
*CITY OF SHAWNEE
SHAWNEE, OKLAHOMA*



*COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT
FOR FISCAL YEAR ENDED
JUNE 30, 2015*

CITY OF SHAWNEE, OKLAHOMA

**Comprehensive Annual Financial Report
And Accompanying Independent Auditor's Report**

**For the Fiscal Year Ended
June 30, 2015**

Prepared by:
Department of Finance

Cynthia R Sementelli
Finance Director

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Introductory Section

Mayor

WES MAINORD

**The City of Shawnee**
Office of the Finance Director

P.O. Box 1448
Shawnee, Oklahoma 74802-1448
(405) 878-1641 Fax (405) 878-1511
www.ShawneeOK.org

Commissioners

LINDA AGEE
JAMES HARROD
KEITH HALL
MICHAEL DYKSTRA
LESA SHAW

December 22, 2015

To the Honorable Mayor and Members of the City Council of the
City of Shawnee, Oklahoma:

In accordance with State Statutes and the Charter of the City of Shawnee, Oklahoma, the Comprehensive Annual Financial Report for the fiscal year 2015 is submitted herewith. Responsibility for the accuracy of the data and the thoroughness and fairness of presentation in including all disclosures rests with the City of Shawnee. We believe the data, as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

Management's Discussion and Analysis within required by GASB for the City of Shawnee includes summarized financial information about the City, an analysis of the past year's operation of general government and major enterprise activities and an overview of the City's current and future economic picture as well as its major initiatives and financial accomplishments for the year.

The Financial Section includes the City's external auditor's letter expressing an opinion as to the accuracy and fairness of the presentation, the audited financial statements and supporting schedules and notes. The combined and individual fund statements present financial data of each of the separate funds of the City. Schedules provide certain other information summarized in the financial statements. The notes are an integral part of the financial statements and provide additional information which is essential to an accurate understanding of the government's financial condition.

PROFILE OF THE CITY

The City of Shawnee provides many municipal services including police and fire public safety, emergency management, water, sewer, and sanitation services, street construction and maintenance, street lighting, parks, lake and recreational facilities, planning, community development, code enforcement, and general administration. For financial reporting purposes, all funds, agencies, boards, commissions, and authorities which the City Council has financial accountability, are included in this report. Financial accountability is determined by several different factors including

fiscal dependence, ability to impose will upon the entity's governing body, provision of specific financial burdens or benefits and separate legal entity status. After a careful evaluation of these factors, the City has included in this financial report the Shawnee Municipal Authority and the Shawnee Airport Authority, as well as all funds of the City.

GOVERNMENTAL STRUCTURE

The City of Shawnee operates as a Council/Manager form of government. The governing body of the city consists of a mayor, who shall be elected from the City at large; and of six (6) other commissioners. The City Council also serves as trustees of the Shawnee Municipal Authority and the Shawnee Airport Authority. The Mayor and Council appoint a City Manager, who is the chief executive officer of the city, and also appoints a City Treasurer. Responsibility for the day-to-day operations of the City rests with the City Manager.

Shawnee, originally incorporated in 1894, is located on Interstate 40 approximately 40 miles east of Oklahoma City. The City covers an area of 62 square miles and has a population of 29,857 according to the latest census. Shawnee's retail base continues to expand along the I-40 corridor, with several new hotels, restaurants, and retail establishments.

ECONOMIC CONDITION AND OUTLOOK

The City's top priority is to provide the highest level of public services possible with available funding. Like most other Oklahoma municipalities, long-term municipal finance is a concern. A broad analysis of the current and future expenditure needs of the City must be considered when appropriating revenues and building unreserved fund balances.

The City is very dependent on sales and use tax to fund all general government operations. Approximately 62% of the City's General Fund revenues are provided by sales and use tax and this is about the same percentage as last year. Intergovernmental revenue was 11.25% of the general fund revenue which consists of grants and revenue from other governmental agencies. Sales tax and use tax are directly affected by the state of the local economy and their use is often restricted by voter approval. As a result, it is a volatile revenue source from a budget perspective. Further, over the past 10 years, the City's sales tax has not kept up with the cost of salaries, goods and services.

Sales and use tax collected by the City during fiscal year 2014-2015 increased 1.5% or \$208,146 from the previous fiscal year. Current fiscal year sales tax collections received through October 2015 are up \$305,016 or 5.29% over last year. City staff believes that the increase is contributed to the growth in the northern (I-40) retail corridor with the opening of retail shops at the Shawnee Marketplace. As of October 2015, all spaces in Phase 1 (except the exterior lots) have been rented and the majority of the tenants are open for business. There is a tax rebate incentive in place with the developer of the Shawnee Marketplace and during fiscal year 2015-2016 the City will have to start paying the tax rebate of 66.6% of the sales tax collected in accordance with the formal agreement. The City also continues its proactive education of residents, contractors, and retailers that sales taxes are collected at the point of delivery. The City during this fiscal year continued a sales tax campaign called "SHOP SHAWNEE" designed to educate the community and highlight where their tax dollars go. We are also engaging partners like the Shawnee Economic Development Foundation and the Greater Shawnee Chamber of Commerce to help in the education process. Recent discussion of a long-term Capital Improvement Plan and some more immediate needs has led staff and

Commissioners to realize that if the City of Shawnee is going to be able to continue to provide the level of customer service our citizens desire, retail sales tax attraction and economic development need to be top priorities.

As staff continues to identify possible reductions, the following critical needs within the City of Shawnee will remain in the Fiscal Year 2015-2016 budget:

- Ensure the City's self-insured Workers Compensation Fund is adequately funded.
- Ensure adequate appropriation for accrued compensated absences is maintained and allocated to the departments as needed.
- Ensure that minimum budgetary fund balances are maintained as per Commission Resolution number 6409

The City has seen an increase in sales tax exemptions and federal regulations; rising expenses from grievances and binding arbitrations with employee unions; and more federal and state unfunded mandates such as proposed increases in Oklahoma Department of Environmental Quality (DEQ) fees. In addition, new requirements of GASB 68, pension activities, has been added to the list of expenses cities and towns must endure.

In accordance with Oklahoma Statute Titles 11 Section 17-211 and 68 Section 3017, and City Commission action with the adoption of Resolution 6465 June 16, 2014, the City strives to maintain a minimum unreserved fund balance totaling 10% for budgeted expenditures as a reserve for revenue shortfalls, unanticipated expenditures, and to meet daily cash flow requirements.

The City's fiscal year 2015-2016 budget estimates General Fund revenues of \$21,587,438. The City did not use fund balance to balance the budget this year. In July 2013, the City transitioned to a new pension choice plan which has saved the City on pension costs and has allowed us to increase the City's contribution towards health insurance for the second year in a row with Commission approval for fiscal year 2015-2016. There was no cost of living adjustment since the indexes did warrant it.

MAJOR INITIATIVES

As of June 30, 2013 the City has fulfilled their obligation to the Oklahoma Department of Transportation for Kickapoo Street and the project is nearing completion. The total for the project is \$11 million with \$4 million coming from the City and the remaining from the Oklahoma Department of Transportation. As of June 30, 2015 the Kickapoo Street project was almost complete and estimated to be finished by the end of the year. This has been a major undertaking but should increase business to that area. We are currently putting money aside for the continuation of Kickapoo Street project, which will eventually be improved to Farrall Street.

During fiscal year 2013-2014 the City secured a \$3,000,000 loan for the municipal pool. With local contributions and the loan the city secured the pool was 95% complete during this fiscal year. It opened in June 2015 and has been very successful. We received a grant from the Avedis Foundation to offer "dollar days" on Wednesdays and on an average dollar day over 800 people used the facilities during these special events. The Aquatic center had been a great asset for the community with over 28,500 citizens visiting it this season.

In addition, we added a splash pad at Boy Scout Park that also has been a huge success. During fiscal year 2015-2016, the restrooms will be renovated and this park will be completed. During fiscal year 2014-2015, we had a master plan done for the City's park network with recommendation on how to improve our park system and that will be implemented in the near future.

The City purchased 18 vehicles and pieces of equipment to support its services and to upgrade its fleet. During 2014-2015 we also ordered a new fire truck that should be delivered by December 2015. Police and Fire Departments purchased necessary equipment such as rifles, e-ticket machines, radios and bunker gear.

During Fiscal year 2012 -2013 the Fire Department applied and received the SAFER Grant which allowed the City to hire 6 additional firefighters and they would be 100% funded for two years. During fiscal year 2014-2015 we received notification that we will be funded an additional year for the ones that are veterans.

The City expended over \$425,000 on Community Development Block Grant (CDBG) housing rehabilitation and emergency construction for eligible citizens.

The City continues to support economic development, civic and cultural activities, tourism, and other community needs through community contracts with service providers. While not as apparent as solid waste or police and fire services, this financial support provides needed services to City residents and enhances our City's quality of life.

During fiscal year 2014-2015, the City supported the Shawnee Civic and Cultural Development Authority (Expo Center) with over \$500,000 from the general fund for the employees, \$50,000 from the economic development fund and \$150,000 for capital improvements. With the capital money they were able to fix and replace the stalls in the barns, which are utilized for major agricultural/livestock events.

The City provided \$231,000 in financial support through a contract with the Shawnee Economic Development Foundation for services provided by that entity. The City passed through \$500,000 in hotel/motel surcharges to the Shawnee Tourism and Visitors Bureau, whose programs increase tourism in the City. This is lower compared to recent years, as motel/hotel occupancy has been lower since a major pipeline project was completed. In May 2015, the Shawnee Tourism and Visitor's Bureau was restructured and is no longer under the Chamber of Commerce and has been re-named Visit Shawnee Inc.

The City supported the multi-county library system by paying \$74,000 for utilities and janitorial services for the City-owned building. The City provided \$90,994 for management of the Senior Citizens Center and paid the YMCA \$36,000 to manage the Community Center.

SMA during fiscal year 2011-2012 contracted with Smith, Roberts, Baldischwiler LLC to develop a Master Plan, the scope of work for the master plan resulted in the development of a Capital Improvements Plan (CIP) for the water supply, water treatment, collections systems, and wastewater treatment facilities. We have completed the master plan this fiscal year and the plan includes recommendations for prioritization and phasing of the recommended short term (0-5 years, and 5-10 years) and long term (10 -20 years) CIP projects.

Scope includes:

1. Project Management
2. Project Initiation and Data Collection

3. Develop Water Supply and Treatment CIP
4. Develop Water Distribution System CIP
5. Develop Collections System CIP
6. Develop Wastewater Treatment CIP
7. Prepare Comprehensive Master Plan Report

In the budget for 2014-2015, SMA continued with annual pipe bursting of sewer line and water lines, rehabbing clarifiers and screw pumps, purchased new equipment such a new excavator, a skid steer, a sanitary sewer camera and two vehicles. During fiscal year 2013-2014, we started a valve crew and it has proven that it is a success. SMA has been able to complete additional line replacements in-house which allows additional feet to be done.

AWARDS and ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the Staff of the Accounting Division. We have our sincere appreciation of the contributions made in the preparation of this report. Appreciation is also expressed to the Mayor, Commission Members, and department directors for their cooperation and outstanding assistance in matters pertaining to the financial affairs of the City.

Respectfully submitted,



Justin Erickson
City Manager



Cynthia R Sementelli
Finance Director

City of Shawnee, Oklahoma

List of Principal Officials

June 30, 2015

Mayor and City Commission

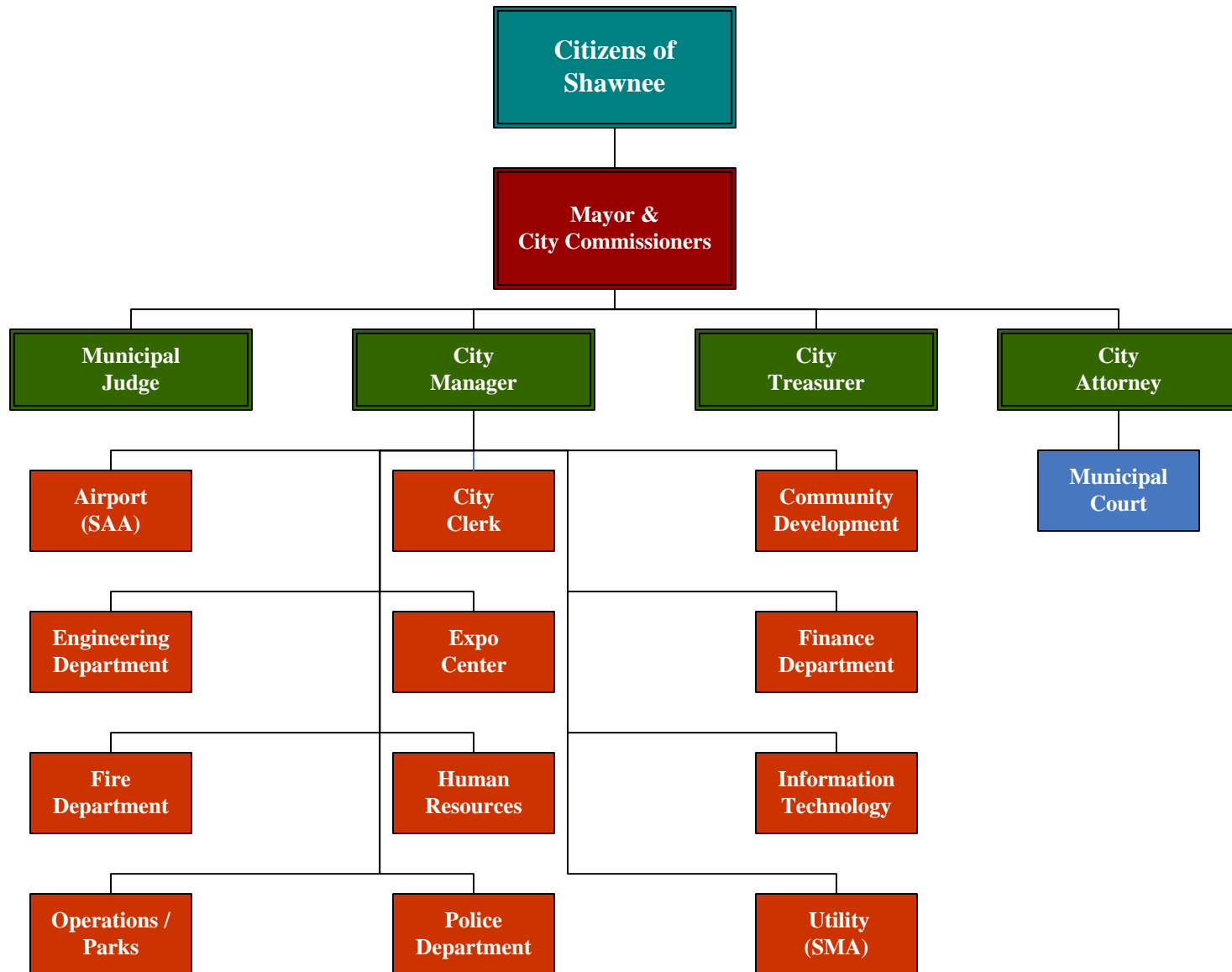
Wes Mainord	Mayor
James Harrod	Vice Mayor
Linda Agee	Commissioner
Keith Hall	Commissioner
Lesa Shaw	Commissioner
Michael Dykstra	Commissioner

Administration

Justin Erickson	City Manager
Cynthia R Sementelli	Treasurer
Stephen Nolen	Chief Informational Officer
Phyllis Loftis	City Clerk
Mary Ann Karns	City Attorney
Russell Frantz	Police Chief
Michael D Tischer	Interim Fire Chief
Tamera Johnson	Human Resource Director
Justin Debruin	Interim Community Development Director/ Planning Director
John Krywicki	City Engineer
James Bryce	Director of Operations
Steve Nelms	Utility Director
Mike Jackson	Expo Center Director

City of Shawnee Administrative Organizational Chart

Updated January 23, 2013





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Shawnee
Oklahoma**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Financial Section



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Shawnee, Oklahoma (the "City"), as of and for the year ended June 30, 2015, 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 Shawnee Civic and Cultural Development Authority ("SCCDA") which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. 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 SCCDA, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note III.G. to the financial statements, in fiscal year 2015 the City adopted new accounting guidance, Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison and 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 introductory section, other supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015, 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.

December 22, 2015

As Management of the City of Shawnee, we offer readers this narrative overview and analysis of the financial activities of the City of Shawnee for the fiscal year ended June 30, 2015. We encourage readers to use this information in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by \$3.8 million or 5.2% from the prior year and the assets and deferred outflows of the City continued to exceed its liabilities and deferred inflows at June 30, 2015, by \$77.4 million (net position).
- Of the \$77.4 million in net position, \$81.7 million is the net investment in capital assets. Another \$12.1 million is restricted for capital projects, debt service, economic development, and public safety. The remaining unrestricted net position for governmental activities is a deficit of approximately \$15.7 million and unrestricted net position of the business-type activities is a deficit of \$.6 million. The deficits are caused by the implementation of GASB Statements 68 and 71 related to employer pension accounting.
- At June 30, 2015, the City's governmental funds reported total combined ending fund balances of \$15.7 million. Of this amount, \$9.6 million is restricted by outside sources and enabling legislation, and \$.3 million is assigned to projects by management, leaving \$5.6 million as unassigned fund balance.
- At June 30, 2015, enterprise funds reported \$42.3 million of net position. Of this amount, (\$.6) million is unrestricted (a deficit), \$40.3 million is the net investment in capital assets, and \$2.6 million is restricted for debt service.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Shawnee (City), the Shawnee Municipal Authority (SMA), Shawnee Airport Authority (SAA) and one discretely presented component unit. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type, along with the discretely presented component unit, the Shawnee Civic and Cultural Authority (SCCDA or Expo).

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

Reporting the City as a Whole - Statement of Net Position and Statement of Activities

This discussion and analysis is intended to serve as an introduction to the City of Shawnee's basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 22 and 23, respectively) report information about the City as a whole and about its activities in a way that helps answer financial questions. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position from the prior year. You can think of the City's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – 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 non-financial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health of the City.

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

- **Governmental activities** - Most of the City's basic services are reported here, including the public safety, street improvements, community planning and development, civic and cultural activities, and economic development. Sales and use taxes, franchise fees, fines, and state and federal grants finance most of these activities. The Shawnee Urban Renewal Authority is included within the financial statements as a part of Other Governmental Funds within a grouping of Special Revenue Funds titled CDBG & Home Grant Funds. All of the activity of the Shawnee Urban Development Authority is in the CDBG & Home Grant Funds and the Shawnee Urban Renewal Authority (a blended component unit) does not have any of its own assets or liabilities.
- **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, sewer, sanitation, and airport services are reported here. The Shawnee Municipal Authority and the Shawnee Airport Authority are enterprise funds and are blended component units of the City.
- **Discretely presented component unit** - This component unit, the Shawnee Civic and Cultural Development Authority, accounts for activities of the City's reporting entity that do not meet the criteria for blending.

Reporting the City's Most Significant Funds - Fund Financial Statements

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

City of Shawnee can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year. These funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". 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 the Governmental Fund financial statements.

Proprietary funds - When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds.

- *Enterprise funds* are one type of proprietary funds and are used to report the same functions presented as business-type activities in the government-wide financial statements. The City has two enterprise funds -- the Shawnee Municipal Authority and the Shawnee Airport Authority -- to account for its water, sewer, sanitation, and airport operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.
- *Internal service funds* are another type of proprietary fund used to account for services provided to other departments on a cost reimbursement basis. The City has one internal service fund – the Self-Insured Workers' Compensation Fund -- to account for its workers' compensation costs. The revenues and expenditures reported in this internal service fund are included with governmental activities at the government-wide level of reporting.

Fiduciary funds – When the City is responsible for assets that – because of a trust arrangement or other fiduciary requirement – can be used only for trust beneficiaries or other parties, these activities are reported as fiduciary funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance operations.

Notes to the Financial Statements

The Notes to the Financial Statements on pages 33-74 provide additional information that is essential to gain understanding of the data provided in the government-wide and fund financial statements.

Other Information

The City has included other information (OI), on pages 1-5, the letter of transmittal and the 10-year statistical tables beginning on page 105. The Required Supplementary Information (RSI) section, starting on page 76, reports the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – and the related Notes to the Required Supplementary Information on Budgetary Accounting and Control for the fiscal year ended June 30, 2015. Also

reported here is the City's Defined Benefit Pension Plan Funding Schedules at June 30, 2015, and actuarial information related to the City's Other Postemployment Benefits (OPEB) and the city's cost sharing pension plans schedules.

Other Supplementary Information (SI) is provided on pages 86-104. Other Supplementary Information contains combining schedules on general fund and combining statements and schedules of other governmental funds.

THE CITY AS A WHOLE

For the year ended June 30, 2015, Net position for the governmental activities and business-type activities increased \$3.9 million. The results indicate the City, as a whole, improved its financial condition from the prior year.

Following is a summary of net position for the City of Shawnee as of June 30, 2015 and June 30, 2014:

TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2015	Restated, 2014		2015	Restated, 2014		2015	Restated, 2014	
Current assets	\$ 19,265	\$ 22,318	-14%	\$ 6,217	\$ 7,786	-20%	\$ 25,482	\$ 30,104	-15%
Capital assets, net	45,520	41,121	11%	57,412	58,837	-2%	102,932	99,958	3%
Total assets	64,785	63,439	2%	63,629	66,623	-4%	128,414	130,062	-1%
Deferred outflows	1,603	1,380	16%	789	949	-17%	2,392	2,329	3%
Current liabilities	4,463	4,004	11%	4,295	2,175	97%	8,758	6,179	42%
Non-current liabilities	21,887	29,334	-25%	17,076	23,298	-27%	38,963	52,632	-26%
Total liabilities	26,350	33,338	-21%	21,371	25,473	-16%	47,721	58,811	-19%
Deferred inflows	4,878	-	100%	765	-	100%	5,643	-	100%
Net position									
Net investment capital assets	41,393	38,707	7%	40,268	38,356	5%	81,661	77,063	6%
Restricted	9,509	9,591	-1%	2,611	2,533	3%	12,120	12,124	0%
Unrestricted (deficit)	(15,742)	(16,817)	6%	(597)	1,210	-149%	(16,339)	(15,607)	-5%
Total net position	\$ 35,160	\$ 31,481	12%	\$ 42,282	\$ 42,099	0%	\$ 77,442	\$ 73,580	5%

As shown in Table 1 above, the largest portion of the City's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. This year the net investment in capital assets amounted to \$81.7 million. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$12.1 million, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position, may be used to meet the government's ongoing obligations to citizens and creditors. The total remaining unrestricted net position is a deficit amount, with the governmental unrestricted net position having a deficit balance of \$15.7 million, or a 6.3% decrease from the prior year, primarily due to an increase in capital assets. The business-type activities has a deficit unrestricted net position of \$.6 million due to an increase in transfers out and a decrease in grant funding. The airport function had capital grants received in the current year for taxiway improvements.

Changes in Net Position:

Table 2 (shown on the next page) summarizes the City's changes in net position for fiscal year 2013-2014 compared to fiscal year 2014-2015.

Fiscal year 2014-2015 governmental and business-type activities increased the City's net position by \$3.9 million compared to an increase of \$5.4 million from the previous fiscal year. Fiscal year 2014-2015 tax revenues totaled \$21.2 compared to \$20.9 million fiscal year 2013-2014 as the local economy began to show a slight improvement. Sales and use tax and franchise taxes were up slightly over the previous year. Operating grants and contributions decreased 24% from the prior year, as the city completed several grant funded projects. The most significant grants and donations related to donations are for the city pool and splashpad project from private organizations. Transfer to governmental funds from the SMA increased 46% due to the movement of funds for capital projects, debt service and operational subsidys.

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2015	Restated, 2014		2015	Restated, 2014		2015	Restated, 2014	
Revenues									
Charges for service	\$ 1,191	\$ 1,112	7%	\$ 13,440	\$ 13,602	-1%	\$ 14,631	\$ 14,714	-1%
Operating grants and contributions	2,885	3,801	-24%	7	7	0%	2,892	3,808	-24%
Capital grants and contributions	1,039	861	21%	71	396	-82%	1,110	1,257	-12%
Taxes	21,189	20,894	1%	-	-	-	21,189	20,894	1%
Intergovernmental revenue	322	317	2%	-	-	-	322	317	2%
Investment income	53	56	-5%	56	58	-3%	109	114	-4%
Miscellaneous	179	351	-49%	71	592	-88%	250	943	-73%
Total revenues	26,859	27,392	-2%	13,645	14,655	-7%	40,504	42,047	-4%
Expenses									
General government	3,457	2,989	16%	-	-	-	3,457	2,989	16%
Public safety	14,496	13,752	5%	-	-	-	14,496	13,752	5%
Streets	3,233	3,470	-7%	-	-	-	3,233	3,470	-7%
Culture and recreation	1,659	1,349	23%	-	-	-	1,659	1,349	23%
Community development	613	703	-13%	-	-	-	613	703	-13%
Economic development	1,236	1,288	-4%	-	-	-	1,236	1,288	-4%
Water	-	-	-	5,307	5,830	-9%	5,307	5,830	-9%
Wastewater	-	-	-	3,004	2,724	10%	3,004	2,724	10%
Sanitation	-	-	-	1,520	2,018	-25%	1,520	2,018	-25%
Administration	-	-	-	562	530	6%	562	530	6%
Airport	-	-	-	1,462	1,521	-4%	1,462	1,521	-4%
Lake	-	-	-	112	474	-76%	112	474	-76%
Total expenses	24,694	23,551	5%	11,967	13,097	-9%	36,661	36,648	0%
Excess (deficiency) before transfers	2,165	3,841	-44%	1,678	1,558	8%	3,843	5,399	-29%
Transfers	1,494	1,024	46%	(1,494)	(1,024)	46%	-	-	-
Change in net position	3,659	4,865	-25%	184	534	-66%	3,843	5,399	-29%
Beginning net position, restated	31,502	26,615	18%	42,098	41,564	1%	73,600	68,179	8%
Ending net position	\$ 35,161	\$ 31,480	12%	\$ 42,282	\$ 42,098	0%	\$ 77,443	\$ 73,578	5%

Governmental Activities

The City's governmental activities (as shown in Table 2 above) increased net position by \$3.7 million representing a 12% increase in net position. The increase is due to an increase in donations from private organizations for capital projects and an increase in transfers from the SMA.

Increases in capital grants in the Governmental activities are due to private donations for the city pool and splashpad project.

Culture and recreation expenses increased due to the opening of the city's aquatic center.

Business-type Activities

The business-type activities' increase in net position of approximately \$184,000 represents a 32.3% decrease from the change in net position of the prior year. Capital grants decreased due to the completion of airport projects.

Lake operational cost decreased due to the completion of cleanup cost from tornado damage occurring at the end of fiscal year 2013. Transfers to governmental activities increased due to transfers for operational subsidies.

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

	<u>Total Expense of Services</u>		<u>% Inc. (Dec.)</u>	<u>Net Revenue (Expense) of Services</u>		<u>% Inc. (Dec.)</u>
	<u>2015</u>	<u>Restated, 2014</u>		<u>2015</u>	<u>Restated, 2014</u>	
General government	\$ 3,457	\$ 2,989	16%	\$ (2,914)	\$ (3,117)	-7%
Public safety	14,496	13,752	5%	(11,842)	(12,213)	-3%
Streets	3,233	3,470	-7%	(2,229)	(3,344)	-33%
Culture, parks and recreation	1,659	1,349	23%	(1,227)	(424)	189%
Community development	613	703	-13%	(157)	(232)	-32%
Economic development	1,236	1,288	-4%	(1,210)	(1,261)	-4%
Total	<u>\$ 24,694</u>	<u>\$ 23,551</u>	5%	<u>(\$19,578)</u>	<u>\$ (20,592)</u>	-5%

Tables 3 and 4 summarize the total cost of providing services from governmental activities and business-type activities for fiscal years 2015 and 2014. Total costs of services provided by governmental activities totaled \$24.6 and \$23.5 million for fiscal years 2015 and 2014, respectively.

Total costs of services provided by business-type activities totaled \$12.0 million for fiscal year 2015 and \$13.1 million for fiscal year 2014.

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

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	2015	Restated 2014		2015	Restated 2014	
Water	\$ 5,307	\$ 5,830	-9%	\$ 1,419	\$ 1,024	39%
Wastewater	3,004	2,724	10%	886	1,042	-15%
Sanitation	1,520	2,018	-25%	667	(150)	-545%
Administration	562	530	6%	(557)	(578)	-4%
Airport	1,462	1,521	-4%	(891)	(562)	59%
Lake	112	474	-76%	26	(393)	-107%
Total	<u>\$ 11,967</u>	<u>\$13,097</u>	-9%	<u>\$ 1,550</u>	<u>\$ 383</u>	305%

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2015 fiscal year, the governmental funds reported a combined fund balance of \$15.7 million. The enterprise funds reported combined net position of \$42.3 million. The fund balance constraints and net position restrictions are listed below:

Governmental Funds:

Fund Balance:

Nonspendable	\$220,924	
Restricted	9,555,742	
Assigned	<u>337,128</u>	
Total governmental fund balance constraints		<u>\$10,113,794</u>

Proprietary Funds:

Net Position Restrictions:

Debt service	<u>\$2,611,396</u>
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Other Fund Highlights Include:

- For the year ended June 30, 2015, the General Fund's total fund balance decreased by \$500,585 or 7.3 percent.
- General fund fire department total expenditures include \$942,294, and police department total expenditures include \$402,755 for pension payments made on behalf of the City by the State. The total amount of \$1,345,049 has been included as both revenue and expenditures of the City for the year ended June 30, 2015.
- The Street Improvement Fund's total fund balance increased by \$1.8 million because sales tax collections exceeded street improvements in the current year.

- The Capital Improvement Fund's total fund balance decreased by \$4.4 million as the city used debt proceeds on hand to complete projects.
- The Shawnee Municipal Authority reported a net income of \$2,568,580 before contributed capital, transfers in, and transfers out.

General Fund Budgetary Highlights

Fiscal year 2015 General Fund revenues of \$18.5 million were \$405,793 below budgeted revenues of \$18.9 million. This resulted from taxes not meeting projections.

Fiscal year 2015 General Fund expenditures were .93% above budgeted expenditures.

CAPITAL ASSETS & DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2015, the City had \$102.9 million invested in capital assets including land, buildings, machinery and equipment, park facilities, water, sewer and stormwater systems, roads and bridges, net of accumulated depreciation. This represents a net increase of \$2.9 million from last year.

Below are details regarding the change in the City's capital assets for the year ending June 30, 2015.¹

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

	Governmental Activities		Business-Type Activities		Total	
	2015	Restated, 2014	2015	Restated, 2014	2015	Restated, 2014
Land	\$ 2,262	\$ 2,262	\$ 1,482	\$ 1,481	3,744	\$ 3,743
Buildings	6,394	6,656	7,580	8,535	13,974	15,191
Machinery, furniture and equipment	4,819	5,729	3,113	2,717	7,932	8,446
Infrastructure	22,234	22,052	31,908	32,774	54,142	54,826
Water rights	-	-	12,968	12,968	12,968	12,968
Construction in progress	9,811	4,443	361	361	10,172	4,804
Totals	\$ 45,520	\$ 41,142	\$ 57,412	\$ 58,836	\$ 102,932	\$ 99,978

¹ For more detailed information on capital asset activity please refer to page 46 Note III.D. Capital Assets

This year's more significant capital asset additions include various water, wastewater and street improvement projects as well as upgrades to various city buildings, improvements to the runways and taxiways at the airport. The most significant addition related to the construction of the city's aquatic complex.

Debt Administration

At year-end, the City had \$28.4 million in long-term debt outstanding, which represents a \$3.2 million decrease from the prior year. These debts are further detailed below as follows: ²

TABLE 6 Long-Term Debt (In Thousands)								
	Governmental Activities		Business-Type Activities		Total		Total Percentage Change	
	2015	2014	2015	2014	2015	2014	2014-2015	
Accrued absences	\$ 2,067	\$ 2,011	\$ 267	\$ 245	\$ 2,334	\$ 2,256	3.5%	
Notes payable	2,736	3,341	17,718	20,075	20,454	23,416	-12.6%	
Claims and judgments payable	3,833	3,833	-	-	3,833	3,833	0.0%	
Capital leases	1,745	2,066	-	-	1,745	2,066	-15.5%	
Totals	\$ 10,381	\$ 11,251	\$ 17,985	\$ 20,320	\$ 28,366	\$ 31,571	-10.2%	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic conditions have not significantly improved over last year. However large swings in weighted monthly revenues have stabilized. As such, although our main revenue source is not growing very significantly, we are pleased to report a stabilization of our largest revenue and confident it will continue. Unemployment remains very low in Pottawatomie County and the City of Shawnee. Recruitment of retail leakage needs to remain top priority for the City.

Additional positions the City would like to see in the future are:

Grants position

Sales tax collection position/or contract out

Additional park personnel to staff the new municipal pool and maintain existing facilities

Purchasing

Director of internal operations

Director of external operations

Miscellaneous other positions to improve customer and internal service

Total FY2015-2016 General Fund revenues are estimated at \$21 million, including \$2.1 million in transfers from other funds. As noted above, however, sales tax collections, representing approximately 68% percent of the total General Fund revenues are slightly above what was budgeted for through October 2015.

² For more detailed information on long-term debt activity please refer to page 47, Note III.E. Long-Term Debt

Total FY2015-2016 Municipal Authority Utility Revenues are projected at \$15.6 million. This is higher than the previous year due to a rate increase that took place in November 2013. The additional revenue will help fund necessary capital improvements and pay the debt service on the loan to construct a 30" waterline and related pumps and controls.

In March of 2014, the City signed a sales tax rebate agreement with Hunt Properties in Dallas, TX to attract a 400,000 square foot mall facility. The new development will eventually be 400,000 square feet of new retail outlets. Phase I will include 20 million in new buildings and public improvements such as water and sewer extensions, landscaping, lighting, parking and associated drives which will generate excise tax revenue based on the point of delivery. Phase I is also anticipated to generate \$1,000,000 in new sales tax per year. Under the terms of the agreement the developer is rebated back some of the new sales tax generated for a set period of years. Phase 1 of the development is almost complete and new businesses have moved in and are open for business. The first business went in in February of this year and sales tax from the new development have been strong.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 16 W 9th, Shawnee, Oklahoma or phone at (405) 878-1601.

BASIC FINANCIAL STATEMENTS

City of Shawnee, Oklahoma
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total	Component Unit Civic & Cultural Development Authority
ASSETS				
Cash and cash equivalents	\$ 7,515,081	\$ 3,196,372	\$ 10,711,453	\$ 51,525
Investments	5,983,948	2,340,445	8,324,393	-
Interest receivable	1,813	-	1,813	-
Accounts receivable, net of allowance	732,512	1,706,680	2,439,192	54,495
Notes receivable, net of allowance	653,190	-	653,190	-
Internal balances	1,109,991	(1,109,991)	-	-
Due from other governmental agencies	2,682,670	-	2,682,670	-
Inventories	-	30,635	30,635	-
Prepaid items	221,657	52,742	274,399	-
Net pension asset	364,603	-	364,603	-
Capital assets:				
Land, construction in progress, and water rights	12,072,942	14,810,936	26,883,878	-
Other capital assets, net of depreciation	33,447,215	42,601,115	76,048,330	4,465,852
Total Assets	<u>64,785,622</u>	<u>63,628,934</u>	<u>128,414,556</u>	<u>4,571,872</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on refunding	-	574,337	574,337	-
Deferred amounts related to pensions	1,602,745	214,888	1,817,633	-
	<u>1,602,745</u>	<u>789,225</u>	<u>2,391,970</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued expenses	1,647,706	603,525	2,251,231	34,021
Accrued interest payable	63,325	165,845	229,170	-
Due to depositors	-	1,047,553	1,047,553	22,230
Due to bondholders	18,092	-	18,092	-
Due to primary government	-	-	-	-
Unearned income	653,190	-	653,190	-
Long-term liabilities				
Due within one year	2,080,416	2,478,204	4,558,620	16,452
Due in more than one year	21,886,974	17,075,705	38,962,679	28,208
Total liabilities	<u>26,349,703</u>	<u>21,370,832</u>	<u>47,720,535</u>	<u>100,911</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	4,877,670	764,883	5,642,553	-
NET POSITION				
Net investment in capital assets	41,393,436	40,268,422	81,661,858	4,421,192
Restricted for:				
Debt service	74,769	2,611,396	2,686,165	1,701
Public safety	156,884	-	156,884	-
Capital projects	8,036,373	-	8,036,373	-
Economic development	969,384	-	969,384	-
Other	271,109	-	271,109	-
Unrestricted (deficit)	(15,740,961)	(597,374)	(16,338,335)	48,068
Total net position	<u>\$ 35,160,994</u>	<u>\$ 42,282,444</u>	<u>\$ 77,443,438</u>	<u>\$ 4,470,961</u>

The accompanying notes are an integral part of these financial statements.

City of Shawnee, Oklahoma
Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Unit Civic & Cultural Development Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental Activities								
General government	\$ 3,456,722	\$ 177,550	\$ 365,373	\$ -	\$ (2,913,799)	\$ -	\$ (2,913,799)	\$ -
Public safety	14,496,204	810,266	1,843,609	-	(11,842,329)	-	(11,842,329)	-
Streets	3,233,282	36,360	291,839	676,027	(2,229,056)	-	(2,229,056)	-
Culture and recreation	1,658,533	42,010	26,496	363,294	(1,226,733)	-	(1,226,733)	-
Community development	613,123	99,121	357,455	-	(156,547)	-	(156,547)	-
Economic development	1,235,834	26,167	-	-	(1,209,667)	-	(1,209,667)	-
Total governmental activities	<u>24,693,698</u>	<u>1,191,474</u>	<u>2,884,772</u>	<u>1,039,321</u>	<u>(19,578,131)</u>	<u>-</u>	<u>(19,578,131)</u>	<u>-</u>
Business-type activities:								
Water	5,307,131	6,726,479	-	-	-	1,419,348	1,419,348	-
Wastewater	3,003,781	3,889,446	-	-	-	885,665	885,665	-
Sanitation	1,520,472	2,187,365	-	-	-	666,893	666,893	-
Administration	561,772	-	-	5,000	-	(556,772)	(556,772)	-
Airport	1,462,400	498,744	6,600	66,041	-	(891,015)	(891,015)	-
Lake	111,992	138,350	-	-	-	26,358	26,358	-
Total business-type activities	<u>11,967,548</u>	<u>13,440,384</u>	<u>6,600</u>	<u>71,041</u>	<u>-</u>	<u>1,550,477</u>	<u>1,550,477</u>	<u>-</u>
Total primary government	<u>\$ 36,661,246</u>	<u>\$ 14,631,858</u>	<u>\$ 2,891,372</u>	<u>\$ 1,110,362</u>	<u>\$ (19,578,131)</u>	<u>1,550,477</u>	<u>(18,027,654)</u>	
Component Unit								
Civic & Cultural Development	<u>\$ 2,061,369</u>	<u>\$ 1,115,179</u>	<u>\$ 710,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(235,770)</u>
General revenues:								
Taxes:								
Sales and use taxes					18,622,852	-	18,622,852	-
Franchise taxes and public service taxes					1,698,127	-	1,698,127	-
Hotel/motel taxes					505,637	-	505,637	-
Property tax					56,623	-	56,623	-
Payment in lieu of taxes					26,830	-	26,830	-
Other					278,334	-	278,334	-
Intergovernmental revenue not restricted to specific programs					322,050	-	322,050	-
Unrestricted investment earnings					52,749	56,418	109,167	149
Miscellaneous					179,409	70,670	250,079	-
Transfers					1,493,554	(1,493,554)	-	-
Total general revenues and transfers					<u>23,236,165</u>	<u>(1,366,466)</u>	<u>21,869,699</u>	<u>149</u>
Change in net position					3,658,034	184,011	3,842,045	(235,621)
Net position - beginning, restated					31,502,960	42,098,433	73,601,393	4,706,582
Net position - ending					<u>\$ 35,160,994</u>	<u>\$ 42,282,444</u>	<u>\$ 77,443,438</u>	<u>\$ 4,470,961</u>

The accompanying notes are an integral part of these financial statements.

City of Shawnee, Oklahoma
Balance Sheet – Governmental Funds
June 30, 2015

	General Fund	Capital Improvement Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 545,447	\$ 874,821	\$ 3,918,274	\$ 2,006,110	\$ 7,344,652
Investments	1,150,333	1,065,023	3,768,592	-	5,983,948
Interest receivable	1,050	203	468	92	1,813
Receivable from other governments	265,473	-	10,422	7,650	283,545
Due from other funds	3,261,534	65,000	-	4,023	3,330,557
Taxes receivable, net	1,799,176	284,668	325,917	177,095	2,586,856
Court fines receivable, net	232,091	-	-	-	232,091
Other receivables	161,014	110,000	-	694,866	965,880
Prepaid items	182,557	-	-	39,100	221,657
Total assets	<u>\$ 7,598,675</u>	<u>\$ 2,399,715</u>	<u>\$ 8,023,673</u>	<u>\$ 2,928,936</u>	<u>\$ 20,950,999</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 551,236	\$ 433,767	\$ 64,967	\$ 258,315	\$ 1,308,285
Accrued payroll payable	316,131	-	-	-	316,131
Due to other funds	288,162	2,067,350	-	421,231	2,776,743
Due to bondholders	18,092	-	-	-	18,092
Unearned revenue	-	-	-	653,190	653,190
Total liabilities	<u>1,173,621</u>	<u>2,501,117</u>	<u>64,967</u>	<u>1,332,736</u>	<u>5,072,441</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	<u>146,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,539</u>
Fund balances:					
Nonspendable	182,557	-	-	38,367	220,924
Restricted	-	-	7,958,706	1,597,036	9,555,742
Assigned	337,128	-	-	-	337,128
Unassigned (deficit)	<u>5,758,830</u>	<u>(101,402)</u>	<u>-</u>	<u>(39,203)</u>	<u>5,618,225</u>
Total fund balances	<u>6,278,515</u>	<u>(101,402)</u>	<u>7,958,706</u>	<u>1,596,200</u>	<u>15,732,019</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 7,598,675</u>	<u>\$ 2,399,715</u>	<u>\$ 8,023,673</u>	<u>\$ 2,928,936</u>	<u>\$ 20,950,999</u>

The accompanying notes are an integral part of these financial statements.

City of Shawnee, Oklahoma
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2015

Total fund balance, governmental funds	\$	15,732,019
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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.		45,520,157
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Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds.		146,539
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Certain other long-term assets and deferred outflows are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Net pension asset		364,603
Pension related deferred outflows		1,602,745

Some liabilities are not due and payable in the current period, and along with deferred inflows are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:

Interest payable		(63,325)
Net pension liability		(12,133,732)
Pension related deferred inflows		(4,877,670)
Other post employment benefits		(1,452,451)
Accrued compensated absences		(2,067,221)
Note payable		(2,736,266)
Capital lease payable		(1,744,918)

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 assets and liabilities of the internal service funds are reported in governmental activities:

Internal service fund net position		(3,129,486)
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Net Position of Governmental Activities in the Statement of Net Position	\$	35,160,994
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The accompanying notes are an integral part of these financial statements.

City of Shawnee, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2015

	General Fund	Capital Improvement Fund	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 14,615,131	\$ 2,232,696	\$ 2,525,289	\$ 2,080,296	\$ 21,453,412
Intergovernmental	2,557,993	313,294	641,742	286,086	3,799,115
Licenses and permits	188,557	-	-	1,125	189,682
Charges for services	267,303	-	-	1,300	268,603
Fees and fines	676,323	-	-	9,080	685,403
Investment earnings	18,429	2,076	31,477	767	52,749
Miscellaneous	231,936	32,953	84,285	146,061	495,235
Total revenues	<u>18,555,672</u>	<u>2,581,019</u>	<u>3,282,793</u>	<u>2,524,715</u>	<u>26,944,199</u>
EXPENDITURES					
Current:					
General government	2,981,912	-	-	-	2,981,912
Engineering	384,817	-	-	-	384,817
Equipment and building maintenance	459,714	-	-	-	459,714
Police	6,403,457	-	-	8,618	6,412,075
Fire	5,787,238	-	-	-	5,787,238
Municipal court	538,902	-	-	-	538,902
Emergency management	317,177	-	-	-	317,177
Streets	1,183,726	-	-	420,911	1,604,637
Parks and recreation	940,805	-	-	-	940,805
Culture and recreation	161,930	-	-	-	161,930
Animal control/E911	896,763	-	-	150,198	1,046,961
Cemetery	194,928	-	-	-	194,928
Library	95,372	-	-	-	95,372
Economic development	583,097	-	-	1,157,579	1,740,676
Capital Outlay	225,746	5,731,680	1,901,261	598,393	8,457,080
Debt Service:					
Principal	-	925,193	-	-	925,193
Interest and other charges	-	21,212	-	-	21,212
Total expenditures	<u>21,155,584</u>	<u>6,678,085</u>	<u>1,901,261</u>	<u>2,335,699</u>	<u>32,070,629</u>
Excess (deficiency) of revenues over expenditures	<u>(2,599,912)</u>	<u>(4,097,066)</u>	<u>1,381,532</u>	<u>189,016</u>	<u>(5,126,430)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,184,717	300,000	600,000	85,390	3,170,107
Transfers out	(85,390)	(622,087)	(200,000)	(784,717)	(1,692,194)
Total other financing sources and uses	<u>2,099,327</u>	<u>(322,087)</u>	<u>400,000</u>	<u>(699,327)</u>	<u>1,477,913</u>
Net change in fund balances	(500,585)	(4,419,153)	1,781,532	(510,311)	(3,648,517)
Fund balances - beginning	6,779,100	4,317,751	6,177,174	2,106,511	19,380,536
Fund balances - ending	<u>\$ 6,278,515</u>	<u>\$ (101,402)</u>	<u>\$ 7,958,706</u>	<u>\$ 1,596,200</u>	<u>\$ 15,732,019</u>

The accompanying notes are an integral part of these financial statements.

City of Shawnee, Oklahoma
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended June 30, 2015

Net change in fund balances - total governmental funds: \$ (3,648,517)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital asset purchases capitalized	8,235,629
Depreciation expense	(3,591,493)
Book value of disposed capital assets	(287,034)
Capital assets transferred to business type activities	(2,231)
Capital assets transferred from business type activities	22,872

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 pension expenditures. This amount represents the difference between pension contributions and calculated pension expense.

2,209,548

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in deferred revenue	27,566
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Debt 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:

Increase in accrued compensated absences	(55,842)
Increase in other post employment benefits	(164,759)
Principal paid on long-term debt	925,193

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in accrued interest payable	(42,539)
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Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain net revenues are reported in governmental activities on the Statement of Activities:

Total change in net position of governmental activities - proprietary funds	29,641
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Change in net position of governmental activities	\$ 3,658,034
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The accompanying notes are an integral part of these financial statements.

City of Shawnee, Oklahoma
Statement of Net Position – Proprietary Funds
June 30, 2015

	Enterprise Funds			
	Shawnee Municipal Authority	Shawnee Airport Authority	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 489,798	\$ 276,826	\$ 766,624	\$ 170,429
Investments	1,120,397	-	1,120,397	-
Restricted:				
Cash and cash equivalents	2,173,904	-	2,173,904	-
Due from other funds	1,015,932	-	1,015,932	556,177
Accounts receivable, net	1,686,173	18,456	1,704,629	-
Assessments receivable	2,114	-	2,114	-
Inventories	-	30,635	30,635	-
Prepaid expenses	51,698	1,044	52,742	-
Total current assets	<u>6,540,016</u>	<u>326,961</u>	<u>6,866,977</u>	<u>726,606</u>
Non-current assets:				
Restricted:				
Cash and cash equivalents	255,844	-	255,844	-
Investments	1,220,048	-	1,220,048	-
Capital assets:				
Land, construction in progress, and water rights	14,050,248	760,688	14,810,936	-
Other capital assets, net of accumulated depreciation	35,335,344	7,265,771	42,601,115	-
Total non-current assets	<u>50,861,484</u>	<u>8,026,459</u>	<u>58,887,943</u>	<u>-</u>
Total assets	<u>57,401,500</u>	<u>8,353,420</u>	<u>65,754,920</u>	<u>726,606</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts on refunding	574,337	-	574,337	-
Deferred amounts related to pensions	203,519	11,369	214,888	-
Total deferred outflows of resources	<u>777,856</u>	<u>11,369</u>	<u>789,225</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	430,285	9,315	439,600	23,290
Salaries payable	147,333	16,655	163,988	-
Accrued interest payable	165,845	-	165,845	-
Due to other funds	1,538,674	587,249	2,125,923	-
Deposits subject to refund	1,047,553	-	1,047,553	-
Compensated absences	51,348	2,076	53,424	-
Claims and judgments	-	-	-	775,554
Notes payable	2,424,780	-	2,424,780	-
Total current liabilities	<u>5,805,818</u>	<u>615,295</u>	<u>6,421,113</u>	<u>798,844</u>
Non-current liabilities:				
Compensated absences, net of current portion	205,392	8,303	213,695	-
Claims and judgments, net of current portion	-	-	-	3,057,248
Net pension liability	257,552	14,388	271,940	-
Net OPEB obligation	335,601	-	335,601	-
Notes payable, net of current portion	16,254,469	-	16,254,469	-
Total non-current liabilities	<u>17,053,014</u>	<u>22,691</u>	<u>17,075,705</u>	<u>3,057,248</u>
Total liabilities	<u>22,858,832</u>	<u>637,986</u>	<u>23,496,818</u>	<u>3,856,092</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	724,415	40,468	764,883	-
NET POSITION				
Net investment in capital assets	32,241,963	8,026,459	40,268,422	-
Restricted for debt service	2,611,396	-	2,611,396	-
Unrestricted (deficit)	(257,250)	(340,124)	(597,374)	(3,129,486)
Total net position	<u>\$ 34,596,109</u>	<u>\$ 7,686,335</u>	<u>\$ 42,282,444</u>	<u>\$ (3,129,486)</u>

The accompanying notes are an integral part of these financial statements.

City of Shawnee, Oklahoma
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
Year Ended June 30, 2015

	Shawnee Municipal Authority	Shawnee Airport Authority	Total	Internal Service Fund
REVENUES				
Water	\$ 6,399,806	\$ -	\$ 6,399,806	\$ -
Sewer	3,741,684	-	3,741,684	-
Sanitation	2,139,331	-	2,139,331	-
Rents and royalties	94,896	251,794	346,690	-
Fuel sales	-	244,688	244,688	-
Miscellaneous	533,603	1,762	535,365	643,931
Total operating revenues	<u>12,909,320</u>	<u>498,244</u>	<u>13,407,564</u>	<u>643,931</u>
OPERATING EXPENSES				
General government	561,772	-	561,772	-
Lake	82,377	-	82,377	-
Water	3,266,375	-	3,266,375	-
Wastewater	1,625,195	-	1,625,195	-
Sanitation	1,170,299	-	1,170,299	-
Line maintenance	327,161	-	327,161	-
Airport	-	474,763	474,763	-
Claims expense	-	-	-	647,289
Depreciation	2,851,362	987,637	3,838,999	-
Total operating expenses	<u>9,884,541</u>	<u>1,462,400</u>	<u>11,346,941</u>	<u>647,289</u>
Operating income (loss)	<u>3,024,779</u>	<u>(964,156)</u>	<u>2,060,623</u>	<u>(3,358)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	56,418	-	56,418	-
Miscellaneous revenue	107,990	7,100	115,090	32,999
Interest expense	(620,607)	-	(620,607)	-
Total non-operating revenue (expenses)	<u>(456,199)</u>	<u>7,100</u>	<u>(449,099)</u>	<u>32,999</u>
Income (loss) before contributions and transfers	<u>2,568,580</u>	<u>(957,056)</u>	<u>1,611,524</u>	<u>29,641</u>
Capital contributions	-	66,041	66,041	-
Transfers in	622,087	7,231	629,318	-
Transfers out	(2,122,872)	-	(2,122,872)	-
Change in net position	<u>1,067,795</u>	<u>(883,784)</u>	<u>184,011</u>	<u>29,641</u>
Total net position - beginning, restated	33,528,314	8,570,119	42,098,433	(3,159,127)
Total net position - ending	<u>\$ 34,596,109</u>	<u>\$ 7,686,335</u>	<u>\$ 42,282,444</u>	<u>\$ (3,129,486)</u>

The accompanying notes are an integral part of these financial statements.

City of Shawnee, Oklahoma
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2015

	Shawnee Municipal Authority	Shawnee Airport Authority	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 13,184,214	\$ 507,969	\$ 13,692,183	\$ 676,930
Payments to suppliers and employees	(7,895,022)	(514,187)	(8,409,209)	-
Claims and judgments paid	-	-	-	(626,247)
Receipts of customer meter deposits	258,054	-	258,054	-
Refunds of customer meter deposits	(205,669)	-	(205,669)	-
Interfund receipts	(850,002)	-	(850,002)	-
Interfund payments	(527)	(552,372)	(552,899)	-
Net cash provided by (used in) operating activities	4,491,048	(558,590)	3,932,458	50,683
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	622,087	-	622,087	-
Transfers to other funds	(2,122,872)	-	(2,122,872)	-
Net cash provided by (used in) noncapital financing activities	(1,500,785)	-	(1,500,785)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(2,410,551)	(19,330)	(2,429,881)	-
Proceeds of capital grants	-	577,920	577,920	-
Principal paid on debt	(2,334,009)	-	(2,334,009)	-
Interest and fiscal agent fees paid on debt	(653,269)	-	(653,269)	-
Net cash provided by (used in) capital and related financing activities	(5,397,829)	558,590	(4,839,239)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(62,227)	-	(62,227)	-
Interest and dividends	56,418	-	56,418	-
Net cash provided by (used in) investing activities	(5,809)	-	(5,809)	-
Net increase (decrease) in cash and cash equivalents	(2,413,375)	-	(2,413,375)	50,683
Balances - beginning of year	5,332,921	276,826	5,609,747	119,746
Balances - end of year	\$ 2,919,546	\$ 276,826	\$ 3,196,372	\$ 170,429
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 489,798	\$ 276,826	\$ 766,624	\$ 170,429
Restricted cash and cash equivalents - current	2,173,904	-	2,173,904	-
Restricted cash and cash equivalents - noncurrent	255,844	-	255,844	-
Total cash and cash equivalents, end of year	\$ 2,919,546	\$ 276,826	\$ 3,196,372	\$ 170,429
Reconciliation of operating income (loss) to net cash provided (used in) by operating activities:				
Operating income (loss)	\$ 3,024,779	\$ (964,156)	\$ 2,060,623	\$ (3,358)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	2,851,362	987,637	3,838,999	-
Amortization expense	-	-	-	-
Miscellaneous revenue	107,990	7,100	115,090	32,999
Change in assets and liabilities:				
Due from other funds	(850,002)	-	(850,002)	-
Due to other funds	(527)	(552,372)	(552,899)	-
Accounts receivable	166,377	2,625	169,002	-
Assessments receivable	527	-	527	-
Inventory	-	(7,371)	(7,371)	-
Prepaid items	(51,698)	(1,044)	(52,742)	-
Prepaid outflows related to pension	45,586	2,547	48,133	-
Accounts payable	(428,355)	14,604	(413,751)	21,042
Accrued payroll payable	82,127	(16,639)	65,488	-
Deposits subject to refund	52,385	-	52,385	-
Pension liability	(1,330,111)	(74,303)	(1,404,414)	-
Other post employment benefits	76,338	-	76,338	-
Accrued compensated absences	19,855	2,314	22,169	-
Deferred inflows related to pension	724,415	40,468	764,883	-
Net cash provided by (used in) operating activities	\$ 4,491,048	\$ (558,590)	\$ 3,932,458	\$ 50,683
Noncash activities:				
Assets contributed by others	\$ (22,872)	\$ 7,231	\$ (15,641)	\$ -
	\$ (22,872)	\$ 7,231	\$ (15,641)	\$ -

The accompanying notes are an integral part of these financial statements.

City of Shawnee, Oklahoma
Statement of Net Position – Fiduciary Fund
As of June 30, 2015

	<u>Agency Fund</u> <u>URM/DEPCA</u>
ASSETS	
Cash and cash equivalents	\$ 6,868
Total assets	<u>\$ 6,868</u>
 LIABILITIES	
URM/DEPCA payable	\$ 6,868
	<u>\$ 6,868</u>

The accompanying notes are an integral part of these financial statements.

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I. Organization

The City of Shawnee, Oklahoma, (the City) operates under a Council-Manager form of government under Title 11 of the *Oklahoma Statutes*. The City provides the following services to its citizens: public safety (police and fire), streets and highways, sanitation, social services, culture and recreation, public improvements, utilities, planning and zoning, and general administrative services.

II. Summary of significant accounting policies

A. Reporting entity

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operation. The City's financial statements include one discretely presented component unit, which is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended component units. The Shawnee Municipal Authority (SMA) was created November 11, 1968, to finance, develop, and operate the water, sewer, and solid waste activities. The current City Commission serves as its entire governing body (trustees) of the SMA and management of the city has operational responsibility of the SMA. Any issuance of debt would require a two-thirds approval of the City Commission. SMA is reported as an enterprise fund.

The Shawnee Airport Authority (SAA) was created March 18, 1974, to develop, construct, plan, establish, install, enlarge, improve, maintain, equip, operate, control, and regulate air transportation facilities. The current City Commission serves as its entire governing body (trustees) of the SAA and management of the city has operational responsibility of the SAA. Any issuance of debt would require a two-thirds approval of the City Commission. SAA is reported as an enterprise fund.

The Shawnee Urban Renewal Authority is included within the financial statements as a part of Other Governmental Funds within a grouping of Special Revenue Funds titled CDBG & Home Grant Funds. All of the activity of the Shawnee Urban Development Authority is in the CDBG & Home Grant Funds and the Shawnee Urban Renewal Authority does not have any of its own assets or liabilities.

Separate financial statements have not been prepared for the blended component units.

Discretely presented component unit. Shawnee Civic & Cultural Development Authority (SCCDA) was created January 5, 1976, to acquire by lease and to operate, regulate and administer all physical properties, real or personal which shall be of public use or of civic and/or cultural benefit or incident to carry out an authority or proper function of the City of Shawnee, the beneficiary of the SCCDA. The governing body consists of seven members; the City Manager of the City of Shawnee, four (4) citizens representing the general public to be selected by the governing board of the Beneficiary, and two (2) residents of Pottawatomie County appointed by the Commissioners of Pottawatomie County and approved by the SCCDA trustees. The SCCDA does not have the same board nor does it provide services exclusively to the City of Shawnee. Any issuance of debt requires a two-thirds approval of the City Commission. If the SCCDA was not included in the financial statements of the City of Shawnee, the accompanying financial statements would be misleading and incomplete.

The SCCDA issued separate financial statements, which are available by contacting that entity at (405) 275-7020.

The SCCDA has adopted a December 31 year-end to better represent its business cycle. Accordingly, the financial information contained in these financial statements for the SCCDA is as of December 31, 2014 and for the year then ended.

Related organizations. These organizations have a close association with the City of Shawnee; however, the relationship does not meet the requirements for inclusion in the City of Shawnee's Annual Financial Report. Separate financial statements for these entities can be obtained by contacting the entities as indicated:

Shawnee Industrial Authority	(405) 273-7490
Shawnee Economic Development	(405) 273-7490

B. Government-wide and fund financial statements

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Combined and/or individual financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for reimbursement type grants that are recorded as revenues when the related expenditures are recognized. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

Sales and use taxes, property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following fund types:

General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes.

Capital Project Funds are used to account for resources restricted or the acquisition or construction of specific capital projects for items.

Proprietary funds include both enterprise funds and internal service funds. Enterprise funds are used to account for business-type activities provided to the general public. Internal service funds are used to account for business-like activities provided and charged to other funds or entities within the reporting entity. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Nonoperating revenues of the proprietary funds include such items as investment earnings, interest expense and subsidies.

Fiduciary funds are used to report net position and changes therein of assets held by the City in a fiduciary capacity. These net position are not available for operations of the city. The city reports an Agency Fund. Agency Funds are custodial in nature (i.e. assets equal liabilities) and do not involve the measurement of changes in net position. Fiduciary fund activity is not included in the government-wide financial statements.

The funds of the financial reporting entity are described below:

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The most significant operating revenue is the sales tax. For reporting purposes the General Fund includes the activities of the following accounts: Revolving Oil and Gas account, Spay and Neuter account, Library account, Aquatic Center account, Senior Citizens account, and Sister Cities account.
- The street improvement fund accounts for the construction or major reconstruction of street projects. The funds major funding source is sales tax.
- The capital improvement fund accounts for the purchase of capital equipment and construction of facilities funded with sales tax.

The City reports the following major proprietary funds:

- The Shawnee Municipal Authority accounts for the City's water, sewer, and sanitation operations. The funds major funding source is user charges.
- The Shawnee Airport Authority accounts for the City's airport operations. The funds major funding source is user charges.

The City also reports the following fund type:

- Internal service fund accounts for workers' compensation insurance services provided to other departments or agencies of the City on a cost reimbursement basis.

Included in the aggregated other governmental fund totals are the following funds:

- The street and alley fund accounts for the operation and maintenance of local streets and thoroughfares through dedicated taxes.
- The E-911 fund accounts for the operations and maintenance of the City's 911 emergency services through dedicated taxes.
- The economic development fund accounts for the promotion of economic development through dedicated taxes.
- The hotel/motel surcharge fund accounts for the collection of the City's hotel/motel surcharge.
- The police sales tax fund accounts for the 1/16 cent of a one-cent dedicated sales tax revenue for police officers.
- The fire sales tax fund accounts for the 1/16 cent of a one-cent dedicated sales tax revenue for firefighters.

- The CDBG & HOME grant funds account for federal funds received by the City and expenditures related to the operation of these grants.
- The cemetery care fund accounts for the continuing care and maintenance as well as future capital investments of the City owned cemetery funded with fees restricted by external sources.
- The gifts & contributions fund accounts for monies donated for various park projects, economic development, civic events, police, and fire donations.
- The tax increment finance fund accounts for ad valorem taxes paid to the City on properties located in the Shawnee Downtown Revitalization Area and Increment District to be used for economic development projects within that District.
- The drug forfeiture fund accounts for funds received from Pottawatomie County drug enforcement activities to help fund City drug-related law enforcement efforts.
- The debt service fund accounts for ad-valorem taxes levied by the City for use in retiring general obligation bonds, court-assessed judgments, and their related expenses and fiscal agent fees.
- The 1994 Street improvement project fund accounts for general obligation bond proceeds designated for the construction of specific street projects.

The City maintains one fiduciary fund:

- The IRS Section 125 Unreimbursed Medical/Dependent and Childcare Agency Fund (URM/DEPCA) holds funds related to employee withholding for medical expenditures not covered by insurance and for dependent care.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payment-in-lieu of taxes and other charges between the City's utility functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

D. Assets, deferred outflows, liabilities, deferred inflows, and equity

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury; time deposits with financial institutions, if such deposits are fully insured by federal depository insurance or pledged collateral; and debt security issued by the State of Oklahoma, an Oklahoma County, school district, or municipality. A copy of the City of Shawnee's investment policy may be obtained by contacting the City of Shawnee, Post Office Box 1448, Shawnee, Oklahoma 74802-1448.

Investments for the City, as well as for its component units, are reported at fair value.

2. Receivable and payable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants and court fines. Business-type activities report utilities as its major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

3. Restricted assets

Certain proceeds of the Shawnee Municipal Authority's enterprise fund promissory notes, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts, and their use is limited by applicable loan covenants. The projects fund account is used to report those proceeds that are restricted for use in construction. The debt service fund account is used to segregate resources accumulated for debt service payments over the next 12 months. The debt service reserve account is used to report resources set aside to make up potential future deficiencies in the debt services account.

4. Inventories

The Airport Authority (SAA) maintains a fuel inventory for aircraft. Inventory is valued at cost.

5. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	20-50
Infrastructure	20-100
Furniture, equipment, and vehicles	3-10

6. *Compensated absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Full-time employees with at least one year of service earn vacation of ten to twenty days per year depending on years of service completed. A maximum of ten to thirty days may be carried over from one benefit year into another, depending on years of service completed. Sick leave may be accumulated up to a maximum of 120 days. Accumulated sick leave is paid to employees only upon retirement at a rate of one day's pay for every three day's accumulated sick leave, up to a maximum of 40 days. A liability for these amounts is reported in governmental funds when they have matured as a result of employee resignations and retirements. The General Fund and the CDBG Grant Fund are used to liquidate compensated absences in the governmental activities.

7. *Long-term obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statements of Net Position. Bond premiums and discounts are unearned and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of bond premium or discount.

8. *Deferred Outflow/Inflows of Resources:*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditure) until then. The government reports the following

deferred outflows. Deferred amounts on refunding reported in the government-wide statement of net position and the proprietary fund statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the new debt or the remaining life of the refunded debt. The city also reports deferred outflows related to pension contributions subsequent to the measurement date and the difference between expected and actual plan experience.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenues) until that time. The government reports deferred inflows related to pension accounting for the net difference between projected and actual earnings on pension plan investments.

9. Fund equity

Government-Wide and Proprietary Fund Financial Statements:

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."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Financial Statements:

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 (1) not in spendable form or (2) 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, motion or resolution, or by management decision when the city council has authorize management (city manager) to make the decision. Assignments for transfers and interest income for 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.

It is the City’s policy to first use restricted fund balance prior to the use of the unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City’s policy for the use of fund balance amounts require that restricted amounts would be reduced first, followed by committed amounts, assigned amounts, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

E. REVENUES, EXPENDITURES AND EXPENSES

1. Sales Tax

The City levies a three-cent sales tax on taxable sales within the city. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. One-cent is legally restricted by the voters. Sales tax is recorded as follows:

- Two-cents recorded to the General Fund for operations
- .3875 recorded in the Capital Improvement Fund and restricted for capital improvements
- .4375 recorded in the Street Improvement Fund and restricted for street improvements
- .0500 recorded in the Economic Development Fund and restricted for economic development
- .0625 recorded in the Police Sales Tax Fund and restricted for police operations
- .0625 recorded in the Fire Sales Tax Fund and restricted for fire operations

Property Tax

Under State statutes, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments. For the year ended June 30, 2015, the City did not levy a tax.

Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City’s taxpayers are reported as program revenues. The City has the following program revenues in each activity:

General government	Licenses and permits and state operating and capital grants
Public safety	Fines and forfeitures, court cost and fees, fire protection fees, animal control fees, and operating and capital grants
Streets	Permits, motor fuel and commercial vehicle revenue, capital and operating grants

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

Culture and recreation	Lake permits, park and recreation fees, state operating and capital grants
Community development	Zoning charges and Community Development Block Grants
Economic development	Rental fees and grants

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged seven-eighths of one penny (or .875%) of future sales tax revenues to repay \$1,480,000 and \$2,365,000 of Series 2011A and 2011B Sales Tax Revenue Notes and \$3,040,000 of Series 2013 Sales Tax Revenue Note. Proceeds from the notes provided financing for capital assets. The notes are payable from pledged sales tax revenues. The notes are payable through fiscal year 2017 and 2020, respectively. The total principal and interest payable for the remainder of the life of these notes is \$3,872,003. Pledged sales taxes received in the current year were \$5,050,593. Debt service payments of \$1,300,023 for the current fiscal year were 25.7 % of pledged sales taxes.

Utility Revenues Pledge - The City has also pledged future gross water and wastewater revenues to repay \$1,073,279 of 1997A Series OWRB Notes Payable, \$7,780,000 of 2010A OWRB notes Payable, \$1,485,000 of 2010 OWRB Notes Payable, and \$12,070,000 of 2013 OWRB Notes Payable. Proceeds from the notes provided financing for utility system capital assets. The notes are payable through 2026, 2016, 2031, and 2022, respectively. The total principal and interest payable for the remainder of the life of these notes is \$20,122,522. The notes are payable from the above-mentioned utility revenues. The debt service payments on the notes this year were \$2,386,468 which was 23.5% of pledged utility revenues of \$10,141,490.

Expenditures and Expenses

In the government-wide financial statements, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In the proprietary fund financial statements, expenses are reported by object or activity.

F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements:

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015

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3. Interfund reimbursements - repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
 4. Interfund transfers - flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government-Wide Financial Statements:

Interfund activity, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. *Internal balances* – amounts reported in the fund financial statements as interfund receivable and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. *Internal activities* - amounts reported in the fund financial statements as interfund transfers are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds is not eliminated in the statement of activities.
3. *Primary government and component unit activity and balances* - resource flows between the primary government and the discretely presented component units are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

III. Detailed notes on all funds

A. Deposits and investments – The City held the following deposits/investments at June 30, 2015:

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

PRIMARY GOVERNMENT:

Schedule of Deposits and Investments by Type

Type	Fair Value	Credit Rating	Maturities in Years		
			On Demand	Less Than One	1 - 5
Demand accounts	\$ 3,514,364	n/a	\$ 3,514,364	\$ -	\$ -
Time deposits	7,104,345	n/a	-	3,664,368	3,439,977
Money market mutual fund	7,138,691	AAAm	-	7,138,691	-
Money market mutual fund	113,302	not available	-	113,302	-
FNMA	1,169,517	AAA	-	1,172,320	-
Sub-total	19,040,219		\$ 3,514,364	\$ 12,088,681	\$ 3,439,977
Cash on hand	2,495				
Total Investments and Deposits	\$ 19,042,714				
Reconciliation to Statement of Net Assets:					
Cash and cash equivalents	\$ 10,711,453				
Investments	8,324,393				
Agency fund cash and cash equivalents	6,868				
	\$ 19,042,714				

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City requires that all deposits be collateralized by either FDIC insurance or pledged collateral. At June 30, 2015 the City's deposits were fully insured.

Interest Rate Risk. The City of Shawnee's formal investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investment maturities limit policy is as follows:

- The portfolio, as a whole, shall have an average maturity of not more than two (2) years, unless specifically otherwise designated by the Treasurer.
- Banker's acceptances shall not exceed one hundred (180) days to maturity.

The City complied with this policy in all material respects.

Credit Risk. The City of Shawnee's policy limits investments to the following: a) obligations of the U.S. Government, its agencies or instrumentalities; b) collateralized or insured certificates of deposit and other evidences of deposit at banks, savings banks, savings and loan associations and credit unions located in this state; c) negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings bank, a savings and loan association, or a state licensed branch of a foreign bank; d) prime bankers' acceptances which are eligible for purchase by the Federal Reserve System; e) prime commercial paper; f) investment grade obligations of state and local governments, including certain highly rated obligations of state- beneficiary public trusts; g) repurchase agreements; and h) money market funds regulated by the Securities and Exchange Commission which investments consist of those items and those restrictions specified in the investment policy of the City of Shawnee, Oklahoma. The City complied with this policy in all material respects.

Concentration of 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). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this consideration.

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

The City places the following limit on the amount it may invest in any one issuer:

- With the exception of U.S. Treasury securities and authorized money market mutual funds, no more than 50% of the of City's total investment portfolio will be invested in a single security type or with a single financial institution. Individual securities shall be limited as follows:

<u>Type of Investment</u>	<u>Percentage of Cash Available for Investment Not to Exceed</u>
Negotiable certificates of deposit	50%
Bankers' acceptances	50%
Commercial paper	50%
Obligations of state and local government	50%

The City complied with this policy in all material respects.

COMPONENT UNIT:

The SCCDA was not exposed to custodial credit risk at June 30, 2015. The \$51,525 of cash and cash equivalents was invested in cash deposits and interest-bearing certificate of deposit fully insured by Federal Depository Insurance (FDIC) or direct obligations of the U.S. government. The SCCDA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. There is no limit placed on the amount it may invest in any one issuer and is exposed to concentration of credit risk by being 100% invested in money market funds.

B. Receivables

Receivables as of June 30, 2015, for the City of Shawnee's governmental funds, including the applicable allowances for uncollectible accounts are as follows:

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Taxes	\$ 2,540,126	\$ -	\$ 2,540,126
Due from other governments	283,123	-	283,123
Court fines	2,320,905	(2,088,814)	232,091
Other	1,013,032	-	1,013,032
Total Governmental Activities	<u>\$ 6,157,186</u>	<u>\$ (2,088,814)</u>	<u>\$ 4,068,372</u>
Reconciliation to Statement of Net Position:			
Accounts receivable, net			\$ 732,512
Due from other governmental agencies			2,682,670
Notes receivable, net			<u>653,190</u>
Total			<u>\$ 4,068,372</u>
Business-Type Activities:			
Utilities	<u>\$ 2,918,312</u>	<u>\$ (1,211,632)</u>	<u>\$ 1,706,680</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

C. Restricted assets

The amounts reported as restricted assets of the business-type activities are comprised of assets held by the trustee bank on behalf of the Shawnee Municipal Authority related to their required revenue note and bond accounts, as well as deposits held for refund.

<u>Type of Restricted Assets</u>	Current Cash and Cash Equivalents	Noncurrent		Total
		Cash and Cash Equivalents	Investments	
Due to Depositors	\$ 872,553	\$ -	\$ -	\$ 872,553
Trustee Accounts:				
OWRB 2013 Debt Service Account	1,168,806	-	-	1,168,806
OWRB 2010 Debt Service Account	112,737	-	-	112,737
OWRB 2010A Debt Service Account	19,808	-	-	19,808
OWRB 2013 Debt Service Reserve	-	255,844	1,220,048	1,475,892
Total Restrictred Assets	<u>\$ 2,173,904</u>	<u>\$ 255,844</u>	<u>\$ 1,220,048</u>	<u>\$ 3,649,796</u>

D. Capital Assets

The following is a summary of changes in capital assets during fiscal year 2015 for the primary government:

PRIMARY GOVERNMENT:

	Restated, Balance at July 1, 2014	Additions	Disposals	Transfers	Balance at June 30, 2015
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$ 2,261,793	\$ -	\$ -	\$ -	\$ 2,261,793
Construction in progress	4,443,031	5,368,118	-	-	9,811,149
Total capital assets not being depreciated	<u>6,704,824</u>	<u>5,368,118</u>	<u>-</u>	<u>-</u>	<u>12,072,942</u>
Other capital assets:					
Buildings	13,990,512	518,805	-	-	14,509,317
Machinery, furniture and equipment	17,439,503	821,093	1,929,504	135,743	16,466,835
Infrastructure	45,295,828	1,531,156	-	-	46,826,984
Total other capital assets at historical cost	<u>76,725,843</u>	<u>2,871,054</u>	<u>1,929,504</u>	<u>135,743</u>	<u>77,803,136</u>
Less accumulated depreciation for:					
Buildings	7,334,248	780,616	-	-	8,114,864
Machinery, furniture and equipment	11,710,221	1,461,628	1,642,470	118,645	11,648,024
Infrastructure	23,243,784	1,349,249	-	-	24,593,033
Total accumulated depreciation	<u>42,288,253</u>	<u>3,591,493</u>	<u>1,642,470</u>	<u>118,645</u>	<u>44,355,921</u>
Other capital assets, net	<u>34,437,590</u>	<u>(720,439)</u>	<u>287,034</u>	<u>17,098</u>	<u>33,447,215</u>
Governmental activities capital assets, net	<u>\$ 41,142,414</u>	<u>\$ 4,647,679</u>	<u>\$ 287,034</u>	<u>\$ 17,098</u>	<u>\$ 45,520,157</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

	Restated, Balance at July 1, 2014	Additions	Disposals	Transfers	Balance at June 30, 2015
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 1,481,715	\$ -	\$ -	\$ -	\$ 1,481,715
Water rights	12,967,959	-	-	-	12,967,959
Construction in progress	360,580	1,572,711	1,572,029	-	361,262
Total capital assets not being depreciated	14,810,254	1,572,711	1,572,029	-	14,810,936
Other capital assets:					
Buildings	19,039,598	62,226	39,595	-	19,062,229
Machinery, furniture and equipment	6,943,917	1,078,529	373,120	(135,743)	7,513,583
Utility property	58,117,973	1,295,113	-	-	59,413,086
Total other capital assets at historical cost	84,101,488	2,435,868	412,715	(135,743)	85,988,898
Less accumulated depreciation for:					
Buildings	10,504,593	1,017,025	39,595	-	11,482,023
Machinery, furniture and equipment	4,226,976	660,724	371,580	(115,102)	4,401,018
Utility property	25,343,492	2,161,250	-	-	27,504,742
Total accumulated depreciation	40,075,061	3,838,999	411,175	(115,102)	43,387,783
Other capital assets, net	44,026,427	(1,403,131)	1,540	(20,641)	42,601,115
Business-type activities capital assets, net	\$ 58,836,681	\$ 169,580	\$ 1,573,569	\$ (20,641)	\$ 57,412,051

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 162,885
Culture and recreation	640,657
Community development	39,889
Public safety	1,497,425
Public works	1,250,637
	<u>\$ 3,591,493</u>

Business-Type Activities:

Water	\$1,061,460
Wastewater	1,378,586
Sanitation	350,173
Administration	31,528
Lake	29,615
Airport	987,637
	<u>\$3,838,999</u>

COMPONENT UNIT:

	Balance, January 1, 2014	Increases	Decreases	Balance, December 31, 2014
Shawnee Civic and Cultural Development Authority:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 10,254,852	\$ 117,204	\$ -	\$ 10,372,056
Equipment	685,414	72,764	-	758,178
Total capital assets, being depreciated	10,940,266	189,968	-	11,130,234
Less accumulated depreciation	(6,375,482)	(288,900)	-	(6,664,382)
Governmental activities capital assets, net	\$ 4,564,784	\$ (98,932)	\$ -	\$ 4,465,852

E. Long-term debt

Long-term liabilities of the City of Shawnee as of June 30, 2015, are summarized as follows:

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

Governmental activities

Sales Tax Revenue Notes:

\$1,480,000 2011A Sales Tax Revenue Note, to a financial institution, dated December 15, 2011, payable semi-annually each June and December, interest at 1.55%, through December 1, 2016. The Shawnee Municipal Authority collects funding from the capital improvement fund in the form of sales tax transferred to liquidate this liability. Debt is divided between governmental and business type activities with 65% governmental and 35% business type. \$ 301,266

\$3,040,000 2013 Sales Tax Revenue Note, to a financial institution, dated August 15, 2013, payable semi-annually each September and March, interest at 2.43%, through September 1, 2020. The Shawnee Municipal Authority collects funding from the capital improvement fund in the form of sales tax transferred to liquidate this liability.

	2,435,000
Total sales tax revenue notes payable	\$ 2,736,266

Current portion	\$ 620,844
Noncurrent portion	2,115,422
	\$ 2,736,266

Capital Lease Payable:

\$2,065,746 capital lease with Motorola for communication equipment due in annual installments of \$320,828, final payment due August 1, 2020 with interest at 2.88% after the first year \$ 1,744,918

Current portion	\$ 270,574
Noncurrent portion	1,474,344
	\$ 1,744,918

Accrued compensated absences. The general fund typically has been used to liquidate this liability.

	\$ 2,067,221
Current portion	\$ 413,444
Noncurrent portion	1,653,777
	\$ 2,067,221

Claims and judgments payable. The general fund typically has been used to liquidate this liability.

	\$ 3,832,802
Current portion	\$ 775,554
Noncurrent portion	3,057,248
	\$ 3,832,802

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

Business-type Activities

Notes payable:

\$12,070,000 Series 2013A OWRB FAP Loan dated April 1, 2013, payable in semiannual installments ranging from \$330,000 to \$1,470,000, interest from 2.4% to 5.4% through September 15, 2022, to refund the 2003 note. The Shawnee Municipal Authority typically has been used to liquidate this liability. \$ 10,080,000

\$1,073,279 1997A SFR Promissory Note to Oklahoma Water Resources Board, dated September, 2, 1997, payable in annual installments to \$57,000, with no interest and a 0.05% administrative fee. The Shawnee Municipal Authority typically has been used to liquidate this liability. 84,732

\$7,780,000 2010 Promissory Note to Oklahoma Water Resources Board, dated June 25, 2010, payable in semiannual installments of approximately \$194,500, Interest at 3.15%. The Shawnee Municipal Authority typically pays this liability. 5,611,694

\$1,485,000 2010A Promissory Note to Oklahoma Water Resources Board, dated October 14, 2010, payable in semiannual installments of approximately \$63,120, Interest at 2.76%. The Shawnee Municipal Authority typically pays this liability. 1,012,807

\$1,480,000 2011A Sales Tax Revenue Note, to a financial institution, dated December 15, 2011, payable semi-annually each June and December, interest at 1.55%, through December 1, 2016. The Shawnee Municipal Authority collects funding from the capital improvement fund in the form of sales tax transferred to liquidate this liability. Debt is divided between governmental and business type activities with 65% governmental and 35% business type. 163,734

\$2,365,000 2011B Sales Tax Revenue Note, to a financial institution, dated December 15, 2011, payable semi-annually each June and December, interest at 2.45%, through December 1, 2016. The Shawnee Municipal Authority collects funding from the capital improvement fund in the form of sales tax transferred to liquidate this liability. 765,000

Total notes payable before bond premium	\$ 17,717,967
Bond premium	961,283
Total notes payable	\$ 18,679,250

Current portion	\$ 2,424,780
Noncurrent portion	16,254,470
	\$ 18,679,250

Accrued compensated absences. The Shawnee Municipal and Airport Authorities typically have been used to liquidate this liability. \$ 267,119

Current portion	\$ 53,424
Noncurrent portion	213,695
	\$ 267,119

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

Long-term liability transactions for the year ended June 30, 2015 and changes therein were as follows:

<u>Type of Debt</u>	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
Governmental Activities:					
Capital lease payable	\$ 2,065,746	\$ -	\$ 320,828	\$ 1,744,918	\$ 270,574
Notes payable	3,340,631		604,365	2,736,266	620,844
Claims and judgments	3,832,802	-	-	3,832,802	775,554
Accrued compensated absences	2,011,379	55,842	-	2,067,221	413,444
Total Governmental Activities	<u>\$ 11,250,558</u>	<u>\$ 55,842</u>	<u>\$ 925,193</u>	<u>\$ 10,381,207</u>	<u>\$ 2,080,416</u>
				Add: OPEB obligation	1,452,451
				Add: Net Pension liability	12,133,732
					<u>\$ 23,967,390</u>
Business-Type Activities:					
Notes Payable	\$ 20,074,847	\$ -	\$ 2,356,880	\$ 17,717,967	\$ 2,424,780
Accrued compensated absences	244,950	22,169		267,119	53,424
Total Business-Type Activities	<u>20,319,797</u>	<u>22,169</u>	<u>2,356,880</u>	<u>\$ 17,985,086</u>	<u>2,478,204</u>
				Add: OPEB obligation	335,600
				Add: Net Pension liability	271,940
				Add: Unamortized premium	961,283
					<u>\$ 19,553,909</u>
Total Long-Term Debt	<u>\$ 31,570,355</u>	<u>\$ 78,011</u>	<u>\$ 3,282,073</u>	<u>\$ 43,521,299</u>	<u>\$ 4,558,620</u>

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

Fiscal Year Ending June 30	Governmental Activities		Governmental Activities	
	Notes Payable		Capital Lease	
	Principal	Interest	Principal	Interest
2016	\$ 620,844	\$ 60,524	\$ 270,574	\$ 50,254
2017	530,422	47,133	278,367	42,461
2018	440,000	35,843	286,383	34,444
2019	450,000	25,090	294,631	26,196
2020	460,000	14,094	303,117	17,711
2021-2025	235,000	2,855	311,846	8,981
	<u>\$ 2,736,266</u>	<u>\$ 185,539</u>	<u>\$ 1,744,918</u>	<u>\$ 180,047</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

Fiscal Year Ending June 30	Business-Type Activities	
	Notes Payable	
	Principal	Interest
2016	\$ 2,424,780	\$ 557,254
2017	2,149,035	492,065
2018	1,440,493	442,289
2019	1,481,398	428,186
2020	1,532,213	350,192
2021-2025	5,814,488	831,819
2026-2030	2,359,313	242,698
2031-2032	516,247	10,254
	<u>\$ 17,717,967</u>	<u>\$ 3,354,757</u>

Water Agreement

The Shawnee Municipal Authority (SMA) entered into an agreement with the Pottawatomie County Development Authority (PCDA) for the development of the North Deer Creek Reservoir Project (Reservoir) in which the PCDA issued bonds totaling \$18,180,000 for the construction of the Reservoir. SMA issued its Utility Revenue Note, Series 1990B in the amount of \$18,180,000 to the PCDA. (These notes were defeased during the 1993 fiscal year with the issuance of the SMA Utility Revenue Note, Series 1993A in the amount of \$21,165,000.) During the 2003 fiscal year, the 1993 notes were defeased in the amount of \$18,850,000. During FY 13 the SMA issued the 2013A OWRB Note payable to refund the outstanding notes.

SMA acquired a contractual interest in the water of the reservoir by issuing their Series 1990B Note. They issued the note totaling \$18,180,000 and received restricted funds back from PCDA to establish a reserve fund totaling \$1,263,881. The net amount of the note face value less the reserve fund, which totals \$16,916,119, represented SMA's investment in the water contract with PCDA and a trustee Bank. During a prior fiscal year, the SMA received \$3,948,160 in surplus bond proceeds remaining in the PCDA trust funds to be used for SMA utility system improvements. These proceeds have been accounted for as a reduction in the investment in the water contract with PCDA to \$12,967,959.

The term of the water agreement shall be for a period of one hundred (100) years from its effective date and may be extended by written agreement of the parties. Upon the expiration of the term of this agreement and any extension thereof, PCDA shall by quit claim deed and bill of sale, convey to each party, an undivided fractional interest in the facilities and all personal property titled in PCDA that is used in the operation of the facilities except PCDA's files and records.

Due to the long-term nature of this agreement, and the infinite economic life of the water rights, the SMA's investment in the water rights contract is not being amortized.

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

F. Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2015 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>
* General	* SMA	\$ 1,253,766	Construction projects
* General	Library Fund	13,529	Negative pooled cash
General	Sister Cities	1,250	Negative pooled cash
Worker's Comp Fund	* General	273,383	Self insurance funding
Worker's Comp Fund	* SMA	282,794	Self insurance funding
* General	Street and Alley	4,065	Negative pooled cash
* General	Capital Improvement	1,188,506	Negative pooled cash
* General	CDBG & Home Grants Fund	278,169	Negative pooled cash
* SMA	Hotel/Motel Fund	138,997	Posting correction
* General Fund	Shawnee Airport Authority	522,249	Negative pooled cash
SMA	Capital Improvement	874,821	Revenue posted to incorrect fund
* SMA	* General	2,114	Posting correction
Gifts and Contributions	Capital Improvement	4,023	Posting correction
Capital Improvement Fund	Shawnee Airport Authority	65,000	Federal grant match on future projects
		<u>\$ 4,902,666</u>	

Reconciliation to Fund Financial Statements:

	<u>Due From</u>	<u>Due to</u>	<u>Net Interfund Balances</u>
Governmental Funds	\$ 3,330,557	\$ 2,776,743	\$ 553,814
Proprietary Funds	1,015,932	2,125,923	(1,109,991)
Internal Service Funds	556,177	-	556,177
	<u>\$ 4,902,666</u>	<u>\$ 4,902,666</u>	<u>\$ -</u>

A summary of interfund transfers for the fiscal year ended June 30, 2015 is as follows:

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
* SMA	* General	\$ 1,100,000	Operating subsidy
Police Tax Fund	* General	359,859 B	Restricted sales tax transfer
Fire Tax Fund	* General	359,858 B	Restricted sales tax transfer
* Street Improvement Fund	* General	100,000	Engineering services for capital projects
* SMA	* General	250,000	Debt service
* Capital Improvement Fund	* SMA	622,087	Debt service
* Street Improvement Fund	* Capital Improvement Fund	100,000	Engineering services for capital projects
* SMA	* Capital Improvement Fund	150,000	Capital cost
Debt service	* Capital Improvement Fund	50,000 B	Debt service
* SMA	* Street Improvement	600,000	Capital cost
* General	Street and Alley	85,390 A	Operating subsidy
Economic Development Fund	* General Fund - Sister Cities	15,000 B	Sister Cities program support
* SMA	* General	22,872	
Total		<u>\$ 3,815,066</u>	

Reconciliation to Fund Financial Statements:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds	\$ 3,170,107	\$ (1,692,194)	\$ 1,477,913
Proprietary Funds	629,318	(2,122,872)	(1,493,554)
	<u>\$ 3,799,425</u>	<u>\$ (3,815,066)</u>	<u>\$ (15,641)</u>

* Denotes major fund.

Sum A	Non Major transfer in	\$ 85,390
Sum B	Non Major transfer out	\$ 784,717

Reconciliation to Statement of Activities:

Net transfers	\$ 1,477,913
Transfer of capital assets from governmental activities	15,641
Transfers - internal activity	<u>\$ 1,493,554</u>

G. Net Position/Fund Equity

Government-Wide and Proprietary Fund Financial Statements

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 is available.

The following table shows the net position restricted for other purposes shown on the Statement of Net Position:

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

Fund	Restricted By	Amount
Governmental Activities:		
Tax Increment Financing Fund	Enabling legislation	\$ 575,580
		<u>\$ 575,580</u>
Cemetery Fund	Statutory requirements	\$ 177,962
E911 Fund	Statutory requirements	50,752
Drug Forfeiture Fund	Statutory requirements	8,361
		<u>\$ 237,075</u>
CDBG Fund	External sources	\$ 174,148
Gifts and Contributions	External sources	93,147
Police Sales Tax Fund	External sources	48,828
Fire Sales Tax Fund	External sources	48,943
Hotel/Motel Fund	External sources	34,000
Economic Development Fund	External sources	185,656
94 Street Improvement Fund	External sources	77,667
Capital Projects Fund	External sources	-
Street Improvement Fund	External sources	7,958,706
Debt Service Fund	External sources	74,769
		<u>\$ 8,695,864</u>
Total Governmental Restricted		<u>\$ 9,508,519</u>
<i>Reconciliation to Statement of Net Position:</i>		
Restricted for:		
Debt service		\$ 74,769
Public Safety		156,884
Capital projects		8,036,373
Economic development		969,384
Other		271,109
Total Governmental Restricted		<u>\$ 9,508,519</u>
Business Type Activities:		
Debt Service Reserves	Enabling legislation	<u>\$ 2,611,396</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

Governmental Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

It is the City's policy to first use restricted fund balance prior to the use of the unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City's policy for the use of fund balance amounts require that restricted amounts would be reduced first, followed by committed amounts, assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

	General Fund	Street Improvement Fund	Capital Improvement Fund	Other Governmental Funds	Total
Fund Balance:					
Nonspendable:					
Prepaid items	\$ 182,557	\$ -	\$ -	\$ 38,367	\$ 220,924
	<u>182,557</u>	<u>-</u>	<u>-</u>	<u>38,367</u>	<u>220,924</u>
Restricted for:					
Street improvements	-	7,958,706	-	77,667	8,036,373
Fire operations	-	-	-	48,943	48,943
Police operations	-	-	-	48,828	48,828
Debt service	-	-	-	138,094	138,094
Capital improvements	-	-	-	-	-
Culture and rec programs	-	-	-	93,147	93,147
Cemetery improvements	-	-	-	177,962	177,962
Police - drug programs	-	-	-	8,361	8,361
Emergency operations	-	-	-	12,385	12,385
Economic development	-	-	-	991,649	991,649
Sub-total restricted	<u>-</u>	<u>7,958,706</u>	<u>-</u>	<u>1,597,036</u>	<u>9,555,742</u>
Assigned for:			-		
Community development	273,979	-	-	-	273,979
Senior citizens programs	21,147	-	-	-	21,147
Aquatic center	21,070	-	-	-	21,070
Animal shelter	20,932	-	-	-	20,932
Sub-total assigned	<u>337,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>337,128</u>
Unassigned (deficit)	5,758,830	-	(101,402)	(39,203)	5,618,225
TOTAL FUND BALANCE	<u>\$ 6,278,515</u>	<u>\$ 7,958,706</u>	<u>\$ (101,402)</u>	<u>\$ 1,596,200</u>	<u>\$ 15,732,019</u>

The city lapses most encumbrances at year-end and re-appropriates them in the next year with the exception of construction contracts. Encumbrances for construction contracts were as follows:

Capital Improvement Fund	\$685,925
Street Improvement Fund	\$1,316,110

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

Prior Year Restatement:

Beginning net position of the SMA Enterprise Funds, the business-type activities, and the governmental activities were restated as follows:

	<u>Governmental Activities</u>	<u>SMA Enterprise Funds and Business- Type Activities</u>
Beginning net position as previously reported	\$ 48,482,876	\$ 44,002,593
Implementation of GASB Pension Statements 68 & 71	(17,178,626)	(1,369,715)
Under (Over) statement of capital assets	198,710	(534,445)
Beginning net position as restated	<u>\$ 31,502,960</u>	<u>\$ 42,098,433</u>

H. Postemployment Healthcare Plan

Plan Description. The City sponsors Medical, Rx, Dental, Vision and Life insurance to qualifying retirees and their dependents. Coverage is provided through fully-insured arrangements that collectively operate as a substantive single-employer defined benefit plan. Qualifying retirees are those employees who are eligible for immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter's Pension and Retirement System, or the Oklahoma Municipal Retirement Fund Employee Retirement System of Shawnee, Oklahoma. 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 rests with the City Council. Benefits are paid from general operating assets of the City.

Funding Policy. The contribution requirements of plan members and the City are established by the City Council. Annual health insurance premium amounts are established by the third party insurance provider. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2015, the actuarially expected City contribution in the form of net age adjustment was \$183,000 to the Plan. Plan members receiving benefits contributed \$292,000 of the total premiums, through their payment of the full carrier determined premium in FY 2015.

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

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015

Normal cost	\$ 242,730
Amortization of Actuarial Accrued Liability (AAL)	194,689
Annual Required Contribution (with Interest)	437,419
Interest on Net OPEB Obligation	54,141
Adjustment to the ARC	(67,462)
Annual OPEB cost (expense)	424,098
Employer Contributions of FY 15	(183,000)
Net OPEB obligation—beginning of year	1,546,953
Net OPEB obligation—end of year	<u><u>\$1,788,051</u></u>

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

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$333,228	23.1%	\$256,228
6/30/10	\$333,228	26.7%	\$500,456
6/30/11	\$349,530	25.2%	\$761,986
6/30/12	\$349,530	25.2%	\$1,023,518
6/30/13	\$385,718	32.1%	\$1,285,236
6/30/14	\$385,718	32.1%	\$1,546,953
6/30/15	\$424,100	43.2%	\$1,788,051

Funded Status and Funding Progress. As of July 1, 2014, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability (AAL) for benefits was \$4.31 million, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.31 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12.9 million, and the ratio of the UAAL to the covered payroll was 33.5 percent. Because the plan is a substantive plan there are no plan assets.

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

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015**

In the July 1, 2014, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 3.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the Plan at the valuation date, and an annual healthcare cost trend rate of 7.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after ten years. Inflation rate assumed is 3%. The UAAL is being amortized over 30 years based on a level percent-of-pay open-period basis. The remaining amortization period at July 1, 2014, was thirty years. As of the date of this valuation, there are no plan assets. Retiree premiums are paid as they come due from general operating assets of the City.

IV. Other Information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City has insurance for the major risks such as property and general liability, and is self-insured for workers' compensation and unemployment, with applicable excess loss coverage for workers' compensation. A third party worker's compensation administrator is used to evaluate claims and estimate the City's liability for outstanding claims not assumed by the issuer. The City is self-insured up to \$375,000 per occurrence and \$1,000,000 in the aggregate, and has obtained overlying insurance coverage for claims in excess of these amounts. Commercial insurance is used to cover general liability claims and the risk of loss to City buildings and mobile equipment. Judgments against the City may be paid by a property tax assessment over a three-year period. Claims have not exceeded coverage in the past three years.

Claims Liability Analysis

The claims liabilities related to the above noted risk of loss that is retained is determined in accordance with Generally Accepted Accounting Principles, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For the internal service self-insurance workers' compensation fund, changes in the claims liability for the City from July 1, 2013 to June 30, 2015, are as follows:

CLAIMS LIABILITY ANALYSIS

Claims liability, June 30, 2013	\$ 4,066,779
Claims and changes in estimates	303,066
Claims payments	<u>(537,043)</u>
Claims liability, June 30, 2014	3,832,802
Claims and changes in estimates	647,289
Claims payments	<u>(647,289)</u>
Claims liability, June 30, 2015	<u><u>\$ 3,832,802</u></u>

B. Commitments and contingent liabilities

Grant Program Involvement

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The Oklahoma Housing Finance Agency requires the City to maintain records supporting the banked program income that is necessary for participation in the Home Grant Program. As of June 30, 2015, the City's records indicate that the City's program income match of the Home Grant Program totaled \$753,550.

Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

Sales Tax Rebate Agreement

The City has entered into an agreement with the developer of the Shawnee Marketplace, a retail development, for an economic development incentive in the form of a sales tax rebate. The development will have approximately 125,000 square feet of retail space. Under the terms of the agreement, the City agrees to provide the developer, in the form of a rebate, an amount not to exceed \$3,750,000 in sales tax generated from the Project. The rebate will be provided based upon 2% of taxable sales generated from the project for six years, then 1.5% of sales for an additional three year for a total of nine years with a maximum of \$3,750,000, whichever comes first. The City only has to rebate the sales tax generated. The developer is not entitled to a rebate on occupants that relocated from another location within the city limits to the development. As of June 30, 2015, the project was partially complete, but not fully leased. The City owed the developer approximately \$78,000 for sales tax from April to June.

C. Employee retirement systems and pensions plans

The City of Shawnee participates in the Oklahoma State Police Pension and Retirement System and the Oklahoma State Firefighters' Pension and Retirement System, both of which are cost-sharing multiple-employer defined benefit pension plans administered by the State of Oklahoma. Additionally, for other City employees not covered by the other plans, the City of Shawnee maintains the Oklahoma Municipal Retirement Fund, an agent multiple employer defined benefit pension plan.

Oklahoma State Police Pension and Retirement System (OPPRS)

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

Summary of Significant Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (OPPRS) and additions to/deductions from OPPRS's fiduciary net position have been determined on the same basis as they are reported by OPPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

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

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015

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 \$414,687. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$402,755 during the calendar year and this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$339,265. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the City reported an asset of \$364,603 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2014. 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, 2014. Based upon this information, the City's proportion was 1.0829%.

For the year ended June 30, 2015, the City recognized pension expense of \$128,068. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 163,806
Net difference between projected and actual earnings on pension plan investments		1,281,523
City contributions subsequent to the measurement date	414,687	-
Total	<u>\$ 414,687</u>	<u>\$ 1,445,329</u>

The \$414,687 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

2016	\$	(354,295)
2017		(354,295)
2018		(354,295)
2019		(354,294)
2020		(28,150)
Thereafter		-

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	4.5% to 17% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA. Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA. Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA.

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014, are summarized in the following table:

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	2.83%
Domestic equity	6.47%
International equity	6.98%
Real estate	5.50%
Private Equity	5.96%
Commodities	3.08%

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

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

Sensitivity of the Net Pension Liability 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:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability (asset)	\$ 2,169,334	\$ (364,603)	\$ (2,500,148)

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.

Oklahoma State Firefighters' Pension and Retirement System (OFPRS)

Plan description - The City of Shawnee, 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.

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Summary of Significant Account Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (FPRS) and additions to/deductions from FPRS's fiduciary net position have been determined on the same basis as they are reported by FPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Benefits for members hired after November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have complete 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month. Benefits vest with 11 years or more of service.

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

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

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 \$439,464. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$942,294 which is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$892,197. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the City reported a liability of \$11,534,169 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by

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pension plan for all participating employers as of June 30, 2014. Based upon this information, the City's proportion was 1.1216%.

For the year ended June 30, 2015, the City recognized pension expense of \$1,051,890. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 274,818	\$ -
Net difference between projected and actual earnings on pension plan investments		1,745,957
City contributions subsequent to the measurement date	439,463	-
Total	<u>\$ 714,281</u>	<u>\$ 1,745,957</u>

The \$439,463 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (385,312)
2017	(385,312)
2018	(385,312)
2019	(385,312)
2020	51,176
Thereafter	18,933

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

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

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

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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, 2014, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	5.48%
Domestic equity	37%	9.61%
International equity	20%	9.24%
Real estate	10%	7.76%
Other assets	13%	6.88%

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

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

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability	\$ 15,061,189	\$ 11,534,169	\$ 8,577,152

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

Oklahoma Municipal Retirement Fund (OkMRF) Employee Retirement System of Shawnee, Oklahoma

Plan Description – The City contributes to an agent multiple employer defined benefit retirement plan, the Oklahoma Municipal Retirement Fund Employee Retirement System of Shawnee, Oklahoma (the Plan), which covers employees not covered by other plans, hired prior to July 1, 2013. The Plan operates as a trust maintained by the Oklahoma Municipal Retirement Fund (OKMRF). The OKMRF

NOTES TO FINANCIAL STATEMENTS
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board of trustees retains BankOne as custodian to hold the Plan's assets which are invested by various professional managers. OMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 100 N., Broadway, Oklahoma City, OK 73102 or from their website: www.okmrf.org/reports.html. Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

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/deduction 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.

Eligibility Factors and Benefit Provisions - All regular, full-time City employees not covered by other plans are required to participate in the Plan. Benefits vest after seven years of service. Employees, who retire at age 65 with completion of seven years of service, are entitled to an annual retirement benefit, payable monthly in an amount equal to 2.625% of final average compensation multiplied by the number of years of credited service. Final average compensation is defined as the average of the five highest consecutive annual salaries out of the last ten calendar years of service.

An employee is eligible for an early retirement benefit once he has attained age 55 and has completed seven years of service. The amount of benefit is determined based on the final average salary and credited service as of the date of termination. If benefit payments are to begin before age 65, the amount of benefit will be actuarially reduced. A late retirement benefit is computed in the same manner as a normal retirement based on average salary and credited service as of the termination of employment.

A participant who becomes totally and permanently disabled after completion of seven years of service will be entitled to a disability benefit based on average salary and service as of the date of disability but without actuarial reduction for payments beginning prior to normal retirement age.

Employee contributions are returned with accrued interest if their employment is terminated prior to completion of seven years of service. A death benefit is payable after seven years of service based on 50% of the employee's accrued benefit. This benefit is payable for life or until remarriage of the surviving spouse.

The plan was frozen on September 1, 2013. All participants who elected to cease participation in the Plan by making a one-time election to participate in the City of Shawnee Defined Contribution Plan ceased accrual of Service for purposes of calculating pension benefits under the Plan. Any such Plan participant who was an active participant prior to July 1, 2013, may continue to earn years of service for vesting purposes and satisfying modified Rule of 80 after August 31, 2013, under this Plan but will not continue to earn years of service for calculating pension benefits under the Plan. Plan participants who elected to cease participation in the plan by making a one-time election to participate in the City of Shawnee Defined Contribution Plan will have their benefit calculation for average monthly compensation by using compensation through August 31, 2013. New hires beginning on July 1, 2013, participate in a Defined Contribution Plan.

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

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contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. For the year ended June 30, 2015, employees were required to contribute 4.25% of annual compensation while the City contributed 18.12%, the actuarially required contribution rate. Contributions to the Plan for the year ended June 30, 2015, for employees and employer were \$161,525 and \$688,665, respectively. For the year ended June 30, 2015, the City's covered payroll was \$3,800,578. Covered payroll refers to all compensation paid by the City of Shawnee to active employees covered by the Plan on which contributions are based.

Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2014
Actuarial Cost Method	Entry age normal
Rate of return on investments and Discount Rate	7.75% compounded annually
Projected salary increases	Varies between 7.472% and 4% based upon age
Post Retirement Cost-of-Living Increase	None
Inflation rate	3% per annum
Percentage of married employees	100%
Mortality rates – before and after retirement	UP 1994, with projected mortality improvement
Spouse age difference	3 years (female spouses younger)
Turnover	Select and ultimate rates. Ultimate rates are age-related as shown: Additional rates per thousand are added during the first 5 years: Year 1: 215 Year 2: 140 Year 3: 95 Year 4: 65 Year 5: 40
Date of last experience study	September 2012 for fiscal years 2007 through 2011

Discount Rate – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.5% since the plan's net fiduciary position is projected to be sufficient to make projected benefit payments.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.0%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2014 are summarized in the following table:

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	<u>Target Allocation</u>	<u>Real Return</u>	<u>Weighted Return</u>
Large cap stocks S&P 500	25%	5.40%	1.35%
Small/mid cap stocks Russell 2500	10%	7.50%	0.75%
Long/short equity MSCI ACWI	10%	6.10%	0.61%
International stocks MSCI EAFE	20%	5.10%	1.02%
Fixed income bonds Barclay's Capital Aggregate	30%	2.60%	0.78%
Real estate NCREIF	5%	4.80%	0.24%
Cash equivalents 3 month Treasury	0%	0.00%	0.00%
	<hr/>		<hr/>
TOTAL	<u>100%</u>		
Average Real Return			4.75%
Inflation			3.00%
Long-term expected return			<u>7.75%</u>

Changes in Net Pension Liability – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2014 which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2014 and the City's report ending date of June 30, 2015, that would have had a significant impact on the net pension liability. The following table reports the components of changes in net pension liability:

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	SCHEDULE OF CHANGES IN NET PENSION LIABILITY		
	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances Beginning of Year	<u>\$ 36,853,488</u>	<u>\$ 31,481,171</u>	<u>\$ 5,372,317</u>
Changes for the Year:			
Service cost	527,985	-	527,985
Interest expense	2,818,812	-	2,818,812
Contributions--City	-	842,919	(842,919)
Contributions--members	-	139,787	(139,787)
Net investment income	-	5,094,596	(5,094,596)
Benefits paid	(2,057,807)	(2,057,807)	-
Plan administrative expenses	-	(131,981)	131,981
Benefit changes due to plan amendments	(1,902,290)	-	(1,902,290)
Change in deferred contributions made subsequent to the measurement date	-	-	-
Net Changes	<u>(613,300)</u>	<u>3,887,514</u>	<u>(4,500,814)</u>
Balances End of Year	<u>\$ 36,240,188</u>	<u>\$ 35,368,685</u>	<u>\$ 871,503</u>

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the City, calculated using the discount rate of 7.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability (Asset)	\$ 5,301,973	\$ 871,503	\$ (2,814,093)

The City reported \$1,206,629 in pension expense of the year ended June 30, 2015. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 2,451,267
City contributions subsequent to the measurement date	688,665	-
Total	<u>\$ 688,665</u>	<u>\$ 2,451,267</u>

The \$688,665 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, 2015. Any amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended December 31:

2016	\$	(612,816)
2017		(612,816)
2018		(612,816)
2019		(612,819)
	\$	<u>(2,451,267)</u>

Oklahoma Municipal Retirement Fund Defined Contribution Plan (the Plan, original plan prior to July 1, 2013 as amended)

Plan Description – The City has also provided a defined contribution plan and trust known as the City of Shawnee Plan and Trust (the Plan) in the form of The Oklahoma Municipal Retirement Fund Master Defined Contribution Plan (OMRF). The Plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. The defined contribution plan is available to all full-time employees except those participating in the state of Oklahoma fire or police program. Separately audited financial statements are not available.

OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. Benefits depend solely on amounts contributed to the Plan plus investment earnings.

Funding Policy – Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate upon employment, and must make a mandatory minimum pre-tax contribution of 4.25%. Employees are allowed to contribute in excess of the 4.25%; however, these contributions are not pre-tax. Beginning July 1, 2013, by City ordinance, the City, as the employer, is required to make variable contributions to the Plan, based on employee's years of service. Employer contributions for employees hired prior to July 1, 2013 were as follows: zero to five years of service 5%, five to ten years of service 10%, and ten or more years of service 15%. Employer contributions for employees hired after July 1, 2013 were as follows: zero to five years of service 3%, five to ten years of service 6%, and ten or more years of service 9%. The employee is fully vested after 7 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting are allocated back to remaining eligible participants. The authority to establish and amend the provisions of the Plan rests with the City Commission. Contributions to the Plan for the year ended June 30, 2015, for employees who were hired prior to July 1, 2013 and employer were \$98,923 and \$177,917, respectively on covered wages of \$2,327,603. Contributions for employees hired after July 1, 2013 and employer were \$55,268 and \$39,012, respectively on covered wages of \$1,300,418.

Oklahoma Municipal Retirement Fund Defined Contribution Department Head and City Manager Plan (the DH Plan)

CMO and DH Plan Description – Effective May 1, 2008, the City has also provided a defined contribution plan and trust known as the City of Shawnee Department Head and City Manager Retirement Plan and Trust (the DH Plan) in the form of The Oklahoma Municipal Retirement Fund Master Defined Contribution Plan (OMRF). The DH Plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. The DH Plan is available to all full-time employees defined as

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Department Head or City Manager except those participating in the state of Oklahoma fire or police program. Separate audited GAAP – basis financial statements are not available.

OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. Benefits depend solely on amounts contributed to the DH Plan plus investment earnings.

Funding Policy – Benefits depend solely on amounts contributed to the DH Plan plus investment earnings. Employees are eligible to participate upon employment, and must make a mandatory minimum pre-tax contribution of 3.75% with the police and fire chief contributing 8%. Employees are allowed to contribute in excess of the 8%; however, these contributions are not pre-tax. By City ordinance, the City, as the employer, is required to make at least 5% contributions to the DH Plan and could be higher, based on availability of funds. The employee is fully vested upon employment. The authority to establish and amend the provisions of the DH Plan rests with the City Commission. Contributions to the DH Plan for the year ended June 30, 2015, for employees and employer were \$41,190 and \$54,920, on covered wages of \$1,105,349.

Oklahoma Municipal Retirement Fund Defined Contribution Special Incentive Plan

Effective July 1, 2013, the City has also provided a defined contribution plan and trust known as the City of Shawnee Special Incentive Plan (the Plan) in the form of The Oklahoma Municipal Retirement Fund Master Defined Contribution Plan (OMRF). The Plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. The Plan is available to any employee in the position of Department Head or City Manager on July 1, 2013 except those participating in the state of Oklahoma fire or police program, or any person in the position of Fire Chief or Police Chief and who is covered under another retirement program. Separate audited GAAP – basis financial statements are not available.

OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. Benefits depend solely on amounts contributed to the Plan plus investment earnings.

Funding Policy – Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees do not contribute to the plan. By City ordinance, the City, as the employer, is required to make a \$5,000 contribution for each of the five plan years during the period beginning July 1, 2013 and ending July 30, 2018, provided that the employee will be entitled to the employer contribution only if he or she was employed on the last day of the applicable plan year in the same or higher position as he/she had on the effective date of the plan. The employee is fully vested upon five years of service beginning on July 1, 2013, service prior to July 1, 2013 will not be counted. The authority to establish and amend the provisions of the Plan rests with the City Commission. Contributions to the Plan for the year ended June 30, 2015, were not made until July 2014 totaling \$50,000.

City of Shawnee 457 Deferred Compensation Plan (DC Plan)

Plan Description – The City of Shawnee 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 Nationwide Retirement Solutions, Inc. Separate audited GAAP – basis financial statements are not available.

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CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015

Funding Policy – DC Plan participants may contribute up to \$15,000 of eligible compensation per year. During the year ended June 30, 2015, employees contributed \$4,225 to the DC Plan.

ICMA Retirement Deferred Compensation Plan (the ICMA Plan)

In addition to the above plans, the City of Shawnee offers a retirement plan through ICMA which is totally employee funded. Employee contributions to the ICMA Plan for the year ended June 30, 2015, were \$3,120. Separately audited financial statements are not available.

D. New Accounting Pronouncements

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

Statement No. 72, *Fair Value Measurement and Application* – GASB No. 72 was issued in February 2015, and addresses issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Statement is effective for financial statements for period beginning after June 15, 2015. At this time the impact to the city is unknown.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* – GASB No. 73 was issued in June 2015 and establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* - GASB No. 74 was issued in June 2015, and replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – GASB No. 75 was issued in June 2015, and addresses accounting and financial reporting or OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2015

inflows of resources, and expense/expenditures. For a defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for fiscal years beginning after June 15, 2017. The City has not yet determined the impact that implementation of GASB 75 will have on its net position, although it may be material.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* – GASB No. 76 was issued in June 2015, and was issued to identify the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

GASB Statement No. 77, *Tax Abatement Disclosures* - GASB 77 was issued in August 2015, and establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government’s tax revenues. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SHAWNEE, OKLAHOMA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
(BUDGETARY BASIS) BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 15,653,000	\$ 15,653,000	\$ 14,615,131	\$ (1,037,869)
Licenses and permits	236,000	236,000	179,307	(56,693)
Intergovernmental	1,790,055	1,778,755	2,532,993	754,238
Charges for services	178,215	178,465	225,293	46,828
Fees and fines	884,000	884,000	672,822	(211,178)
Investment earnings	7,200	7,200	18,429	11,229
Miscellaneous	137,050	136,800	224,452	87,652
Total revenues	<u>18,885,520</u>	<u>18,874,220</u>	<u>18,468,427</u>	<u>(405,793)</u>
EXPENDITURES				
Departmental:				
<i>General Government:</i>				
City manager	470,703	458,703	631,412	(172,709)
City attorney	356,519	356,519	256,354	100,165
Human resources	400,634	400,635	379,746	20,889
City clerk	332,115	332,116	286,517	45,599
Accounting	506,290	506,290	526,838	(20,548)
Municipal court	564,405	564,406	538,902	25,504
Information services	398,560	398,560	400,202	(1,642)
Engineering	553,388	553,388	384,817	168,571
Equipment services	382,596	382,596	382,227	369
Building maintenance	78,065	78,045	77,487	558
<i>Total General Government</i>	<u>4,043,275</u>	<u>4,031,258</u>	<u>3,864,502</u>	<u>166,756</u>
<i>Public Safety:</i>				
Police administration	562,965	562,965	542,007	20,958
Police operations	4,923,321	4,923,321	5,106,164	(182,843)
Disptach	647,416	647,416	658,323	(10,907)
Criminal investigations	598,709	598,709	698,747	(100,038)
Unzer Center	91,613	63,892	69,781	(5,889)
Animal Control	260,685	260,685	241,131	19,554
Code Compliance	815,204	815,204	701,602	113,602
Fire suppression	4,721,607	4,721,607	4,881,872	(160,265)
Fire prevention	626,067	626,067	543,987	82,080
Emergency Management	318,958	348,958	494,717	(145,759)
Fire Training	188,923	188,923	183,839	5,084
L.E.P.C	5,550	5,550	6,979	(1,429)
<i>Total Public Safety</i>	<u>13,761,018</u>	<u>13,763,297</u>	<u>14,129,149</u>	<u>(365,852)</u>
<i>Street:</i>				
Street	942,098	942,098	915,407	26,691
Traffic control	293,720	293,720	268,319	25,401
<i>Total Street</i>	<u>1,235,818</u>	<u>1,235,818</u>	<u>1,183,726</u>	<u>52,092</u>
<i>Culture and Recreation:</i>				
Expo Operations	542,576	543,726	560,613	(16,887)
Municipal auditorium	10,000	26,742	19,395	7,347
Senior citizens	79,291	97,014	95,318	1,696
Community center	45,000	45,000	47,217	(2,217)
Cemetery	201,860	201,860	194,928	6,932
Parks	851,292	851,292	894,865	(43,573)
<i>Total Culture and Recreation</i>	<u>1,730,019</u>	<u>1,765,634</u>	<u>1,812,336</u>	<u>(46,702)</u>
Total Expenditures	<u>20,770,130</u>	<u>20,796,007</u>	<u>20,989,713</u>	<u>(193,706)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,884,610)</u>	<u>(1,921,787)</u>	<u>(2,521,286)</u>	<u>(599,499)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,189,586	2,189,586	2,169,717	(19,869)
Transfers out	(104,000)	(104,000)	(85,390)	18,610
Interaccount transfer out	-	-	(88,999)	(88,999)
Total other financing sources and uses	<u>2,085,586</u>	<u>2,085,586</u>	<u>1,995,328</u>	<u>(90,258)</u>
Net change in fund balances	200,976	163,799	(525,958)	(689,757)
Fund balances - beginning	6,793,145	6,793,145	6,488,813	(304,332)
Fund balances - ending	<u>\$ 6,994,121</u>	<u>\$ 6,956,944</u>	<u>\$ 5,962,855</u>	<u>\$ (994,089)</u>

CITY OF SHAWNEE, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

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

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

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

General Fund –

City manager	\$172,709
Accounting	20,548
Information services	1,642
Police	182,843
Dispatch	10,907
Criminal investigations	100,038
Unzer center	5,889
Fire suppression	160,265
Emergency management	145,759
LEPC	1,429
Expo operations	16,887
Community center	2,217
Parks	43,573
Transfers	88,999

CITY OF SHAWNEE, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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

Budgetary Accounting

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

The following is a reconciliation of the difference in budget and actual:

	General Fund
Total revenue - budgetary basis	\$ 20,638,144
Total expenses - budgetary basis	(21,164,102)
Change in fund balance - budgetary basis	(525,958)
Add change in fund balance of accounts combined for reporting purposes:	
Revolving Oil and Gas account	9,250
Spay and Neuter account	1,426
Aquatic center	21,070
Library account	(6,373)
Change in fund balance - GAAP basis	\$ (500,585)

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

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2015**

Schedules of Required Supplementary Information

Schedule of the City of Shawnee Proportionate Share of the Net Pension Liability (Asset) –
Oklahoma Police Pension & Retirement System
Last Ten Fiscal Years*

	<u>2014</u>
City's proportion of the net pension liability (asset)	1.0829%
City's proportionate share of the net pension liability (asset)	\$ (364,603)
City's covered-employee payroll	\$3,199,606
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(11.40%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.53%

Notes to Schedule:

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

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2015**

Schedule of City Contributions
Oklahoma Police Pension & Retirement System
Last Ten Fiscal Years*

	<u>2014</u>
Statutorially required contribution	\$ 414,687
Contributions in relation to the statutorially required contribution	<u>414,687</u>
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	\$ 3,199,606
Contributions as a percentage of covered-employee payroll	12.96%

Notes to Schedule:

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

Schedule of the City of Shawnee Proportionate Share of the Net Pension Liability (Asset) –
Oklahoma Fire Pension & Retirement System
Last Ten Fiscal Years*

	<u>2014</u>
City's proportion of the net pension liability	1.121621%
City's proportionate share of the net pension liability	\$ 11,534,169
City's covered-employee payroll	\$ 3,140,982
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	367%
Plan fiduciary net position as a percentage of the total pension liability	68.12%

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

Notes to Schedule:

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

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2015**

Schedule of City Contributions
Oklahoma Fire Pension & Retirement System
Last Ten Fiscal Years*

	<u>2014</u>
Statutorially required contribution	\$ 439,463
Contributions in relation to the statutorially required contribution	<u>439,463</u>
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	\$ 3,140,982
Contributions as a percentage of covered-employee payroll	13.99%

Notes to Schedule:

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

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2015**

Schedule of Changes in Net Pension Liability and Related Ratios
Oklahoma Municipal Retirement Fund

	2014
Total pension liability	
Service cost	\$ 527,985
Interest	2,818,812
Changes of benefit terms	(1,902,290)
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(2,057,807)
Net change in total pension liability	<u>(613,300)</u>
Total pension liability - beginning	<u>36,853,488</u>
Total pension liability - ending (a)	<u><u>\$ 36,240,188</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 842,919
Contributions - member	139,787
Net investment income	5,094,596
Benefit payments, including refunds of member contributions	(2,057,807)
Administrative expense	(131,982)
Other	-
Net change in plan fiduciary net position	<u>3,887,513</u>
Plan fiduciary net position - beginning	<u>31,481,172</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 35,368,685</u></u>
Net pension liability (asset) - ending (a) - (b)	<u><u>\$ 871,503</u></u>
Plan fiduciary net position as a percentage of the total pension liability	97.60%
Covered employee payroll	\$ 3,765,863
Net pension liability as a percentage of covered-employee payroll	23.14%

Notes to Schedule:

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

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2015**

Schedule of City Contributions
Oklahoma Municipal Retirement Fund
Last Ten Fiscal Years*

	<u>2014</u>
Actuarially determined contribution	\$ 688,665
Contributions in relation to the actuarially determined contribution	688,665
Contribution deficiency (excess)	<u>\$ -</u>
Covered employee payroll	\$ 3,800,578
Contributions as a percentage of covered-employee payroll	18.12%

Notes to Schedule:

1. Only the current fiscal year is presented because 10-year data is not yet available.
2. Latest Valuation Date: July 1, 2014
3. Actuarially determined contribution rate is calculated as of July 1, 2014
July 2014 through June 15 contributions were at a rate of 18.12%.
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%

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS
JUNE 30, 2015**

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

	July 1, 2008	July 1, 2010	July 1, 2012	July 1, 2014
Actuarial accrued liability - AAL (a)	\$3,519,267	\$3,480,146	\$3,905,813	\$4,313,412
Actuarial value of plan assets (b)	-	-	-	-
Unfunded actuarial accrued liability – UAAL (funding excess) (a) – (b)	3,519,267	3,480,146	3,905,813	4,313,412
Funded ratio (b)/(a)	-	-	-	-
Covered payroll (c)	9,812,016	10,020,000	10,446,900	12,893,000
UAAL (funding excess) as a % of covered payroll [UAAL/(c)]	35.9%	34.7%	37.4%	33.5%

SUPPLEMENTARY INFORMATION

City of Shawnee, Oklahoma
Combining Balance Sheet – General Fund Accounts
June 30, 2015

	General Fund	Revolving Oil & Gas	Spay and Neuter	Aquatic Center	Library	Senior Citizens	Sister Cities	Total General Fund
ASSETS								
Cash and cash equivalents	\$ 213,857	\$ 273,979	\$ 20,932	\$ 15,532	\$ -	\$ 21,147	\$ -	\$ 545,447
Investments	1,150,333	-	-	-	-	-	-	1,150,333
Interest receivable	1,050	-	-	-	-	-	-	1,050
Receivable from other governments	265,473	-	-	-	-	-	-	265,473
Due from other funds	3,261,534	-	-	-	-	-	-	3,261,534
Taxes receivable, net	1,799,176	-	-	-	-	-	-	1,799,176
Court fines receivable, net	232,091	-	-	-	-	-	-	232,091
Other receivables	136,813	-	-	24,201	-	-	-	161,014
Prepaid items	182,557	-	-	-	-	-	-	182,557
Total assets	<u>7,242,884</u>	<u>273,979</u>	<u>20,932</u>	<u>39,733</u>	<u>-</u>	<u>21,147</u>	<u>-</u>	<u>7,598,675</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable	525,884	-	-	18,663	6,689	-	-	551,236
Accrued payroll payable	316,131	-	-	-	-	-	-	316,131
Due to other funds	273,383	-	-	-	13,529	-	1,250	288,162
Due to bondholders	18,092	-	-	-	-	-	-	18,092
Total liabilities	<u>1,133,490</u>	<u>-</u>	<u>-</u>	<u>18,663</u>	<u>20,218</u>	<u>-</u>	<u>1,250</u>	<u>1,173,621</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred revenue	<u>146,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,539</u>
Fund balances:								
Nonspendable	182,557	-	-	-	-	-	-	182,557
Assigned	-	273,979	20,932	21,070	-	21,147	-	337,128
Unassigned (deficit)	5,780,298	-	-	-	(20,218)	-	(1,250)	5,758,830
Total fund balances	<u>5,962,855</u>	<u>273,979</u>	<u>20,932</u>	<u>21,070</u>	<u>(20,218)</u>	<u>21,147</u>	<u>(1,250)</u>	<u>6,278,515</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,242,884</u>	<u>\$ 273,979</u>	<u>\$ 20,932</u>	<u>\$ 39,733</u>	<u>\$ -</u>	<u>\$ 21,147</u>	<u>\$ -</u>	<u>\$ 7,598,675</u>

City of Shawnee, Oklahoma
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund Accounts
Year Ended June 30, 2015

	General Fund	Revolving Oil & Gas	Spay and Neuter	Aquatic Center	Library	Senior Citizens	Sister Cities	Total General Fund
REVENUES								
Taxes	\$ 14,615,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,615,131
Intergovernmental	2,532,993	-	-	25,000	-	-	-	2,557,993
Licenses and permits	179,307	9,250	-	-	-	-	-	188,557
Charges for services	225,293	-	-	42,010	-	-	-	267,303
Fees and fines	672,822	-	3,501	-	-	-	-	676,323
Investment earnings	18,429	-	-	-	-	-	-	18,429
Miscellaneous	224,452	-	-	-	-	-	7,484	231,936
Total revenues	<u>18,468,427</u>	<u>9,250</u>	<u>3,501</u>	<u>67,010</u>	<u>-</u>	<u>-</u>	<u>7,484</u>	<u>18,555,672</u>
EXPENDITURES								
Current:								
General government	2,981,912	-	-	-	-	-	-	2,981,912
Engineering	384,817	-	-	-	-	-	-	384,817
Equipment and building maintenance	459,714	-	-	-	-	-	-	459,714
Police	6,403,457	-	-	-	-	-	-	6,403,457
Fire	5,787,238	-	-	-	-	-	-	5,787,238
Municipal court	538,902	-	-	-	-	-	-	538,902
Emergency management	317,177	-	-	-	-	-	-	317,177
Streets	1,183,726	-	-	-	-	-	-	1,183,726
Parks and recreation	894,865	-	-	45,940	-	-	-	940,805
Culture and recreation	161,930	-	-	-	-	-	-	161,930
Animal control/E911	894,688	-	2,075	-	-	-	-	896,763
Cemetery	194,928	-	-	-	-	-	-	194,928
Library	-	-	-	-	95,372	-	-	95,372
Economic development	560,613	-	-	-	-	-	22,484	583,097
Capital Outlay	<u>225,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,746</u>
Total expenditures	<u>20,989,713</u>	<u>-</u>	<u>2,075</u>	<u>45,940</u>	<u>95,372</u>	<u>-</u>	<u>22,484</u>	<u>21,155,584</u>
Excess (deficiency) of revenues over expenditures	<u>(2,521,286)</u>	<u>9,250</u>	<u>1,426</u>	<u>21,070</u>	<u>(95,372)</u>	<u>-</u>	<u>(15,000)</u>	<u>(2,599,912)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in - interaccount	-	-	-	-	88,999	-	-	88,999
Transfers out - interaccount	(88,999)	-	-	-	-	-	-	(88,999)
Transfers in	2,169,717	-	-	-	-	-	15,000	2,184,717
Transfers out	(85,390)	-	-	-	-	-	-	(85,390)
Total other financing sources and uses	<u>1,995,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,999</u>	<u>-</u>	<u>15,000</u>	<u>2,099,327</u>
Net change in fund balances	(525,958)	9,250	1,426	21,070	(6,373)	-	-	(500,585)
Fund balances - beginning	6,488,813	264,729	19,506	-	(13,845)	21,147	(1,250)	6,779,100
Fund balances - ending	<u>\$ 5,962,855</u>	<u>\$ 273,979</u>	<u>\$ 20,932</u>	<u>\$ 21,070</u>	<u>\$ (20,218)</u>	<u>\$ 21,147</u>	<u>\$ (1,250)</u>	<u>\$ 6,278,515</u>

City of Shawnee, Oklahoma
Budget versus Actual – General Fund Accounts
Year Ended June 30, 2015

	Revolving Oil & Gas Fund				Spay and Neuter Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and permits	\$ 11,500	\$ 11,500	\$ 9,250	\$ (2,250)	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	7,000	7,000	3,501	(3,499)
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	11,500	11,500	9,250	(2,250)	7,000	7,000	3,501	(3,499)
EXPENDITURES								
Departmental:								
Animal Control	-	-	-	-	5,500	5,500	2,075	3,425
Economic Development	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-
Parks and Recreation	10,250	10,250	-	10,250	-	-	-	-
Senior Citizens	-	-	-	-	-	-	-	-
Total Expenditures	10,250	10,250	-	10,250	5,500	5,500	2,075	3,425
Total Expenditures	10,250	10,250	-	10,250	5,500	5,500	2,075	3,425
Excess (deficiency) of revenues over expenditures	1,250	1,250	9,250	8,000	1,500	1,500	1,426	(74)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-
Net change in fund balances	1,250	1,250	9,250	8,000	1,500	1,500	1,426	(74)
Fund balances - beginning	266,279	266,279	264,729	(1,550)	17,261	17,261	19,506	2,245
Fund balances - ending	\$ 267,529	\$ 267,529	\$ 273,979	\$ 6,450	\$ 18,761	\$ 18,761	\$ 20,932	\$ 2,171

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – General Fund Accounts
Year Ended June 30, 2015

	Library Fund				Aquatic Center			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	25,000	25,000
Fees and fines	-	-	-	-	-	-	42,010	42,010
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	67,010	67,010
EXPENDITURES								
Departmental:								
Animal Control	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Library	83,800	83,800	95,372	(11,572)	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	45,940	(45,940)
Senior Citizens	-	-	-	-	-	-	-	-
Total Expenditures	83,800	83,800	95,372	(11,572)	-	-	45,940	(45,940)
Total Expenditures	83,800	83,800	95,372	(11,572)	-	-	45,940	(45,940)
Excess (deficiency) of revenues over expenditures	(83,800)	(83,800)	(95,372)	(11,572)	-	-	21,070	21,070
OTHER FINANCING SOURCES (USES)								
Transfers in	74,000	74,000	88,999	14,999	-	-	-	-
Total other financing sources and uses	74,000	74,000	88,999	14,999	-	-	-	-
Net change in fund balances	(9,800)	(9,800)	(6,373)	3,427	-	-	21,070	21,070
Fund balances - beginning	19,992	19,992	(13,845)	(33,837)	-	-	-	-
Fund balances - ending	\$ 10,192	\$ 10,192	\$ (20,218)	\$ (30,410)	\$ -	\$ -	\$ 21,070	\$ 21,070

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – General Fund Accounts
Year Ended June 30, 2015

	Sister Cities Fund			<u>Variance with Final</u>
	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Budget - Positive</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>(Negative)</u>
REVENUES				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	16,000	16,000	7,484	(8,516)
Total revenues	<u>16,000</u>	<u>16,000</u>	<u>7,484</u>	<u>(8,516)</u>
EXPENDITURES				
Departmental:				
Animal Control	-	-	-	-
Economic Development	31,000	31,000	22,484	8,516
Library	-	-	-	-
Parks and Recreation	-	-	-	-
Senior Citizens	-	-	-	-
<i>Total Expenditures</i>	<u>31,000</u>	<u>31,000</u>	<u>22,484</u>	<u>8,516</u>
Total Expenditures	<u>31,000</u>	<u>31,000</u>	<u>22,484</u>	<u>8,516</u>
Excess (deficiency) of revenues over expenditures	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	15,000	15,000	-
Total other financing sources and uses	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	1,191	1,191	(1,250)	(2,441)
Fund balances - ending	<u>\$ 1,191</u>	<u>\$ 1,191</u>	<u>\$ (1,250)</u>	<u>\$ (2,441)</u>

City of Shawnee, Oklahoma
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2015

	Street and Alley Fund	E-911 Fund	Economic Development Fund	Hotel/Motel Fund	Police Sales Tax Fund	Fire Sales Tax Fund	CDBG/Home Grants Funds
ASSETS							
Cash and cash equivalents	\$ 10,783	\$ 55,809	\$ 148,383	\$ 237,439	\$ 2,236	\$ 2,351	\$ 482,391
Interest receivable	-	-	26	-	33	33	-
Receivable from other governments	-	-	-	-	-	-	7,650
Due from other funds	-	-	-	-	-	-	-
Taxes receivable, net	-	-	37,247	46,730	46,559	46,559	-
Other receivables	22,938	18,312	-	-	-	-	653,546
Prepaid expenditures	-	38,367	-	-	-	-	733
Total assets	<u>33,721</u>	<u>112,488</u>	<u>185,656</u>	<u>284,169</u>	<u>48,828</u>	<u>48,943</u>	<u>1,144,320</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	68,859	61,736	-	88,907	-	-	38,813
Due to other funds	4,065	-	-	138,997	-	-	278,169
Unearned revenue	-	-	-	-	-	-	653,190
Total liabilities	<u>72,924</u>	<u>61,736</u>	<u>-</u>	<u>227,904</u>	<u>-</u>	<u>-</u>	<u>970,172</u>
Fund balances:							
Nonspendable	-	38,367	-	-	-	-	-
Restricted	-	12,385	185,656	56,265	48,828	48,943	174,148
Unassigned (deficit)	(39,203)	-	-	-	-	-	-
Total fund balances	<u>(39,203)</u>	<u>50,752</u>	<u>185,656</u>	<u>56,265</u>	<u>48,828</u>	<u>48,943</u>	<u>174,148</u>
Total liabilities and fund balances	<u>\$ 33,721</u>	<u>\$ 112,488</u>	<u>\$ 185,656</u>	<u>\$ 284,169</u>	<u>\$ 48,828</u>	<u>\$ 48,943</u>	<u>\$ 1,144,320</u>

(continued)

City of Shawnee, Oklahoma
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2015

	Cemetery Care Fund	Gifts and Contribution Fund	Tax Increment Financing Fund	Drug Forfeiture Fund	1994 Street Improvement Fund	Debt Service Fund	Total Other Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 177,962	\$ 89,124	\$ 575,510	\$ 8,361	\$ 77,667	\$ 138,094	\$ 2,006,110
Interest receivable	-	-	-	-	-	-	92
Receivable from other governments	-	-	-	-	-	-	7,650
Due from other funds	-	4,023	-	-	-	-	4,023
Taxes receivable, net	-	-	-	-	-	-	177,095
Other receivables	-	-	70	-	-	-	694,866
Prepaid expenditures	-	-	-	-	-	-	39,100
Total assets	<u>177,962</u>	<u>93,147</u>	<u>575,580</u>	<u>8,361</u>	<u>77,667</u>	<u>138,094</u>	<u>2,928,936</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	-	-	-	-	-	-	258,315
Due to other funds	-	-	-	-	-	-	421,231
Unearned revenue	-	-	-	-	-	-	653,190
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,332,736</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	38,367
Restricted	177,962	93,147	575,580	8,361	77,667	138,094	1,597,036
Unassigned (deficit)	-	-	-	-	-	-	(39,203)
Total fund balances	<u>177,962</u>	<u>93,147</u>	<u>575,580</u>	<u>8,361</u>	<u>77,667</u>	<u>138,094</u>	<u>1,596,200</u>
Total liabilities and fund balances	<u>\$ 177,962</u>	<u>\$ 93,147</u>	<u>\$ 575,580</u>	<u>\$ 8,361</u>	<u>\$ 77,667</u>	<u>\$ 138,094</u>	<u>\$ 2,928,936</u>

City of Shawnee, Oklahoma
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
Year Ended June 30, 2015

	Street and Alley Fund	E-911 Fund	Economic Development Fund	Hotel/Motel Fund	Police Sales Tax Fund	Fire Sales Tax Fund	CDBG/Home Grants Funds
REVENUES							
Taxes	\$ 291,839	\$ 216,084	\$ 288,611	\$ 505,637	\$ 360,751	\$ 360,751	\$ -
Fees and fines	-	-	-	-	-	-	-
Licenses and permits	1,125	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	286,086
Charges for services	-	-	-	-	-	-	-
Investment earnings	-	-	218	-	275	274	-
Miscellaneous	6,358	-	-	-	-	-	108,273
Total revenues	<u>299,322</u>	<u>216,084</u>	<u>288,829</u>	<u>505,637</u>	<u>361,026</u>	<u>361,025</u>	<u>394,359</u>
EXPENDITURES							
Current:							
Police	-	-	-	-	-	-	-
Streets	420,911	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Animal Control/E911	-	150,198	-	-	-	-	-
Economic development	-	-	285,166	485,623	-	-	386,790
Capital Outlay	-	568,319	-	-	-	-	27,916
Total Expenditures	<u>420,911</u>	<u>718,517</u>	<u>285,166</u>	<u>485,623</u>	<u>-</u>	<u>-</u>	<u>414,706</u>
Excess (deficiency) of revenues over expenditures	<u>(121,589)</u>	<u>(502,433)</u>	<u>3,663</u>	<u>20,014</u>	<u>361,026</u>	<u>361,025</u>	<u>(20,347)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	85,390	-	-	-	-	-	-
Transfers out	-	-	(15,000)	-	(359,859)	(359,858)	-
Total other financing sources and uses	<u>85,390</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>(359,859)</u>	<u>(359,858)</u>	<u>-</u>
Net change in fund balances	(36,199)	(502,433)	(11,337)	20,014	1,167	1,167	(20,347)
Fund balances - beginning	(3,004)	553,185	196,993	36,251	47,661	47,776	194,495
Fund balances - ending	<u>\$ (39,203)</u>	<u>\$ 50,752</u>	<u>\$ 185,656</u>	<u>\$ 56,265</u>	<u>\$ 48,828</u>	<u>\$ 48,943</u>	<u>\$ 174,148</u>

(continued)

City of Shawnee, Oklahoma
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
Year Ended June 30, 2015

	Cemetery Care Fund	Gifts and Contribution Fund	Tax Increment Financing Fund	Drug Forfeiture Fund	1994 Street Improvement Fund	Debt Service Fund	Total Other Governmental Funds
REVENUES							
Taxes	\$ -	\$ -	\$ 56,623	\$ -	\$ -	\$ -	\$ 2,080,296
Fees and fines	-	-	-	9,080	-	-	9,080
Licenses and permits	-	-	-	-	-	-	1,125
Intergovernmental	-	-	-	-	-	-	286,086
Charges for services	1,300	-	-	-	-	-	1,300
Investment earnings	-	-	-	-	-	-	767
Miscellaneous	3,104	1,496	-	-	-	26,830	146,061
Total revenues	<u>4,404</u>	<u>1,496</u>	<u>56,623</u>	<u>9,080</u>	<u>-</u>	<u>26,830</u>	<u>2,524,715</u>
EXPENDITURES							
Current:							
Police	-	-	-	8,618	-	-	8,618
Streets	-	-	-	-	-	-	420,911
Parks and recreation	-	-	-	-	-	-	-
Animal Control/E911	-	-	-	-	-	-	150,198
Economic development	-	-	-	-	-	-	1,157,579
Capital Outlay	2,158	-	-	-	-	-	598,393
Total Expenditures	<u>2,158</u>	<u>-</u>	<u>-</u>	<u>8,618</u>	<u>-</u>	<u>-</u>	<u>2,335,699</u>
Excess (deficiency) of revenues over expenditures	<u>2,246</u>	<u>1,496</u>	<u>56,623</u>	<u>462</u>	<u>-</u>	<u>26,830</u>	<u>189,016</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	85,390
Transfers out	-	-	-	-	-	(50,000)	(784,717)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>(699,327)</u>
Net change in fund balances	2,246	1,496	56,623	462	-	(23,170)	(510,311)
Fund balances - beginning	175,716	91,651	518,957	7,899	77,667	161,264	2,106,511
Fund balances - ending	<u>\$ 177,962</u>	<u>\$ 93,147</u>	<u>\$ 575,580</u>	<u>\$ 8,361</u>	<u>\$ 77,667</u>	<u>\$ 138,094</u>	<u>\$ 1,596,200</u>

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2015

	Street And Alley Fund				E-911 Fund			
			Variance with Final				Variance with Final	
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Budget - Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ 307,000	\$ 307,000	\$ 291,839	\$ (15,161)	\$ 230,000	\$ 230,000	\$ 216,084	\$ (13,916)
Licenses and permits	1,250	1,250	1,125	(125)	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	6,360	6,360	-	(6,360)	-	-	-	-
Total revenues	314,610	314,610	292,964	(21,646)	230,000	230,000	216,084	(13,916)
EXPENDITURES								
Departmental:								
Streets	350,000	350,000	420,911	(70,911)	-	-	-	-
Animal Control/911	-	-	-	-	202,500	202,500	150,198	52,302
Economic Development	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	568,319	(568,319)
Total Expenditures	350,000	350,000	420,911	(70,911)	202,500	202,500	718,517	(516,017)
Total Expenditures	350,000	350,000	420,911	(70,911)	202,500	202,500	718,517	(516,017)
Excess (deficiency) of revenues over expenditures	(35,390)	(35,390)	(127,947)	(92,557)	27,500	27,500	(502,433)	(529,933)
OTHER FINANCING SOURCES (USES)								
Transfers in	30,000	30,000	85,390	55,390	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	30,000	30,000	85,390	55,390	-	-	-	-
Net change in fund balances	(5,390)	(5,390)	(42,557)	(37,167)	27,500	27,500	(502,433)	(529,933)
Fund balances - beginning	18,307	18,307	(3,004)	(21,311)	477,574	477,574	553,185	75,611
Fund balances - ending	\$ 12,917	\$ 12,917	\$ (45,561)	\$ (58,478)	\$ 505,074	\$ 505,074	\$ 50,752	\$ (454,322)

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2015

	Economic Development Fund				Hotel/Motel Fund			
	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with Final</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with Final</u>
			<u>Budgetary Basis</u>	<u>Budget - Positive</u>			<u>Budgetary Basis</u>	<u>Budget - Positive</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES								
Taxes	\$ 303,394	\$ 303,394	\$ 288,611	\$ (14,783)	\$ 550,000	\$ 55,000	\$ 505,637	\$ 450,637
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	300	3,000	218	(2,782)	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>303,694</u>	<u>306,394</u>	<u>288,829</u>	<u>(17,565)</u>	<u>550,000</u>	<u>55,000</u>	<u>505,637</u>	<u>450,637</u>
EXPENDITURES								
Departmental:								
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	281,000	281,000	285,166	(4,166)	550,000	544,500	485,623	58,877
Cemetery	-	-	-	-	-	-	-	-
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>281,000</u>	<u>281,000</u>	<u>285,166</u>	<u>(4,166)</u>	<u>550,000</u>	<u>544,500</u>	<u>485,623</u>	<u>58,877</u>
Total Expenditures	<u>281,000</u>	<u>281,000</u>	<u>285,166</u>	<u>(4,166)</u>	<u>550,000</u>	<u>544,500</u>	<u>485,623</u>	<u>58,877</u>
Excess (deficiency) of revenues over expenditures	<u>22,694</u>	<u>25,394</u>	<u>3,663</u>	<u>(21,731)</u>	<u>-</u>	<u>(489,500)</u>	<u>20,014</u>	<u>509,514</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(15,000)	15,000	(15,000)	(30,000)	-	-	-	-
Total other financing sources and uses	<u>(15,000)</u>	<u>15,000</u>	<u>(15,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,694	40,394	(11,337)	(51,731)	-	(489,500)	20,014	509,514
Fund balances - beginning	209,060	209,060	196,993	(12,067)	21,203	21,203	36,251	15,048
Fund balances - ending	<u>\$ 216,754</u>	<u>\$ 249,454</u>	<u>\$ 185,656</u>	<u>\$ (63,798)</u>	<u>\$ 21,203</u>	<u>\$ (468,297)</u>	<u>\$ 56,265</u>	<u>\$ 524,562</u>

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2015

	Police Sales Tax Fund				Fire Sales Tax Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ 360,098	\$ 360,098	\$ 360,751	\$ 653	\$ 360,098	\$ 360,098	\$ 360,751	\$ 653
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	300	3,000	275	(2,725)	300	300	274	(26)
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	360,398	363,098	361,026	(2,072)	360,398	360,398	361,025	627
EXPENDITURES								
Departmental:								
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	360,398	363,098	361,026	(2,072)	360,398	360,398	361,025	627
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(360,098)	(360,098)	(359,859)	239	(360,098)	(360,098)	(359,858)	240
Total other financing sources and uses	(360,098)	(360,098)	(359,859)	239	(360,098)	(360,098)	(359,858)	240
Net change in fund balances	300	3,000	1,167	(1,833)	300	300	1,167	867
Fund balances - beginning	44,727	44,727	47,661	2,934	44,727	44,727	47,776	3,049
Fund balances - ending	\$ 45,027	\$ 47,727	\$ 48,828	\$ 1,101	\$ 45,027	\$ 45,027	\$ 48,943	\$ 3,916

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2015

	CDBG/Home Grants Fund				Cemetery Care Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	285,000	286,086	1,086	-	-	-	-
Charges for services	-	-	-	-	4,500	4,500	1,300	(3,200)
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	500	500	-	(500)
Miscellaneous	-	15,000	108,273	93,273	-	-	3,104	3,104
Total revenues	-	300,000	394,359	94,359	5,000	5,000	4,404	(596)
EXPENDITURES								
Departmental:								
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	-	300,000	386,790	(86,790)	-	-	-	-
Cemetery	-	-	-	-	69,778	69,778	2,128	67,650
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	27,916	(27,916)	-	-	-	-
Total Expenditures	-	300,000	414,706	(114,706)	69,778	69,778	2,128	67,650
Total Expenditures	-	300,000	414,706	(114,706)	69,778	69,778	2,128	67,650
Excess (deficiency) of revenues over expenditures	-	-	(20,347)	(20,347)	(64,778)	(64,778)	2,276	67,054
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	(20,347)	(20,347)	(64,778)	(64,778)	2,276	67,054
Fund balances - beginning	-	-	194,495	194,495	170,255	170,255	175,716	5,461
Fund balances - ending	\$ -	\$ -	\$ 174,148	\$ 174,148	\$ 105,477	\$ 105,477	\$ 177,992	\$ 72,515

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2015

	Gifts and Contribution Fund				Tax Increment Financing Fund			
	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ 90,000	\$ 56,623	\$ (33,377)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	-	1,496	1,496	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,496</u>	<u>1,496</u>	<u>90,000</u>	<u>90,000</u>	<u>56,623</u>	<u>(33,377)</u>
EXPENDITURES								
Departmental:								
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	500	-	500
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Expenditures	-	-	-	-	-	500	-	500
Excess (deficiency) of revenues over expenditures	-	-	1,496	1,496	90,000	89,500	56,623	(32,877)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	1,496	1,496	90,000	89,500	56,623	(32,877)
Fund balances - beginning	107,957	107,957	91,651	(16,306)	573,206	573,206	518,957	(54,249)
Fund balances - ending	<u>\$ 107,957</u>	<u>\$ 107,957</u>	<u>\$ 93,147</u>	<u>\$ (14,810)</u>	<u>\$ 663,206</u>	<u>\$ 662,706</u>	<u>\$ 575,580</u>	<u>\$ (87,126)</u>

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2015

	Drug Forfeiture Fund				1994 Street Improvement Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	8,900	9,080	180	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	-	8,900	9,080	180	-	-	-	-
EXPENDITURES								
Departmental:								
Police	-	8,900	8,618	282	-	-	-	-
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	8,900	8,618	282	-	-	-	-
Total Expenditures	-	8,900	8,618	282	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	462	462	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	462	462	-	-	-	-
Fund balances - beginning	9,365	9,365	7,899	(1,466)	-	-	77,667	77,667
Fund balances - ending	\$ 9,365	\$ 9,365	\$ 8,361	\$ (1,004)	\$ -	\$ -	\$ 77,667	\$ 77,667

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2015

	Debt Service Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fees and fines	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	26,830	26,830
Total revenues	-	-	26,830	26,830
EXPENDITURES				
Departmental:				
Streets	-	-	-	-
Animal Control/911	-	-	-	-
Economic Development	-	-	-	-
Cemetery	-	-	-	-
Park and Recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total Expenditures	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	26,830	26,830
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(50,000)	(50,000)
Total other financing sources and uses	-	-	(50,000)	(50,000)
Net change in fund balances	-	-	(23,170)	(23,170)
Fund balances - beginning	86,965	86,965	161,264	74,299
Fund balances - ending	\$ 86,965	\$ 86,965	\$ 138,094	\$ 51,129

City of Shawnee, Oklahoma
Budget versus Actual – Major Capital Project Fund – Street Improvement
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,537,608	\$ 2,537,608	\$ 2,525,289	\$ (12,319)
Intergovernmental	-	-	641,742	641,742
Investment earnings	20,000	20,000	31,477	11,477
Miscellaneous	-	-	84,285	84,285
Total revenues	<u>2,557,608</u>	<u>2,557,608</u>	<u>3,282,793</u>	<u>725,185</u>
EXPENDITURES				
Departmental:				
Streets	6,999,000	6,270,986	1,901,261	4,369,725
Total Streets	<u>6,999,000</u>	<u>6,270,986</u>	<u>1,901,261</u>	<u>4,369,725</u>
Total Expenditures	<u>6,999,000</u>	<u>6,270,986</u>	<u>1,901,261</u>	<u>4,369,725</u>
Excess (deficiency) of revenues over expenditures	<u>(4,441,392)</u>	<u>(3,713,378)</u>	<u>1,381,532</u>	<u>5,094,910</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,380,000	-	600,000	600,000
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(200,000)</u>	<u>(100,000)</u>
Total other financing sources and uses	<u>4,280,000</u>	<u>(100,000)</u>	<u>400,000</u>	<u>500,000</u>
Net change in fund balances	(161,392)	(3,813,378)	1,781,532	5,594,910
Fund balances - beginning	1,789,621	6,177,174	6,177,174	-
Fund balances - ending	<u>\$ 1,628,229</u>	<u>\$ 2,363,796</u>	<u>\$ 7,958,706</u>	<u>\$ 5,594,910</u>

City of Shawnee, Oklahoma
Budget versus Actual – Major Capital Project Fund – Capital Improvement Fund
Year Ended June 30, 2015

	Capital Improvement Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,334,881	\$ 2,334,881	\$ 2,232,696	\$ (102,185)
Intergovernmental	-	-	313,294	313,294
Investment earnings	-	-	2,076	2,076
Miscellaneous	-	-	32,953	32,953
Total revenues	<u>2,334,881</u>	<u>2,334,881</u>	<u>2,581,019</u>	<u>246,138</u>
EXPENDITURES				
Departmental:				
Capital outlay	2,159,317	4,718,387	5,731,680	(1,013,293)
Debt service	1,625,704	1,625,704	946,405	679,299
Total Expenditures	<u>3,785,021</u>	<u>6,344,091</u>	<u>6,678,085</u>	<u>(333,994)</u>
Total Expenditures	<u>3,785,021</u>	<u>6,344,091</u>	<u>6,678,085</u>	<u>(333,994)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,450,140)</u>	<u>(4,009,210)</u>	<u>(4,097,066)</u>	<u>(87,856)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	150,000	250,000	300,000	50,000
Transfers out	-	-	(622,087)	(622,087)
Total other financing sources and uses	<u>150,000</u>	<u>250,000</u>	<u>(322,087)</u>	<u>(572,087)</u>
Net change in fund balances	(1,300,140)	(3,759,210)	(4,419,153)	(659,943)
Fund balances - beginning	1,448,700	4,317,751	4,317,751	-
Fund balances - ending	<u>\$ 148,560</u>	<u>\$ 558,541</u>	<u>\$ (101,402)</u>	<u>\$ (659,943)</u>

City of Shawnee, Oklahoma
Statement of Changes in Assets and Liabilities – Agency Fund
Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
URM/DEPCA Agency Fund:				
ASSETS				
Cash and cash equivalents	\$ 6,868	-	-	\$ 6,868
Total assets	<u>\$ 6,868</u>	<u>-</u>	<u>-</u>	<u>\$ 6,868</u>
LIABILITIES				
URM/DEPCA payable	\$ 6,868	-	-	\$ 6,868
	<u>\$ 6,868</u>	<u>-</u>	<u>-</u>	<u>\$ 6,868</u>

Statistical Section

**CITY OF SHAWNEE, OKLAHOMA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

Description	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Net investment in capital assets	\$ 41,393,436	\$ 38,706,710	\$ 37,074,018	\$ 33,531,495	\$ 30,219,139	\$ 30,006,703	\$ 28,019,561	\$ 24,404,593	\$ 22,902,851	\$ 22,334,445
Restricted for (by):										
Statutory requirements	-	-	-	594,505	480,406	-	-	-	-	-
Enabling legislation	-	-	-	360,270	286,025	-	-	-	-	-
External Contracts	-	-	-	9,461,282	9,130,185	-	-	-	-	-
Capital Projects	8,036,373	7,580,368	5,962,728	-	-	7,248,866	8,296,269	10,172,082	8,486,974	7,346,667
Debt Service	74,769	140,460	136,426	-	-	86,965	59,850	137,961	135,131	132,195
Economic Development	969,384	946,696	890,628	-	-	-	-	-	-	-
Public Safety	156,884	656,521	548,047	-	-	-	-	-	-	-
Other purposes	271,109	267,367	280,788	-	-	957,074	959,671	838,005	76,062	639,937
Unrestricted	(15,740,961)	(16,816,708)	90,410	197,163	(1,390,170)	(1,672,770)	(567,612)	(755,666)	178,637	826,114
Total Governmental Activities Net Position	35,160,994	31,481,414	44,983,045	44,144,715	38,725,585	36,626,838	36,767,739	34,796,975	31,779,655	31,279,358
Business-type Activities:										
Net investment in capital assets	40,268,422	38,355,889	37,685,878	32,822,876	32,163,853	27,294,813	26,879,194	25,863,941	24,677,973	23,851,645
Restricted for:										
Capital Projects	-	-	-	-	-	-	-	-	-	-
Debt Service	2,611,396	2,533,205	1,380,561	1,814,511	2,586,909	2,874,901	2,575,814	2,312,744	2,609,423	2,547,980
Other purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	(597,374)	1,209,339	4,365,448	6,039,429	2,390,406	1,851,460	1,184,219	1,248,946	1,556,562	1,543,312
Total Business-type Activities Net Position	42,282,444	42,098,433	43,431,887	40,676,816	37,141,168	32,021,174	30,639,227	29,425,631	28,843,958	27,942,937
Primary Government:										
Net investment in capital assets	81,661,858	77,062,599	74,759,896	66,354,371	62,382,992	57,301,516	54,898,755	50,268,534	47,580,824	46,186,090
Restricted for:										
Statutory requirements	-	-	-	594,505	480,406	-	-	-	-	-
Enabling legislation	-	-	-	360,270	286,025	-	-	-	-	-
External Contracts	-	-	-	9,461,282	9,130,185	-	-	-	-	-
Capital Projects	8,036,373	7,580,368	5,962,728	-	-	7,248,866	8,296,269	10,172,082	8,486,974	7,346,667
Debt Service	2,686,165	2,673,665	1,516,987	1,814,511	2,586,909	2,961,866	2,635,664	2,450,705	2,744,554	2,680,175
Economic Development	969,384	946,696	890,628	-	-	-	-	-	-	-
Public Safety	156,884	656,521	548,047	-	-	-	-	-	-	-
Other purposes	271,109	267,367	280,788	-	-	957,074	959,671	838,005	76,062	639,937
Unrestricted	(16,338,335)	(15,607,369)	4,455,858	6,236,592	1,000,236	178,690	616,607	493,280	1,735,199	2,369,426
Total Primary Government Net Position	\$ 77,443,438	\$ 73,579,847	\$ 88,414,932	\$ 84,821,531	\$ 75,866,753	\$ 68,648,012	\$ 67,406,966	\$ 64,222,606	\$ 60,623,613	\$ 59,222,295

**CITY OF SHAWNEE, OKLAHOMA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
<i>Governmental Activities:</i>										
General Government	\$3,456,722	\$2,988,475	\$3,524,112	\$2,379,373	\$4,101,214	\$3,944,670	\$2,846,689	\$3,439,459	\$4,636,044	\$3,449,724
Public Safety	14,474,658	13,751,434	14,449,249	13,248,594	12,671,815	12,634,067	12,650,222	12,853,792	8,965,391	9,620,606
Streets	3,233,282	3,469,889	3,386,963	3,164,310	2,902,751	3,124,990	3,313,461	2,842,429	1,729,075	1,808,092
Culture and Recreations	1,658,533	1,348,343	1,083,872	1,053,726	847,807	902,767	851,578	883,415	1,213,762	937,539
Culture and Recreations - payment to component unit	-	-	-	-	5,752	-	4,655	599,194	-	-
Community Development	613,123	702,356	667,112	639,533	1,027,018	1,021,716	570,858	749,538	848,097	791,563
Economic Development	1,235,834	1,287,972	1,401,717	1,165,368	1,072,505	997,909	1,474,623	592,707	513,047	519,386
Interest on long-term debt	-	-	-	-	-	218	7,839	16,720	25,093	27,099
Total governmental activities expenses	\$24,672,152	\$23,548,469	\$24,513,025	\$21,650,904	\$22,628,862	\$22,626,337	\$21,719,925	\$21,977,254	\$17,930,509	\$17,154,009
<i>Business-type activities:</i>										
Water operations	5,307,131	5,829,372	6,034,550	4,992,323	4,196,550	4,015,398	3,989,454	4,030,444	2,562,623	3,341,064
Wastewater operations	3,003,781	2,724,937	2,877,353	2,458,992	2,274,826	2,329,742	2,142,363	2,165,325	1,429,083	2,718,577
Sanitation operations	1,520,472	2,018,186	1,649,687	1,535,752	1,382,686	1,301,567	1,433,801	1,358,474	1,094,920	1,098,133
Administration	561,772	529,636	585,602	557,451	499,820	436,992	297,960	288,680	2,728,252	-
Airport	1,462,400	1,521,292	1,417,058	1,024,896	692,458	626,785	785,268	799,978	452,740	737,099
Lake	111,992	473,574	250,495	105,398	60,293	51,677	53,066	62,568	-	-
Total business-type activities expenses	11,967,548	13,096,997	12,814,745	10,674,812	9,106,633	8,762,161	8,701,912	8,705,469	8,267,618	7,894,873
Total primary government expenses	36,639,700	36,645,466	37,327,770	32,325,716	31,735,495	31,388,498	30,421,837	30,682,723	26,198,127	25,048,882
Program Revenues										
<i>Governmental Activities:</i>										
Charges for Services										
General Government	177,550	163,616	346,213	189,754	171,081	158,563	189,940	209,397	341,940	346,655
Public Safety	810,266	743,581	887,155	767,900	631,702	583,013	545,105	581,769	599,235	662,280
Streets	36,360	37,373	1,470	1,175	1,400	1,050	1,775	1,425	-	-
Culture and Recreations	42,010	43,338	-	-	67,115	61,411	62,802	50,894	-	111,474
Community Development	99,121	96,825	89,084	57,516	233,204	189,168	2,708	13,062	-	-
Economic Development	26,167	27,367	29,446	35,362	26,438	26,438	27,208	26,438	358,729	-
Operating Grants and Contributions	2,884,772	3,801,276	2,380,524	2,272,136	2,181,109	2,199,222	2,299,687	2,741,741	907,372	1,182,899
Capital Grants and Contributions	1,039,321	860,593	50,417	278,920	121,431	202,322	211,941	1,488,846	153,661	387,037
Total governmental activities program revenues	5,115,567	5,773,969	3,784,309	3,602,763	3,433,480	3,421,187	3,341,166	5,113,572	2,360,937	2,690,345
<i>Business-type Activities:</i>										
Water operations	6,726,479	7,047,846	7,916,456	7,432,629	5,835,562	4,644,827	4,477,762	4,046,028	3,951,642	4,441,134
Wastewater operations	3,889,446	3,952,233	3,957,896	3,810,280	3,676,708	3,078,392	2,469,053	2,310,330	2,254,804	2,435,353
Sanitation operations	2,187,365	1,926,114	1,795,760	1,795,949	1,762,621	1,716,919	1,614,641	1,458,525	1,158,968	1,078,654
Airport	498,744	583,745	476,369	432,636	400,047	410,536	638,903	452,481	439,609	100,361
Lake	138,350	92,583	99,756	405,545	-	-	-	-	-	-
Operating Grants and Contributions	6,600	7,124	10,180	-	-	-	-	36,359	-	-
Capital Grants and Contributions	71,041	396,650	1,955,289	2,991,512	2,616,146	80,939	517,403	415,515	-	279,786
Total business-type activities program revenues	13,518,025	14,006,295	16,211,706	16,868,551	14,291,084	9,931,613	9,717,762	8,719,238	7,805,023	8,335,288
Total primary government program revenues	18,633,592	19,780,264	19,996,015	20,471,314	17,724,564	13,352,800	13,058,928	13,832,810	10,165,960	11,025,633

CITY OF SHAWNEE, OKLAHOMA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(continued)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (Expenses) Revenues										
<i>Governmental Activities</i>	(\$19,556,585)	(\$17,774,500)	(\$20,728,716)	(\$18,048,141)	(\$19,195,382)	(\$19,205,150)	(\$18,378,759)	(\$16,863,682)	(\$15,569,572)	(\$14,463,664)
<i>Business-type Activities</i>	1,550,477	909,298	3,396,961	6,193,739	5,184,451	1,169,452	1,015,850	13,769	(462,595)	440,415
Total Primary Government Net (Expenses)	(18,006,108)	(16,865,202)	(17,331,755)	(11,854,402)	(14,010,931)	(18,035,698)	(17,362,909)	(16,849,913)	(16,032,167)	(14,023,249)
General Revenues and Other Changes in Net Positon										
<i>Governmental Activities:</i>										
Taxes:										
Sales and Use taxes	18,622,852	18,346,711	18,013,946	17,414,169	17,069,349	16,089,350	16,697,240	16,386,142	15,239,586	14,517,341
Franchise and public service taxes	1,698,127	1,626,635	1,601,416	1,676,956	1,600,612	1,597,577	1,637,161	1,505,547	1,515,091	1,618,472
Hotel/motel taxes	505,637	578,275	561,558	472,590	404,690	362,134	376,992	416,212	-	-
Property taxes	56,623	54,312	104,734	74,309	10,884	59,523	72,782	198,557	-	-
Payment in lieu of taxes	26,830	23,687	24,062	1,054	24,494	26,892	26,544	21,924	-	-
Intergovernmental revenue	600,384	580,595	630,035	599,819	580,115	430,593	438,485	444,782	702,728	718,626
Investment Income	52,749	55,541	41,157	107,032	98,567	136,762	275,010	543,683	565,917	298,249
Miscellaneous	179,409	351,461	341,444	238,110	1,063,067	255,067	268,718	377,960	344,333	410,639
Transfers - Internal Activity	1,493,554	1,023,788	248,694	2,883,232	442,351	106,351	169,788	(116,253)	(584,309)	(1,029,729)
Total Governmental Activities	23,236,165	22,641,005	21,567,046	23,467,271	21,294,129	19,064,249	19,962,720	19,778,554	17,783,346	16,533,598
<i>Business-type Activities:</i>										
Investment Income	56,418	57,785	45,302	59,279	72,965	84,007	160,629	187,924	234,806	243,736
Miscellaneous	70,670	591,569	14,361	165,862	304,929	234,839	206,905	237,407	818,938	216,640
Transfers - Internal Activity	(1,493,554)	(1,023,788)	(248,694)	(2,883,232)	(442,351)	(106,351)	(169,788)	116,253	34,309	479,729
Total Business-type Activities	(1,366,466)	(374,434)	(189,031)	(2,658,091)	(64,457)	212,495	197,746	541,584	1,088,053	940,105
Total Primary Government	21,869,699	22,266,571	21,378,015	20,809,180	21,229,672	19,276,744	20,160,466	20,320,138	18,871,399	17,473,703
Change in Net Position										
<i>Governmental Activities</i>	3,679,580	4,866,505	838,330	5,419,130	2,098,747	(140,901)	1,583,961	2,914,872	2,213,774	2,069,934
<i>Business-type Activities</i>	184,011	534,864	3,207,930	3,535,648	5,119,994	1,381,947	1,213,596	555,353	625,458	1,380,520
Total Primary Government	\$3,863,591	\$5,401,369	\$4,046,260	\$8,954,778	\$7,218,741	\$1,241,046	\$2,797,557	\$3,470,225	\$2,839,232	\$3,450,454

**CITY OF SHAWNEE, OKLAHOMA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Nonspendable	\$ 182,557	\$ 1,500	\$ 5,947	\$ 347,288	\$ 291,531	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	337,128	305,382	293,121	296,021	301,250	-	-	-	-	-
Reserved for:										
Grant Programs	-	-	-	-	-	-	-	-	-	-
Encumbrances	-	-	-	-	-	-	39,937	18,194	3,410	18,194
Unreserved/Unassigned	5,758,830	6,472,218	6,177,557	5,616,811	4,853,199	4,011,671	4,095,821	4,009,538	3,453,674	3,944,537
Total General Fund	6,278,515	6,779,100	6,476,625	6,260,120	5,445,980	4,011,671	4,135,758	4,027,732	3,457,084	3,962,731
Other Governmental Funds:										
Nonspendable	38,367	-	-	-	-	-	-	-	-	-
Restricted	9,555,742	12,604,440	7,790,716	10,416,057	9,896,589	-	-	-	-	-
Assigned	-	-	147,571	132,414	73,859	-	-	-	-	-
Reserved for:										
Encumbrances	-	-	-	-	-	117,309	542,749	5,631,788	337,846	242,869
Specific Programs	-	-	-	-	-	-	-	-	-	-
Unreserved/Unassigned	(140,605)	(3,004)	-	(81,736)	-	-	-	4,464,142	-	-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	1,513,546	1,469,115	1,445,793	1,100,959	1,070,434
Debt Service Fund	-	-	-	-	-	86,965	59,850	136,323	135,131	-
Capital project funds	-	-	-	-	-	7,318,789	7,660,083	76,152	8,150,244	7,554,354
Total Other Governmental Funds	9,453,504	12,601,436	7,938,287	10,466,735	9,970,448	9,036,609	9,731,797	11,754,198	9,724,180	8,867,657
Total Governmental Funds	\$ 15,732,019	\$ 19,380,536	\$ 14,414,912	\$ 16,726,855	\$ 15,416,428	\$ 13,048,280	\$ 13,867,555	\$ 15,781,930	\$ 13,181,264	\$ 12,830,388

In fiscal year 2011 the city implemented GASB Statement 54. Statement 54 changed the categories of fund balance.

**CITY OF SHAWNEE, OKLAHOMA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Taxes	\$21,453,412	\$21,160,794	\$20,852,810	\$20,155,296	\$19,590,377	\$18,484,761	\$19,170,757	\$18,897,132	\$17,455,386	\$16,659,668
Intergovernmental	3,799,115	2,699,312	2,356,804	2,409,100	2,442,911	2,422,824	2,182,322	3,148,971	1,061,033	151,634
Charges for services	189,682	169,761	208,273	159,006	168,284	224,092	228,847	224,216	525,162	585,129
Fines and forfeitures	268,603	225,719	845,413	748,028	633,498	574,426	491,799	515,603	474,926	1,975,193
Licenses and permits	685,403	655,468	184,211	198,708	249,873	235,284	277,058	285,973	301,348	277,148
Investment income	52,749	55,541	41,157	107,032	98,567	136,762	275,010	543,685	565,916	198,049
Miscellaneous	495,235	5,449,644	647,267	358,070	1,115,857	308,954	309,584	491,578	342,809	403,444
Total Revenues	26,944,199	30,416,239	25,135,935	24,135,240	24,299,367	22,387,103	22,935,377	24,107,158	20,726,580	20,250,265
Expenditures:										
Current:										
General Government	2,981,912	3,080,038	2,988,152	2,883,922	2,643,601	2,491,400	2,672,962	2,654,959	2,131,579	2,281,059
Community development	-	-	-	-	-	-	-	-	-	-
Engineering	384,817	415,147	418,707	404,537	366,063	390,833	345,890	303,043	313,669	-
Equipment and building maint.	459,714	438,176	449,277	397,130	1,226,244	410,296	410,968	413,776	341,857	5,207,351
Public Safety	-	-	-	-	-	-	-	-	-	3,384,371
Police	6,412,075	5,952,358	5,915,408	5,394,473	5,034,358	5,140,053	5,223,680	5,144,221	4,749,032	-
Fire	5,787,238	5,337,455	5,251,981	4,975,816	4,955,006	4,857,050	4,884,044	4,456,027	3,545,745	-
Municipal court	538,902	536,695	517,389	526,446	317,158	297,203	304,204	286,991	274,146	-
Emergency management	317,177	329,579	285,349	294,832	354,718	275,706	290,604	799,218	205,634	-
Streets	1,604,637	1,492,117	1,443,660	1,313,338	1,154,277	1,251,742	1,230,264	1,203,148	1,934,037	1,637,176
Parks and recreation	940,805	713,761	535,527	604,401	473,253	562,637	935,411	505,800	478,977	-
Culture and recreation	161,930	157,673	162,490	122,993	146,872	139,185	143,015	883,338	661,310	723,149
Animal control/E911	1,046,961	923,145	1,104,086	872,447	876,626	826,245	862,485	753,268	668,225	-
Cemetery	194,928	190,676	191,523	183,744	182,756	198,790	207,516	194,136	173,732	-
Library	95,372	88,424	88,224	44,907	4,292	76,011	44,705	36,134	63,184	-
Economic development	1,740,676	1,779,650	1,870,353	1,652,548	1,924,825	1,801,203	1,468,533	1,143,644	1,215,630	1,198,308
Capital outlay	8,457,080	6,662,187	6,270,385	6,910,780	2,713,521	4,572,715	5,702,810	2,654,516	1,322,773	1,599,231
Debt service:										
Principal retirement	925,193	389,365	191,126	77,746	-	21,448	187,032	181,429	199,621	247,944
Interest and fiscal charges	21,212	53,703	12,935	6,853	-	218	6,216	16,720	24,818	27,099
Total Expenditures	32,070,629	28,540,149	27,696,572	26,666,913	22,373,570	23,312,735	24,920,339	21,630,368	18,303,969	16,305,688
Excess of revenues over(under) expenditures	(5,126,430)	1,876,090	(2,560,637)	(2,531,673)	1,925,797	(925,632)	(1,984,962)	2,476,790	2,422,611	3,944,577
Other Financing Sources (Uses):										
Transfers in	3,170,107	2,928,664	2,370,474	4,377,829	1,958,740	1,541,768	1,695,166	1,894,869	1,470,166	1,543,768
Transfers out	(1,692,194)	(1,904,876)	(2,121,780)	(1,494,597)	(1,516,389)	(1,435,417)	(1,613,815)	(1,861,021)	(2,054,475)	(2,773,497)
Capital Lease/bond proceeds	-	2,065,746	-	958,868	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,477,913	3,089,534	248,694	3,842,100	442,351	106,351	81,351	33,848	(584,309)	(1,229,729)
Net change in fund balances	(\$3,648,517)	\$4,965,624	(\$2,311,943)	\$1,310,427	\$2,368,148	(\$819,281)	(\$1,903,611)	\$2,510,638	\$1,838,302	\$2,714,848
Debt Service as a Percentage of Non-Capital Expenditures	3.97%	2.01%	0.95%	0.42%	0.00%	0.11%	1.01%	1.01%	1.32%	1.87%

(1) This schedule reports using the modified accrual basis of accounting.

**CITY OF SHAWNEE, OKLAHOMA
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	Property Tax (2)	Sales Tax	Use Tax	Hotel/ Motel Tax	Alcoholic Beverage Tax	Franchise Taxes	Cigarette Tax	Other Taxes	Totals
2015	\$ 46,623	\$ 17,312,309	\$ 1,310,543	\$ 506,637	\$ 118,209	\$ 1,698,127	\$ 203,841	\$ 26,830	\$ 21,223,119
2014	-	17,203,546	1,143,165	578,275	115,514	1,626,635	102,356	45,133	20,814,624
2013	-	17,016,609	997,336	663,905	111,929	1,601,415	215,397	74,628	20,681,219
2012	64	16,576,844	909,570	472,590	103,692	1,676,956	238,452	45,758	20,023,926
2011	521	16,125,315	954,397	404,690	104,401	1,600,612	233,509	41,108	19,464,553
2010	477	15,359,265	730,085	362,134	100,632	1,597,577	217,124	35,006	18,402,300
2009	1,583	16,338,099	758,057	376,992	100,316	1,637,161	215,517	36,706	19,464,431
2008	84,469	15,593,212	792,933	416,212	95,791	1,505,548	217,863	30,560	18,736,588
2007	84,939	12,437,255	676,878	358,729	88,226	1,515,092	209,708	19,144	15,389,971
2006	122,332	13,940,365	576,976	257,452	84,423	1,618,473	205,344	49,088	16,854,453

(1) This schedule reports using the modified accrual basis of accounting

(2) These revenues are reported in the Debt Service Fund. The City does not levy property taxes for operations. Property taxes are used to service general obligation bonds.

CITY OF SHAWNEE, OKLAHOMA
SALES & USE TAX RATES
OF DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
SALES TAX RATES										
General Fund	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%
Capital Improvement Fund	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%
Street Improvement Fund	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%
Economic Development Fund	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%
Police Sales Tax Fund	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Fire Sales Tax Fund	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Debt Service										
City of Shawnee Total (1)	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%
Pottawatomie County (3)	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
State of Oklahoma (3)	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%
Total	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%
Use Tax Rates (3)	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%

(1) The source for City sales tax rate is the City of Shawnee Annual budget.

(2) City sales tax increases must be approved by voters.

(3) The source for other sales tax rates is the State of Oklahoma Tax Commission. The Pottawatomie County 1% sales tax rate became effective July 1, 1998.

CITY OF SHAWNEE, OKLAHOMA
Sales Taxes Collected by SIC Code
Last Ten Fiscal Years

Group	2015	2014
Retail Trades	\$ 10,477,678	\$ 10,683,826
Accommodation and food service	3,021,167	2,950,196
Wholesale trades	1,095,325	1,110,617
Utilities	1,007,967	1,044,037
Information	700,499	641,849
Manufacturing	342,461	210,527
Real Estate Rental and Leasing	222,174	196,723
Other Services	161,421	161,892
Unclassified	162,624	111,105
Arts and Entertainment	64,420	71,776
Finance and Insurance	45,516	56,526
Professional and Scientific and Technical service	33,472	53,242
Health Care and Social Assistance	28,003	31,223
Construction	16,440	22,958
Transportation and Warehousing	16,389	19,849
Educational Services	7,460	7,515
Unclassified	9,511	272,997
	\$ 17,412,527	\$ 17,646,859
Total Sales Taxes	17,412,527	17,382,461
Percent Change	0.17%	3.70%

Group	2013	2012	2011	2010	2009	2008	2007	2006
General Merchandise Store	\$ 5,102,432	\$ 4,904,233	\$ 4,692,833	\$ 4,661,988	\$ 482,796	\$ 4,831,451	\$ 4,651,133	\$ 4,588,355
Eating & Drinking Places	2,691,304	2,472,367	2,372,790	2,169,972	2,258,786	2,143,303	1,957,451	1,848,354
Building Materials	1,174,061	1,412,234	1,441,974	1,338,022	1,483,745	1,436,831	1,396,424	1,455,494
Misc Retail	1,049,947	1,130,506	1,082,998	1,067,314	1,073,938	1,125,625	1,065,943	931,147
Electric, Gas & Sanitary Services	1,122,586	986,561	933,716	958,781	970,405	877,818	895,773	896,846
Food Store	814,705	806,210	769,742	738,221	793,742	816,576	779,743	775,220
Wholesale Trade-Durable Goods	1,004,434	851,604	769,824	692,741	828,669	789,066	740,733	721,095
Furniture, Home Furnishing & Equipment	1,126,615	870,710	1,033,279	734,171	559,042	568,672	506,054	493,741
Communications	581,966	567,703	542,744	561,816	572,533	588,055	557,018	490,117
Automotive Dealers & Gas Station	597,053	585,220	571,325	554,735	548,965	556,794	465,366	440,890
Apparel & Accessory Store	739,650	731,970	729,222	693,555	694,270	598,070	445,551	376,345
Business Services	267,271	224,021	212,389	199,479	187,553	230,454	246,308	185,277
Hotel	354,754	280,227	237,085	218,811	206,041	245,658	210,273	139,904
Motion Picture	132,781	127,510	118,767	126,970	124,899	125,829	132,729	128,160
Automotive Repair Services	145,861	126,435	114,100	109,150	100,768	98,071	104,790	109,206
Wholesale Trade-Nondurable Goods	111,189	105,608	95,120	93,551	127,252	82,109	94,104	103,206
	\$ 17,016,609	\$ 16,183,119	\$ 15,717,908	\$ 14,919,277	\$ 11,013,404	\$ 15,114,382	\$ 14,249,393	\$ 13,683,357
Total Sales Taxes	\$ 17,016,609	\$ 16,183,119	\$ 15,717,908	\$ 14,919,277	\$ 11,013,404	\$ 15,114,382	\$ 14,249,393	\$ 13,683,357
Percent Change	5.15%	2.96%	5.35%	35.46%	-27.13%	6.07%	4.14%	4.91%

The Oklahoma Tax Commission changed the way they are reporting it is now by NAICS CODES beginning in FY 2014

CITY OF SHAWNEE, OKLAHOMA
Water and Sewer Rates
Last Eight Fiscal Years

Fiscal Year Ended June 30	Water Rate Per Gallons In City Limits					Sewer Rate in City Limits	
	0 - 1,000	1,001 - 4,000	4,001 - 1,000,000	1,000,001 - 2,000,000	More than 2,000,000	Monthly Base Rate	More than 1,000
2015	\$ 20.70	\$ 3.89	\$ 3.99	\$ 4.09	\$ 4.19	\$ 13.50	\$ 2.90
2014	\$ 20.70	\$ 3.89	\$ 3.99	\$ 4.09	\$ 4.19	\$ 13.50	\$ 2.90
2013	\$ 20.70	\$ 0.79	\$ 3.89	\$ 3.99	\$ 4.09	\$ 11.60	\$ 2.85
2012	\$ 18.15	\$ 3.79	\$ 3.89	\$ 3.99	\$ 4.09	\$ 11.60	\$ 2.85
2011	\$ 11.05	\$ 3.69	\$ 3.79	\$ 3.89	\$ 3.99	\$ 11.25	\$ 2.80
2010	\$ 7.30	\$ 3.69	\$ 3.79	\$ 3.89	\$ 3.88	\$ 9.95	\$ 2.75
2009	\$ 6.21	\$ 3.42	\$ 3.15	\$ 2.63	\$ 2.57	\$ 5.91	\$ 2.75
2008	\$ 6.21	\$ 3.42	\$ 3.15	\$ 2.63	\$ 2.57	\$ 5.91	\$ 2.75

Fiscal Year Ended June 30	Water Rate Per Gallons Outside City Limits					Sewer Rate Outside City Limits	
	0 - 1,000	1,001 - 4,000	4,001 - 1,000,000	1,000,001 - 2,000,000	More than 2,000,000	Monthly Base Rate	More than 1,000
2015	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35
2014	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35
2013	\$ 24.06	\$ 5.69	\$ 58.84	\$ 5.99	\$ 6.14	\$ 20.25	\$ 4.35
2012	\$ 22.69	\$ 3.79	\$ 3.89	\$ 3.99	\$ 4.09	\$ 17.40	\$ 4.28
2011	\$ 14.41	\$ 5.54	\$ 5.69	\$ 5.84	\$ 5.99	\$ 16.88	\$ 4.20
2010	\$ 10.66	\$ 5.53	\$ 5.63	\$ 5.73	\$ 5.83	\$ 14.93	\$ 4.13
2009	\$ 9.32	\$ 5.13	\$ 4.73	\$ 3.95	\$ 3.86	\$ 8.87	\$ 4.13
2008	\$ 9.32	\$ 5.13	\$ 4.73	\$ 3.95	\$ 3.86	\$ 8.87	\$ 4.13

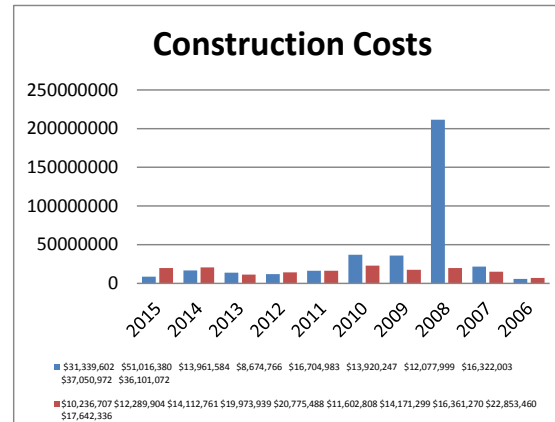
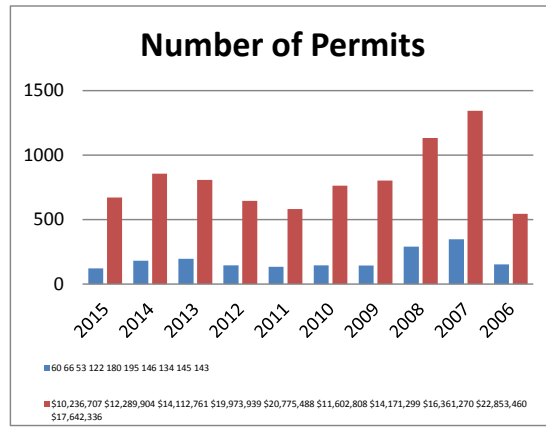
CITY OF SHAWNEE, OKLAHOMA
Water Utility User Categories
Last Seven Fiscal Years

	2015		2014		2013		2012		2011	
	Consumption Gallons	Sales	Consumption Gallons	Sales	Consumption Gallons	Sales	Consumption Gallons	Sales	Consumption Gallons	Sales
Type of Customer										
Residential										
Builder	1,080,200	13,263	2,590,300	\$ 13,843	9,752,700	\$ 10,045	1,722,100	\$ 13,978	2,067,500	\$ 12,840
Residential	525,751,600	4,097,304	1,151,352,700	4,329,704	574,050,400	4,195,903	642,064,200	4,179,606	599,961,400	3,136,708
Residential Sprinkler	5,790,000	37,778	16,547,400	48,642	8,937,800	53,118	12,400,500	60,416	9,287,000	41,788
Commercial										
Commercial	444,395,900	2,097,682	1,169,695,000		258,006,500	1,502,194	303,160,700	1,439,649	290,369,000	1,246,418
Commercial Sprinkler	17,564,800	96,270	39,439,200	2,680,660	17,465,200	102,223	26,836,000	123,299	22,568,300	95,866
Schools	8,401,400	41,197	18,495,400	44,635	9,417,900	44,364	10,306,100	45,813	9,258,500	39,229
Schools Sprinkler	6,667,300	29,199	16,947,600	35,797	9,725,500	40,610	14,235,900	57,426	11,352,100	44,046
G Rate					499,738,000	1,875,814	261,300,300	1,046,259	206,752,700	802,388
Government	2,048,100	10,528	7,414,000	17,182	5,898,000	11,303	5,744,300	10,018	4,955,900	7,079
Total	<u>1,011,699,300</u>	<u>\$ 6,423,221</u>	<u>2,422,481,600</u>	<u>\$ 7,170,463</u>	<u>1,392,992,000</u>	<u>\$ 7,835,574</u>	<u>1,277,770,100</u>	<u>\$ 6,976,464</u>	<u>1,156,572,400</u>	<u>\$ 5,426,362</u>
Average Rate per Thousand		6.349%		2.960%		5.625%		5.460%		4.692%

	2010		2009	
	Consumption Gallons	Sales	Consumption Gallons	Sales
Type of Customer				
Residential				
Builder	2,673,200	\$ 12,506	1,709,800	\$ 8,766
Residential	584,991,300	2,576,449	581,647,900	2,470,088
Residential Sprinkler	7,645,800	31,194	6,414,900	25,936
Industrial	-	-	-	-
Commercial				
Commercial	268,495,700	1,044,821	273,200,600	985,253
Commercial Sprinkler	18,908,400	72,007	17,792,500	64,621
Schools	9,796,700	36,921	9,241,100	32,702
Schools Sprinkler	2,980,800	10,669	1,231,500	4,453
G Rate	220,076,200	762,770	215,248,600	660,769
Government	4,551,000	7,731	4,927,500	8,099
Total	<u>1,120,119,100</u>	<u>\$ 4,555,068</u>	<u>1,111,414,400</u>	<u>\$ 4,260,687</u>
Average Rate per Thousand		4.067%		3.834%

Ten years of data not available due to change in computers systems.
Information from City of Shawnee Utility Billing Department.

CITY OF SHAWNEE, OKLAHOMA
Construction Permits
Last Ten Fiscal Years



Year	Commercial Construction (1)		Residential Construction (1)		Average Cost
	Number of Permits	Construction Cost	Number of Permits	Construction Cost	
2015	60	\$ 31,339,602	259	\$10,236,707	\$39,524
2014	66	\$ 51,016,380	111	\$12,289,904	\$100,091
2013	53	\$ 13,961,584	141	\$14,112,761	\$100,091
2012	122	\$ 8,674,766	671	\$19,973,939	\$29,767
2011	180	\$ 16,704,983	855	\$20,775,488	\$24,299
2010	195	\$ 13,920,247	808	\$11,602,808	\$14,360
2009	146	\$ 12,077,999	646	\$14,171,299	\$21,937
2008	134	\$ 16,322,003	582	\$16,361,270	\$28,112
2007	145	\$ 37,050,972	762	\$22,853,460	\$29,991
2006	143	\$ 36,101,072	801	\$17,642,336	\$22,025

(1) The source of this information is the City of Shawnee Planning Department.

(2) The year 2012 includes data through October 16.

CITY OF SHAWNEE, OKLAHOMA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

<u>GOVERNMENTAL ACTIVITIES</u>				<u>Business-Type Activities</u>			
FISCAL YEAR	GENERAL OBLIGATION BONDS	CAPITAL LEASE	NOTE PAYABLE	NOTE PAYABLE	Total Primary Government	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
2015	\$ -	\$ 1,744,918	\$ 2,736,266	\$ 17,717,966	\$ 22,199,150	3.28%	\$ 710.28
2014	-	2,065,746	3,340,631	20,074,847	25,481,224	2.84%	822.64
2013	-	-	689,996	21,612,098	22,302,094	3.20%	727.66
2012	-	-	881,122	24,533,255	25,414,377	2.81%	833.78
2011	-	-	-	23,558,763	23,558,763	2.52%	779.78
2010	-	-	-	17,823,972	17,823,972	3.33%	596.98
2009	-	21,448	-	19,170,489	19,191,937	3.05%	668.90
2008	100,000	128,072	-	20,580,038	20,808,110	2.86%	700.37
2007	200,000	209,501	-	21,254,302	21,663,803	3.67%	728.20
2006	300,000	309,123	-	22,541,241	23,150,364	3.37%	773.12

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
See the Demographic Statistic for personal income and population data.

CITY OF SHAWNEE, OKLAHOMA
DEBT COVERAGE
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Bond Indenture Requirement		
				Average Annual Debt Service	Calculated Coverage	Required Coverage
2015	\$10,141,490	\$4,891,570	\$5,249,920	\$1,257,658	4.17	1.25
2014	10,760,193	5,958,355	4,801,838	1,312,789	3.66	1.25
2013	11,401,562	5,750,996	5,650,566	1,267,646	4.46	1.25
2012	10,744,073	4,843,247	5,900,826	2,005,087	2.94	1.25
2011	9,317,810	4,365,640	4,952,170	1,769,509	2.80	1.25
2010	7,564,314	4,323,215	3,241,099	1,526,008	2.12	1.25
2009	6,761,830	4,117,014	2,644,816	1,533,872	1.72	1.25
2008	6,106,377	4,097,162	2,009,215	1,428,630	1.41	1.25
2007	6,206,446	3,991,706	2,214,740	1,533,200	1.44	1.25
2006	7,329,637	3,956,695	3,372,942	1,533,200	2.20	1.25

(1) Direct operating expenses exclude amortization, depreciation and bad debt expenses.

(2) Gross revenues included pledged revenues of water and wastewater.

CITY OF SHAWNEE, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population (3)	Personal Income	Per Capita Personal Income (1)	Unemployment Rate (2)
2015	31,254	\$ 728,964	\$ 20,003	4.8
2014	30,975	722,457	19,245	4.8
2013	30,649	714,261	19,626	5
2012	30,481	714,261	23,433	4.8
2011	30,212	593,363	19,640	5.5
2010	29,857	593,258	19,870	6.1
2009	28,692	585,374	20,402	6.1
2008	29,710	594,259	20,002	3.5
2007	29,750	794,695	22,450	4.9
2006	29,944	779,113	26,019	4.8

(1) Information obtained from the U.S. Census Bureau and the Oklahoma Department of Commerce.

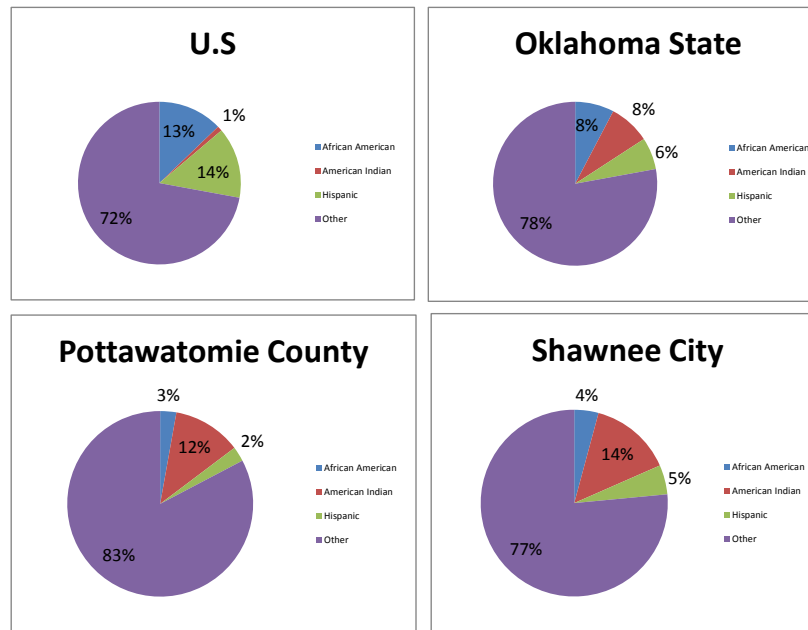
(2) Information obtained from the Oklahoma Employment Security Commission, for the Oklahoma City metropolitan area.

(3) Population for 2010-2012 is from the 2010 Census. Information from 2003-2009 is estimates by the Oklahoma Department of Commerce.

CITY OF SHAWNEE, OKLAHOMA

Ethnic Demographic Statistics

	Comparative Ethnic Percentage Population			
	U.S	Oklahoma State	Pottawatomie County	Shawnee City
African American	13.20%	7.70%	3.20%	4.20%
American Indian	1.20%	9.00%	13.20%	14.20%
Hispanic	17.40%	9.80%	4.90%	5.10%
Other	68.20%	73.50%	78.70%	76.50%
	100.00%	100.00%	100.00%	100.00%



Data provided by the U.S. Census Bureau

CITY OF SHAWNEE, OKLAHOMA
PRINCIPAL EMPLOYERS
Current year and Ten years ago

	2015			2006		
	Employees	RANK	% of Total Employment	Employees	RANK	% of Total Employment
Citizens Potawatomi Nation	2,164	1	9.24%	750	1	3.51%
Wolverine Tube	502	3	2.14%	450	6	2.11%
St Anthonys	550	2	2.35%	650	2	3.04%
Shawnee Public Schools	490	5	2.09%	600	3	2.81%
George Fischer	500	4	2.14%	-	-	0.00%
Walmart	400	6	1.71%	300	10	1.40%
Oklahoma Baptist	300	9	1.28%	400	7	1.87%
Eaton Corporation	425	7	1.82%	400	8	1.87%
Exxon Mobil	270	11	1.15%	500	4	2.34%
Absentee Shawnee	326	8	1.39%	-	-	0.00%
	<u>5,927</u>		<u>25.32%</u>	<u>4,050</u>		<u>18.97%</u>

Information from December 2014, Shawnee Economic Development Foundation Report.

CITY OF SHAWNEE, OKLAHOMA
Full-Time Equivalent City Government Employees by Function / Program
Last Ten Fiscal Years
Full-Time Equivalent Employees as of June 30,

FUNCTION / PROGRAM	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government:										
Management Services	11.0	10.0	10.0	10.0	9.0	8.5	9.5	9.5	10.5	9.0
Finance	9.0	7.0	7.0	5.0	5.0	5.0	3.5	6.0	4.0	6.0
Planning	8.0	9.0	8.0	9.5	8.0	7.0	7.0	6.0	6.0	7.0
Other	13.0	13.0	12.0	13.0	12.0	11.5	10.0	13.0	13.0	10.5
Police:										
Officers	61.0	60.0	57.0	57.0	54.0	51.0	56.0	52.0	54.0	49.0
Civilians	25.0	27.0	23.0	21.5	21.5	21.0	19.0	20.0	18.5	19.0
Fire:										
Firefighters and Officers	53.0	54.0	46.0	43.0	46.0	45.0	48.0	49.0	47.0	49.0
Civilians	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	3.0	2.0
Other Public Works:										
Engineering	3.0	3.0	3.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0
Other	24.0	26.0	25.0	21.0	22.0	21.0	21.0	23.0	24.5	22.0
Redevelopment	1.5	1.5	2.5	3.0	3.5	3.0	3.0	3.0	4.0	4.0
Parks and Recreation	37.5	21.0	23.0	23.0	20.0	19.0	23.0	24.0	23.0	23.0
Water	40.0	40.5	36.5	33.0	32.0	30.0	30.0	28.0	28.0	31.0
Wastewater	23.0	19.5	19.0	19.0	19.5	19.0	19.0	19.0	18.0	17.0
Total	<u>312.0</u>	<u>294.5</u>	<u>275.0</u>	<u>265.0</u>	<u>259.5</u>	<u>248.0</u>	<u>256.0</u>	<u>257.5</u>	<u>257.5</u>	<u>252.5</u>

Source: City of Shawnee Human Resources Department

CITY OF SHAWNEE, OKLAHOMA
Operating Asset Statistics by Function / Program
Last Seven Fiscal Years

FUNCTION / PROGRAM	2015	2014	2013	2012	2011	2010	2009
Police:							
Stations	1	1	1	1	1	1	1
Zone Offices	2	2	2	2	2	2	2
Patrol Units	69	69	69	69	69	73	72
Investigators	5	4	4	4	4	4	4
Fire Stations	3	3	3	3	3	3	3
Other Public Works:							
Streets (miles)	191	191	191	190	189	187	185
Highway Interstate (miles)	2.5	2.5	2.5	2.50	2.50	2.50	2.50
Traffic Signals	48	47	47	46	45	45	45
Parks and Recreation:							
Acerage	137.36	137.36	137.36	137.36	137.36	137.36	137.36
Playgrounds	33	33	33	33	33	33	33
Baseball/Softball Diamonds	9	9	9	9	9	9	9
Soccer/Football Fields	-	-	-	-	-	-	-
Community Centers	1	1	1	1	1	1	1
Municipal Pool	1	-	1	1	1	1	1
Splash Pads	2	-	-	-	-	-	-
Parks and Recreation:							
Park and Recreation Reservations	380	392	392	340	348	451	518
Municipal Airport							
% of Hanger Rental	100	100	100	100	100	100	100
Water:							
Water Mains (miles)	217	217	215	215	215	215	215
Fire Hydrants	1415	1413	1403	1,340	1,340	1,340	1,240
Storage Capacity (thousands of gallons)	2.5m	2.5m	2.5m	2.5m	2.5m	2.5 m	2.5m
Wastewater:							
Sanitary Sewers (miles)	185	200	175	175	175	175	175
Treatment Capacity (thousands of gallons)	6m	6m	6m	6m	6m	6m	6m

Note: Only six years of information was available
Information from City of Shawnee departements.

CITY OF SHAWNEE, OKLAHOMA
Operating Indicators
Last Ten Fiscal Years

FUNCTION / PROGRAM	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Aiport- **										
Takeoffs	8,456	-	-	-	-	-	-	-	-	-
Fuel Sales	51,141	-	-	-	-	-	-	-	-	-
Police:										
Physical Arrests	2,255	2,067	2,350	1,944	1,985	1,347	1,117	1,734	1,888	1,456
Total Parking and Traffic Citations	5,302	5,566	6,726	5,355	7,747	6,518	6,770	6,381	7,327	6,484
Fire:										
Emergency Responses	5,265	4,637	4,768	3,212	4,426	4,390	4,107	4,071	3,762	3,613
Fires Extinguished	214	301	282	227	330	214	242	377	278	541
Inspections	333	297	12	12	61	107	23	25	27	214
Municipal Pool										
Attendance-Pool jut opened this fical year	28,588	-	-	-	-	-	-	-	-	-
Other Public Works:										
Street Resurfacing (Lane Blocks)	187	98	134	172	150	162	145	258	229	69
Potholes Repaired	2,925	3,900	775	891	1,162	996	1,074	1,980	2,455	739
Water:										
New Connections	738	60	490	47	28	23	10	43	28	87
Water Main Breaks	70	117	146	97	241	138	77	79	93	66
Average Daily Consumption (thousands of gallons)	3,609	3,914	4,589	4,671	4,341	3,793	3,822	4,235	3,694	4,066
Peak Daily Consumption (thousands of gallons)	5,502	5,881	7,458	7,624	6,990	6,140	6,879	6,979	4,999	8,167
Waterline- in-house -started 2014	2880	-	-	-	-	-	-	-	-	-
Wastewater:										
Average Daily Sewer Treament (thousands of gallons)	*2.24	*2.819	*3.086	*3.086	*2.912	*2.63	*3.92	*2.943	*3.245	*2.942

* MGD Million gallons per day

**Began record keeping in 2015

Information from City of Shawnee departments

