900	\$ -	\$ 1,337,756
Wages payable	-	-	-	-	-	-	11,768
Due to other funds	-	-	-	38,404	-	-	129,111
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,559</u>	<u>25,900</u>	<u>-</u>	<u>1,478,635</u>
<b>Deferred Inflows:</b>							
Deferred revenue	<u>55,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>329,350</u>
<b>Fund balances:</b>							
Restricted	142,334	106,924	67,776	-	27,145	42,041	801,117
Committed	-	-	-	-	-	-	2,044,759
Assigned	-	-	-	3,125,104	-	-	3,125,104
Unassigned (deficit)	-	-	-	-	-	-	(299,088)
Total fund balances	<u>142,334</u>	<u>106,924</u>	<u>67,776</u>	<u>3,125,104</u>	<u>27,145</u>	<u>42,041</u>	<u>5,671,892</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 197,744</u>	<u>\$ 106,924</u>	<u>\$ 67,776</u>	<u>\$ 3,401,663</u>	<u>\$ 53,045</u>	<u>\$ 42,041</u>	<u>\$ 7,479,877</u>

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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2019**

	SPECIAL REVENUE FUNDS							
	FISHING LICENSE FUND	STREET AND ALLEY	DRUG FORFEITURE FUND	SUMMER RECREATION PROGRAM	GRANT FUND	RFC 07-09 GRANT FUND	MDA-HOUSING CONSTRUCTION FUND	POLICE GRANTS
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,000	117,348	-	-	90,194	-	-	-
Charges for services	-	-	-	204,794	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	750	1,524	-	34,297	-	-	103,864
Total revenues	<u>5,000</u>	<u>118,098</u>	<u>1,524</u>	<u>204,794</u>	<u>124,491</u>	<u>-</u>	<u>-</u>	<u>103,864</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	96,693	-	-	-
Public safety	-	-	-	-	92,201	4,368	-	27,564
Public works	-	185,872	-	-	-	-	-	-
Culture and recreation	-	-	-	170,677	338,168	-	-	-
Capital Outlay	-	929,614	-	-	-	-	-	-
Debt Service								
Principal retirement	-	8,969	-	-	-	-	-	-
Interest and fiscal charges	-	1,889	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,126,344</u>	<u>-</u>	<u>170,677</u>	<u>527,062</u>	<u>4,368</u>	<u>-</u>	<u>27,564</u>
Revenues over (under) expenditures	5,000	(1,008,246)	1,524	34,117	(402,571)	(4,368)	-	76,300
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	500,000	-	500	65,289	-	-	-
Transfers out	-	(63,093)	-	-	-	-	-	(79,686)
Total other financing sources (uses)	<u>-</u>	<u>436,907</u>	<u>-</u>	<u>500</u>	<u>65,289</u>	<u>-</u>	<u>-</u>	<u>(79,686)</u>
Net change in fund balances	5,000	(571,339)	1,524	34,617	(337,282)	(4,368)	-	(3,386)
Fund balances - beginning, restated	61,792	2,616,098	931	202,674	38,194	5,463	91,716	18,934
Fund balances - ending	<u>\$ 66,792</u>	<u>\$ 2,044,759</u>	<u>\$ 2,455</u>	<u>\$ 237,291</u>	<u>\$ (299,088)</u>	<u>\$ 1,095</u>	<u>\$ 91,716</u>	<u>\$ 15,548</u>

(continued)

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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2019,**  
**Continued**

	DEBT SERVICE FUND		CAPITAL PROJECT FUNDS				TOTALS
	G.O. BOND SINKING FUND	CEMETERY PERPETUAL CARE	MAIN STREET PROJECT	CAPITAL IMPROVEMENT FUND	POOL IMPROVEMENT FUND	PARK DEPARTMENT PROJECTS	
<b>REVENUES</b>							
Taxes	\$ 16,032	\$ -	\$ -	\$ 555,764	\$ -	\$ -	\$ 571,796
Intergovernmental	-	-	-	-	-	-	212,542
Charges for services	-	9,413	-	-	-	-	214,207
Investment earnings	-	-	-	537	-	-	537
Miscellaneous	-	-	-	4,900	-	-	145,335
Total revenues	<u>16,032</u>	<u>9,413</u>	<u>-</u>	<u>561,201</u>	<u>-</u>	<u>-</u>	<u>1,144,417</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	96,693
Public safety	-	-	-	-	-	-	124,133
Public works	-	-	-	-	-	-	185,872
Culture and recreation	-	-	-	-	55,850	-	564,695
Capital Outlay	-	28,387	-	663,158	-	-	1,621,159
Debt Service							
Principal retirement	-	-	-	-	-	-	8,969
Interest and fiscal charges	-	-	-	-	-	-	1,889
Total Expenditures	<u>-</u>	<u>28,387</u>	<u>-</u>	<u>663,158</u>	<u>55,850</u>	<u>-</u>	<u>2,603,410</u>
Excess (deficiency) of revenues over expenditures	16,032	(18,974)	-	(101,957)	(55,850)	-	(1,458,993)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	771,360	-	-	1,337,149
Transfers out	-	-	-	-	-	-	(142,779)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>771,360</u>	<u>-</u>	<u>-</u>	<u>1,194,370</u>
Net change in fund balances	16,032	(18,974)	-	669,403	(55,850)	-	(264,623)
Fund balances - beginning restated	126,302	125,898	67,776	2,455,701	82,995	42,041	5,936,515
Fund balances - ending	<u>\$ 142,334</u>	<u>\$ 106,924</u>	<u>\$ 67,776</u>	<u>\$ 3,125,104</u>	<u>\$ 27,145</u>	<u>\$ 42,041</u>	<u>\$ 5,671,892</u>

**CITY OF MIAMI, OKLAHOMA**  
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**Combining Schedule of Net Position – Special Utility Authority Accounts – June 30, 2019**

Miami Special Utility Authority Accounts					
	Public Utilities	Utility Improvement Account	Stormwater Account	Rainy Day Account	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 1,936,344	\$ -	\$ 330,653	\$ 2,820,228	\$ 5,087,225
Cash and cash equivalents, restricted	339,147	7,914,715	-	-	8,253,862
Investments	-	-	-	1,420,451	1,420,451
Accounts receivable, net	3,409,262	-	-	-	3,409,262
Other receivable	436	-	-	-	436
Accrued interest receivable	809	-	-	-	809
Inventory	1,004,129	-	-	-	1,004,129
Due from other accounts	141,248	-	-	-	141,248
Due from other funds	28,286	-	-	-	28,286
Total current assets	<u>6,859,661</u>	<u>7,914,715</u>	<u>330,653</u>	<u>4,240,679</u>	<u>19,345,708</u>
Non-current assets:					
Cash and cash equivalents, restricted	435,522	-	-	-	435,522
Investments, restricted	192,445	-	-	-	192,445
Capital assets:					
Land, construction in progress, and water rights	1,181,978	-	-	-	1,181,978
Other capital assets, net of accumulated depreciation	14,410,136	-	-	-	14,410,136
Total non-current assets	<u>16,220,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,220,081</u>
Total assets	<u>23,079,742</u>	<u>7,914,715</u>	<u>330,653</u>	<u>4,240,679</u>	<u>35,565,789</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Deferred amounts related to pension	587,990	-	-	-	587,990
Deferred amounts related to OPEB	40,935	-	-	-	40,935
Deferred amounts related to GRDA settlement	127,012	-	-	-	127,012
Total deferred outflow of resources	<u>755,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>755,937</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	2,319,506	1,000	-	-	2,320,506
Wages payable	119,276	-	-	-	119,276
Due to other accounts	-	-	141,248	-	141,248
Due to other funds	86,495	269,964	-	-	356,459
Accrued interest payable	25,959	113,802	-	-	139,761
Accrued compensated absences	12,544	-	-	-	12,544
Refundable deposits	41,697	-	-	-	41,697
Capital lease payable	270,326	-	-	-	270,326
Revenue bond payable	-	615,000	-	-	615,000
Notes payable	641,593	-	-	-	641,593
Total current liabilities	<u>3,517,396</u>	<u>999,766</u>	<u>141,248</u>	<u>-</u>	<u>4,658,410</u>
Non-current liabilities:					
Accrued compensated absences	112,899	-	-	-	112,899
Net pension liability	1,919,621	-	-	-	1,919,621
Total OPEB liability	1,039,561	-	-	-	1,039,561
Refundable deposits	374,115	-	-	-	374,115
Capital lease payable	312,957	-	-	-	312,957
Revenue bond payable	-	7,996,433	-	-	7,996,433
Notes payable, net	2,841,772	-	-	-	2,841,772
Total non-current liabilities	<u>6,600,925</u>	<u>7,996,433</u>	<u>-</u>	<u>-</u>	<u>14,597,358</u>
Total liabilities	<u>10,118,321</u>	<u>8,996,199</u>	<u>141,248</u>	<u>-</u>	<u>19,255,768</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Deferred amounts related to pensions	483,582	-	-	-	483,582
Deferred amounts related to OPEB	449,625	-	-	-	449,625
Total deferred inflow of resources	<u>933,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>933,207</u>
<b>NET POSITION</b>					
Net investment in capital assets	11,525,520	(8,611,433)	-	-	2,914,087
Restricted for debt service	697,991	119,121	-	-	817,112
Unrestricted	560,640	7,410,828	189,405	4,240,679	12,401,552
Total net position	<u>\$ 12,784,151</u>	<u>\$ (1,081,484)</u>	<u>\$ 189,405</u>	<u>\$ 4,240,679</u>	<u>\$ 16,132,751</u>

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**Combining Schedule of Revenues, Expenses and Changes in Net Position – Special Utility Authority  
Accounts - Year Ended June 30, 2019**

	<b>Miami Special Utility Authority Accounts</b>				<b>Total</b>
	<b>Utility</b>				
	<b>Public Utilities</b>	<b>Improvement Account</b>	<b>Stormwater Account</b>	<b>Rainy Day Account</b>	
<b>REVENUES</b>					
Charges for services	\$ 24,693,752	\$ -	\$ -	\$ -	\$ 24,693,752
Fees, licenses and permits	-	-	134,539	-	134,539
Miscellaneous	649,041	-	-	-	649,041
Total operating revenues	<u>25,342,793</u>	<u>-</u>	<u>134,539</u>	<u>-</u>	<u>25,477,332</u>
<b>OPERATING EXPENSES</b>					
Personal services	3,604,070	-	71,049	-	3,675,119
Materials and supplies	11,733,724	443	9,790	-	11,743,957
Other services and charges	3,828,550	299,398	7,937	-	4,135,885
Depreciation expense	1,523,984	-	-	-	1,523,984
Total operating expenses	<u>20,690,328</u>	<u>299,841</u>	<u>88,776</u>	<u>-</u>	<u>21,078,945</u>
Operating income (loss)	<u>4,652,465</u>	<u>(299,841)</u>	<u>45,763</u>	<u>-</u>	<u>4,398,387</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	9,348	120,198	-	19,402	148,948
Miscellaneous	22,930	-	-	11,695	34,625
Interest expense and fiscal charges	(117,767)	(273,985)	-	-	(391,752)
Total non-operating revenue (expenses)	<u>(85,489)</u>	<u>(153,787)</u>	<u>-</u>	<u>31,097</u>	<u>(208,179)</u>
Income (loss) before contributions and transfers	<u>4,566,976</u>	<u>(453,628)</u>	<u>45,763</u>	<u>31,097</u>	<u>4,190,208</u>
Transfers in, interaccount	1,348,585	844,608	1,400	372,232	2,566,825
Transfers out, interaccount	(1,218,240)	(754,585)	-	(594,000)	(2,566,825)
Capital contributions from governmental activities	29,952	-	-	-	29,952
Transfers in	6,578,421	-	-	-	6,578,421
Transfers out	(10,532,540)	-	-	(147,951)	(10,680,491)
Change in net position	<u>773,154</u>	<u>(363,605)</u>	<u>47,163</u>	<u>(338,622)</u>	<u>118,090</u>
Total net position - beginning, restated	<u>12,010,997</u>	<u>(717,879)</u>	<u>142,242</u>	<u>4,579,301</u>	<u>16,014,661</u>
Total net position - ending	<u>\$ 12,784,151</u>	<u>\$ (1,081,484)</u>	<u>\$ 189,405</u>	<u>\$ 4,240,679</u>	<u>\$ 16,132,751</u>

**CITY OF MIAMI, OKLAHOMA  
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**Combining Schedule of Cash Flows – Special Utility Authority Accounts - Year Ended June 30, 2019**

	<b>Miami Special Utility Authority Accounts</b>				
	<b>Public Utilities</b>	<b>Utility Improvement Account</b>	<b>Stormwater Account</b>	<b>Rainy Day Account</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 25,610,197	\$ -	\$ 134,539	\$ 11,695	\$ 25,756,431
Payments to suppliers	(15,219,414)	(311,671)	(17,727)	-	(15,548,812)
Payments to employees	(3,820,704)	-	(71,049)	-	(3,891,753)
Receipts from other funds	-	-	17,725	-	17,725
Payments to other funds	211,620	269,964	-	-	481,584
Receipts of customer meter deposits	219,365	-	-	-	219,365
Refunds of customer meter deposits	(200,845)	-	-	-	(200,845)
<b>Net cash provided by (used in) operating activities</b>	<b>6,800,219</b>	<b>(41,707)</b>	<b>63,488</b>	<b>11,695</b>	<b>6,833,695</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	6,578,421	-	-	-	6,578,421
Transfers to other funds	(10,532,540)	-	-	(147,951)	(10,680,491)
Interaccount transfer in	594,000	844,608	1,400	372,232	1,812,240
Interaccount transfer out	(1,218,240)	-	-	(594,000)	(1,812,240)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(4,578,359)</b>	<b>844,608</b>	<b>1,400</b>	<b>(369,719)</b>	<b>(4,102,070)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital assets purchased	(324,704)	(754,585)	-	-	(1,079,289)
Principal paid on debt	(997,465)	(195,000)	-	-	(1,192,465)
Proceeds from issuance of debt	-	8,000,000	-	-	8,000,000
Interest and fiscal agent fees paid on debt	(121,967)	(158,706)	-	-	(280,673)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(1,444,136)</b>	<b>6,891,709</b>	<b>-</b>	<b>-</b>	<b>5,447,573</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Sale (Purchase) of investments	(2,629)	-	-	(19,402)	(22,031)
Interest and dividends	9,347	120,198	-	19,402	148,947
<b>Net cash provided by investing activities</b>	<b>6,718</b>	<b>120,198</b>	<b>-</b>	<b>-</b>	<b>126,916</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>784,442</b>	<b>7,814,808</b>	<b>64,888</b>	<b>(358,024)</b>	<b>8,306,114</b>
<b>Balances - beginning of year</b>	<b>1,926,571</b>	<b>99,907</b>	<b>265,765</b>	<b>3,178,252</b>	<b>5,470,495</b>
<b>Balances - end of year</b>	<b>\$ 2,711,013</b>	<b>\$ 7,914,715</b>	<b>\$ 330,653</b>	<b>\$ 2,820,228</b>	<b>\$ 13,776,609</b>
<b>Reconciliation to Statement of Net Position:</b>					
Cash and cash equivalents	\$ 1,936,344	\$ -	\$ 330,653	\$ 2,820,228	\$ 5,087,225
Restricted cash and cash equivalents - current	339,147	7,914,715	-	-	8,253,862
Restricted cash and cash equivalents - noncurrent	435,522	-	-	-	435,522
<b>Total cash and cash equivalents, end of year</b>	<b>\$ 2,711,013</b>	<b>\$ 7,914,715</b>	<b>\$ 330,653</b>	<b>\$ 2,820,228</b>	<b>\$ 13,776,609</b>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 4,652,465	\$ (299,841)	\$ 45,763	\$ -	\$ 4,398,387
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	1,523,984	-	-	-	1,523,984
Other nonoperating revenue	22,930	-	-	11,695	34,625
Change in assets and liabilities:					
Receivables, net	236,845	-	-	-	236,845
Other receivable	7,629	-	-	-	7,629
Due from other funds	211,620	269,964	-	-	481,584
Inventory	(6,243)	-	-	-	(6,243)
Deferred outflows related to pension	75,461	-	-	-	75,461
Deferred outflows related to OPEB	2,436	-	-	-	2,436
Accounts payable	349,100	(11,830)	-	-	337,270
Due to other funds	-	-	17,725	-	17,725
Due to employees	(12,375)	-	-	-	(12,375)
Refundable deposits	18,520	-	-	-	18,520
Total OPEB liability	(340,530)	-	-	-	(340,530)
Net pension obligation	(435,365)	-	-	-	(435,365)
Accrued compensated absences	(18,397)	-	-	-	(18,397)
Deferred inflows related to OPEB	347,231	-	-	-	347,231
Deferred inflows related to pension	164,905	-	-	-	164,905
Deferred inflows related to GRDA Settlement	3	-	-	-	3
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 6,800,219</b>	<b>\$ (41,707)</b>	<b>\$ 63,488</b>	<b>\$ 11,695</b>	<b>\$ 6,833,695</b>
<b>Noncash activities:</b>					
Asset acquired by capital lease	\$ 197,131	\$ -	\$ -	\$ -	\$ 197,131
Asset contributed by others	29,952	-	-	-	29,952
	<b>\$ 227,083</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 227,083</b>

**CITY OF MIAMI, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
As of and for the Year Ended June 30, 2019

**Combining Statement of Net Position – Internal Service Funds – June 30, 2019**

	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Worker's Compensation Fund</u>	<u>Unemployment Fund</u>	<u>Health Insurance Fund</u>	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,608,281	\$ 180,197	\$ 82,702	\$ 1,871,180
Investments	127,830	-	-	127,830
Other receivable	898,523	-	38,497	937,020
Total current assets	<u>2,634,634</u>	<u>180,197</u>	<u>121,199</u>	<u>2,936,030</u>
Total assets	<u>2,634,634</u>	<u>180,197</u>	<u>121,199</u>	<u>2,936,030</u>
<b>LIABILITIES</b>				
Current liabilities:				
Claims liability	1,217,056	-	93,567	1,310,623
Total liabilities	<u>1,217,056</u>	<u>-</u>	<u>93,567</u>	<u>1,310,623</u>
<b>NET POSITION</b>				
Unrestricted	1,417,578	180,197	27,632	1,625,407
Total net position	<u>\$ 1,417,578</u>	<u>\$ 180,197</u>	<u>\$ 27,632</u>	<u>\$ 1,625,407</u>

**CITY OF MIAMI, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
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**Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds -  
Year Ended June 30, 2019**

	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Worker's Compensation Fund</u>	<u>Unemployment Fund</u>	<u>Health Insurance Fund</u>	
<b>REVENUES</b>				
Charges for services	\$ 335,429	\$ 24,871	\$ 1,560,285	\$ 1,920,585
Miscellaneous	308	-	(73,410)	(73,102)
Total operating revenues	<u>335,737</u>	<u>24,871</u>	<u>1,486,875</u>	<u>1,847,483</u>
<b>OPERATING EXPENSES</b>				
Other services and charges	26,265	-	372,795	399,060
Insurance claims and expense	(140,084)	12,680	1,263,145	1,135,741
Total operating expenses	<u>(113,819)</u>	<u>12,680</u>	<u>1,635,940</u>	<u>1,534,801</u>
Operating income (loss)	<u>449,556</u>	<u>12,191</u>	<u>(149,065)</u>	<u>312,682</u>
<b>NON-OPERATING REVENUES</b>				
Investment income	9,812	-	-	9,812
Total non-operating revenue	<u>9,812</u>	<u>-</u>	<u>-</u>	<u>9,812</u>
Income (loss) before transfers	<u>459,368</u>	<u>12,191</u>	<u>(149,065)</u>	<u>322,494</u>
Transfers out	(508,000)	-	-	(508,000)
Change in net position	(48,632)	12,191	(149,065)	(185,506)
Total net position - beginning	1,466,210	168,006	176,697	1,810,913
Total net position - ending	<u>\$ 1,417,578</u>	<u>\$ 180,197</u>	<u>\$ 27,632</u>	<u>\$ 1,625,407</u>

**CITY OF MIAMI, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2019**

**Combining Statement of Cash Flows – Internal Service Funds - Year Ended June 30, 2019**

	WORKER'S COMPENSATION FUND	UNEMPLOYMENT FUND	HEALTH INSURANCE FUND	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 990,429	\$ 24,871	\$ 1,618,743	\$ 2,634,043
Payments to suppliers	(26,265)	-	(372,865)	(399,130)
Claims and benefits paid	(728,579)	(12,680)	(1,461,842)	(2,203,101)
Net Cash Provided by (used in) Operating Activities	<u>235,585</u>	<u>12,191</u>	<u>(215,964)</u>	<u>31,812</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	(508,000)	-	-	(508,000)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(508,000)</u>	<u>-</u>	<u>-</u>	<u>(508,000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	9,812	-	-	9,812
Sale of investments	498,188	-	-	498,188
Net Cash Provided by Investing Activities	<u>508,000</u>	<u>-</u>	<u>-</u>	<u>508,000</u>
<b>Net Increase (decrease) in Cash and Cash Equivalents</b>	<b>235,585</b>	<b>12,191</b>	<b>(215,964)</b>	<b>31,812</b>
<b>Balances - beginning of the year</b>	<b>1,372,696</b>	<b>168,006</b>	<b>298,666</b>	<b>1,839,368</b>
<b>Balances - end of the year</b>	<b>\$ 1,608,281</b>	<b>\$ 180,197</b>	<b>\$ 82,702</b>	<b>\$ 1,871,180</b>
<b>Reconciliation to Statement of Net Position:</b>				
Cash and cash equivalents	\$ 1,608,281	\$ 180,197	\$ 82,702	\$ 1,871,180
Total cash and cash equivalents	<u>\$ 1,608,281</u>	<u>\$ 180,197</u>	<u>\$ 82,702</u>	<u>\$ 1,871,180</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 449,556	\$ 12,191	\$ (149,065)	\$ 312,682
Change in assets and liabilities:				
Receivables, net	654,692	-	131,868	786,560
Accounts payable	-	-	(70)	(70)
Claims liability	(868,663)	-	(198,697)	(1,067,360)
Net Cash Provided by (used in) Operating Activities	<u>\$ 235,585</u>	<u>\$ 12,191</u>	<u>\$ (215,964)</u>	<u>\$ 31,812</u>

**CITY OF MIAMI, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
As of and for the Year Ended June 30, 2019

**Combining Schedule of Cash Flows – Discretely Presented Component Units - Year Ended June 30, 2019**

	<u>MCFA</u>	<u>MDRA</u>	<u>MIPFA</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 350,322	\$ 408,664	\$ 45,536	\$ 804,522
Payments to suppliers	(57,553)	(288,809)	(13,004)	(359,366)
Payments to employees	(541)	(109,111)	-	(109,652)
Net Cash Provided by Operating Activities	<u>292,228</u>	<u>10,744</u>	<u>32,532</u>	<u>335,504</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets purchased	(250,810)	-	(23,350)	(274,160)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(250,810)</u>	<u>-</u>	<u>(23,350)</u>	<u>(274,160)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	-	-	121	121
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>121</u>	<u>121</u>
<b>Net Increase in Cash and Cash Equivalents</b>	41,418	10,744	9,303	61,465
<b>Balances - beginning of the year</b>	<u>125,976</u>	<u>17,835</u>	<u>102,055</u>	<u>245,866</u>
<b>Balances - end of the year</b>	<u>\$ 167,394</u>	<u>\$ 28,579</u>	<u>\$ 111,358</u>	<u>\$ 307,331</u>
<b>Reconciliation to Statement of Net Position:</b>				
Cash and cash equivalents	\$ 167,394	\$ 28,579	\$ 111,358	307,331
Total cash and cash equivalents	<u>\$ 167,394</u>	<u>\$ 28,579</u>	<u>\$ 111,358</u>	<u>\$ 307,331</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	(81,653)	(130,821)	6,652	(\$205,822)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	239,157	2,526	25,600	267,283
Other nonoperating revenue	180,634	145,716	-	326,350
Change in assets and liabilities:				
Other receivable	(74,733)	-	-	(74,733)
Accounts payables	28,823	(4,025)	280	25,078
Accrued compensated absences	-	(2,652)	-	(2,652)
Net Cash Provided by Operating Activities	<u>\$ 292,228</u>	<u>\$ 10,744</u>	<u>\$ 32,532</u>	<u>\$ 335,504</u>

**CITY OF MIAMI, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2019**

**Schedule of Federal Awards**

<u>Federal Grantor/ Pass-through Grantor/Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Grant I.D. Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
<u>Institute of Museum and Library Services</u>				
Pass through Oklahoma Department of Libraries				
Literacy Grant	45.310	F-19-058	\$ 300	\$ 300
English Language Instruction	45.310	F-19-122	5,000	1,049
Health literacy	45.310	F-19-037	9,000	3,916
Subtotal Grants to States 45.310			<u>14,300</u>	<u>5,265</u>
Pass through Oklahoma Humanities Council				
Promotion of the Humanities	45.168	Y-19.005	1,000	659
Promotion of the Humanities	45.168	Y-18.057	1,000	1,000
Total Institute of Museum and Library Sciences			<u>2,000</u>	<u>1,659</u>
Total Institute of Museum and Library Services			<u>16,300</u>	<u>6,924</u>
<u>Department of the Interior</u>				
Pass through Oklahoma Department of Interior				
Outdoor Recreation Acquisition, Development and Planning	15.916	40-01231	291,825	269,319
<u>Department of Homeland Security</u>				
Assistance to Firefighters grant	97.044	EMW-2017-FO-03596	8,200	7,808
Pass through Oklahoma Emergency Management				
Saferoom	97.039	FEMA 4256	192,000	13,835
Hazard Mitigation Grant	97.039	FEMA DR 4315	23,123	23,123
Total Department of Homeland Security			<u>223,323</u>	<u>44,766</u>
<u>Department of Agriculture</u>				
Community Facilities Loans and grants	10.766	USDA	33,600	33,600
<u>Department of Justice</u>				
JAG	16.738	JAG-LLE-2018-MI AMI CI -00023	10,000	10,000
<u>US Department of Transportation</u>				
Airport Improvement Program	20.106	3-40-0059-019-0217	426,120	270,515
Total Federal Awards			<u>\$ 1,001,168</u>	<u>\$ 635,124</u>

**Notes to Schedule of Expenditures of Federal Awards**

Note A - Significant Accounting Policies - The accompanying schedule of expenditures of federal awards is prepared on the basis of accounting consistent with the definition of federal awards expended in the Uniform Guidance.

**INTERNAL CONTROL AND COMPLIANCE INFORMATION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami, Oklahoma (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 11, 2020. Other auditors audited the financial statements of the Miami Industrial Authority ("MIDA"), as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal controls over financial reporting or compliance and other matters that are reported separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City'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 the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2019-001.

## Purpose of this Report

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

A handwritten signature in black ink that reads "Arledge & Associates, P.C." The signature is written in a cursive, flowing style.

February 11, 2020

CITY OF MIAMI, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2019

**Finding 2019-001 Negative Fund Balances**

**Criteria:** State law does not permit the City to incur deficit fund balances.

**Condition:** At June 30, 2019, the Grant Fund reported a deficit fund balance of \$299,088.

**Cause:** Allowable expenditures incurred by the City had not been reimbursed by the granting agency which resulted in a deficit fund balance at year-end.

**Effect:** Delays in requesting or receiving grant reimbursements can cause negative fund balances until those funds are received by the City from the granting agency.

**Recommendation:** We recommend that the City ensure policies are in place to monitor its fund balance when large unreimbursed grant funds exist.

**City's Response:** The Route 66 splash pad project is a reimbursable grant. The project period was from September 2017 through December 2019. The work for the splash pad was performed throughout FY 18-19 and both completion and reimbursement were expected that fiscal year. However, due to various construction errors/issues the project continued. Reimbursement is expected in the 3rd quarter of FY 19-20. The grant fund is a participant in pooled cash, which allows use of pooled cash reserves until reimbursement occurs. In the future we will be more cautious in reconciling regarding transfers of matching funds.