OFFICIAL STATEMENT DATED JULY 30, 2018

NEW ISSUE - BOOK-ENTRY ONLY **RATING: S&P "A" (Stable)**
(See "Rating" herein)

In the opinion of Bond Counsel, the interest on the Series 2018 Bonds (defined herein) is, under existing law and regulations, exempt from all present federal income taxes. In addition, such interest is not treated as a preference item in calculating alternative minimum taxable income imposed under the Internal Revenue Code of 1986 (the "Code"), assuming continuing compliance by the Authority with covenants to meet the requirements of the Code, as amended, except that certain corporations may be subject to a minimum tax determined by including the interest on the Series 2018 Bonds as income in computing such tax. Additionally, in the opinion of Bond Counsel, the interest on the Series 2018 Bonds is exempt from present State of Oklahoma income taxes.

$8,000,000
THE MIAMI SPECIAL UTILITY AUTHORITY
Utility System Revenue Bonds, Series 2018

Dated: August 1, 2018 **Due: August 1, as described herein**

The Miami Special Utility Authority Utility System Revenue Bonds, Series 2018, and any bond exchanged therefor (the "Series 2018 Bonds") are being issued by The Miami Special Utility Authority (the "Authority"), a public trust created and existing under the laws of the State of Oklahoma, particularly but not exclusively Title 60, Oklahoma Statutes 2018, Sections 176-180.3, inclusive, as amended, by which laws the Trustees of the Authority are designated as an agency of the State of Oklahoma and regularly constituted authorities of the Beneficiary, the City of Miami, Oklahoma. The Series 2018 Bonds are not a debt of the City of Miami, Oklahoma, nor of the State of Oklahoma, nor personal obligations of the Trustees of the Authority but are limited obligations of the Authority payable out of revenues pledged for their payment and any other available funds including appropriated sales tax as outlined in the paragraph entitled Security. The Authority has no taxing power. The Authority has previously issued indebtedness which will remain outstanding and secured on a parity basis with the Series 2018 Bonds with respect to the Systems (hereinafter defined). See "Outstanding Indebtedness" herein. The Series 2018 Bonds are further secured by a first lien upon proceeds of the Sales Tax collected by the City and appropriated by the Authority to the City. See "Sales Tax" herein.

The Authority is issuing the Bonds pursuant to the terms of a Bond Indenture dated as of August 1, 2018, by and between BOKF, NA, Tulsa, Oklahoma (the "Bank"), and the Authority. The Bank is the Trustee Bank and Registrar for the Series 2018 Bonds.

Semi-annual interest accrues from August 1, 2018, and is payable August 1 and February 1 beginning February 1, 2019. The Series 2018 Bonds will be issued and registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"), to which all payments of principal and interest will be made. Purchasers will acquire beneficial interests in the Series 2018 Bonds, in principal amounts of $5,000 and integral multiples thereof, by book-entry only. Purchasers of the Series 2018 Bonds will not receive physical delivery of bond certificates. The Series 2018 Bonds will not be transferable or exchangeable, except for transfers to another nominee of DTC or otherwise as described herein. See "BOOK-ENTRY-ONLY-SYSTEM" herein.

MATURITY SCHEDULE AS SET FORTH ON THE INSIDE COVER

The Series 2018 Bonds shall be subject to optional and mandatory redemption prior to maturity as described herein. See Redemption Provisions.

The Series 2018 Bonds are offered when, as and if issued and received by the original purchaser, subject to prior sale, to withdrawal or modifications of the offer without any notice, and to the approval of legality of the Series 2018 Bonds by Johanning and Byrom, P.C., Bond Counsel. Certain federal law matters will be passed upon for the Underwriter by its counsel, Winstead PC, San Antonio, Texas. It is expected that the Series 2018 Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about August 8, 2018.

WELLSNELSON&ASSOCIATES
Underwriter

THE BAKER GROUP LP
Financial Advisor

MATURITY SCHEDULE FOR THE SERIES 2018 BONDS

SERIAL BONDS

Maturity Date	Principal Amount	Interest Rate	Price	CUSIP[1]
8-01-2019	$ 415,000	4.00%	101.932%	593648 AS7
8-01-2020	$ 430,000	4.00%	103.666%	593648 AT5
8-01-2021	$ 450,000	4.00%	105.017%	593648 AU2
8-01-2022	$ 465,000	4.00%	106.039%	593648 AV0
8-01-2023	$ 485,000	3.00%	101.856%	593648 AW8
8-01-2024	$ 500,000	3.00%	101.369%	593648 AX6
8-01-2025	$ 515,000	3.00%	100.819%[2]	593648 AY4
8-01-2026	$ 530,000	3.00%	100.000%	593648 AZ1
8-01-2027	$ 545,000	3.00%	98.834%	593648 BA5
8-01-2028	$ 560,000	3.00%	98.302%	593648 BB3

TERM BOND

$3,105,000 3.50% Term Bond Maturing August 1, 2033 - Price 97.715% CUSIP 593648 BC1

Plus accrued interest from August 1, 2018 to the date of initial delivery.

Redemption: The Authority reserves the right to redeem the Series 2018 Bonds maturing on and after August 1, 2025, on August 1, 2024 or on any date thereafter, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, at the redemption prices plus accrued interest as further described herein. The Term Bonds are subject to mandatory Sinking Fund redemption. See "Redemption Provisions."

[1] CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers were assigned to the Series 2018 Bonds by Standard & Poor's CUSIP Service Bureau, a Standard & Poor's Financial Services business, and are included solely for the convenience of the bondholders. Neither the City, the Underwriter, nor the Financial Advisor shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

[2] Yield calculated based on the assumption that the Series 2018 Bonds designated and sold at a premium will be redeemed on August 1, 2024, the first optional redemption date for the Series 2018 Bonds, at a redemption price of par plus accrued interest to the redemption date.

THE MIAMI SPECIAL UTILITY AUTHORITY

REGARDING USE OF THIS OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), this document, as it may be supplemented or corrected by the Authority from time to time, may be treated as an Official Statement with respect to the Series 2018 Bonds described herein and "deemed final" by the Authority as of the date hereof (or of any such supplement or correction) except for the omission of certain information referred to in the succeeding sentence. This document, when further supplemented by adding information specifying the interest rates and certain other information relating to the Series 2018 Bonds, shall constitute a "Final Official Statement" of the Authority with respect to the Series 2018 Bonds, as such term is defined in the Rule.

The Series 2018 Bonds are offered only by means of this Official Statement. This Official Statement does not constitute an offering of any security other than the Series 2018 Bonds specifically offered hereby. It does not constitute an offer to sell or a solicitation of an offer to buy the Series 2018 Bonds in any state or jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale, and no dealer, broker, salesman or other person has been authorized to make such unlawful offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2018 Bonds and, if given or made, such other information or representations must not be relied upon.

Any statements contained in this Official Statement, including the Exhibits hereto, involving matters of opinion, estimates or projections, whether or not expressly so stated, are intended as such and not as representations of fact. Summaries of documents do not purport to be complete or definitive, and all references made to such documents are qualified in their entirety by reference to the complete document. The information contained in this Official Statement, including the cover page and the Exhibits hereto, has been obtained from the Authority and other sources which are deemed to be reliable. Such information is subject to change and/or correction without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall create any implication that the information contained herein is complete or accurate in its entirety as of any date after the date hereof. This Official Statement is submitted in connection with the sale of the Series 2018 Bonds and may not be reproduced or used in whole or in part for any other purpose. This Official Statement shall not be construed as a contract or agreement between the Authority and the purchasers or holders of any of the Series 2018 Bonds.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information and this Official Statement is not to be construed as the promise or guarantee of the Underwriter.

The cover page contains information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential and material to the making of an informed investment decision.

NONE OF THE AUTHORITY, ITS FINANCIAL ADVISOR OR THE UNDERWRITER MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2018 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to the more complete information contained in this Official Statement. The offering of the Series 2018 Bonds to potential investors is made only by means of this entire Official Statement, including the Exhibits hereto. No person is authorized to detach this Summary Statement from this Official Statement or to otherwise use it without this entire Official Statement including the Exhibits hereto.

The Miami Special Utility Authority. The Miami Special Utility Authority (the "Authority"), a public trust, was created and existing under the laws of the State of Oklahoma, particularly but not exclusively Title 60, Oklahoma Statutes 2018, Sections 176-180.3, inclusive, as amended, by which laws the Trustees of the Authority are designated as an agency of the State of Oklahoma and regularly constituted authorities of the Beneficiary, the City of Miami, Oklahoma. (the "City"). The City is the sole beneficiary of the Authority and receives all net income not needed for Authority purposes. The City has leased to the Authority the entire water, sanitary sewer and electric systems (the "Systems"). The Authority is empowered to acquire, construct, maintain, and operate the Systems for the City, and borrow money by mortgage, pledge, or other encumbrance of the Trust Estate (as defined in the Bond Indenture) or its revenues including the issuance of bonds or notes.

Purpose. The Authority's Utility System Revenue Bonds, Series 2018 and any bonds exchanged therefor (the "Series 2018 Bonds") are being issued for the purpose of (i) providing capital improvements on behalf of the Authority, and (ii) and paying all costs of their issuance.

Issuance. The Authority is issuing the Series 2018 Bonds pursuant to the terms of a Bond Indenture dated as of August 1, 2018, by and between BOKF, NA, Tulsa, Oklahoma (the "Bank") and the Authority. The Series 2018 Bonds are special limited obligations of the Authority.

Payment. The Series 2018 Bonds are payable utilizing revenues pledged for their payment and other available funds including appropriated sales tax as set forth in the section entitled Security.

Security. The Series 2018 Bonds are special limited obligations of the Authority secured by a pledge of the revenues of the Systems, and other available funds of the Authority including an appropriated three cents (3¢) sales tax, as more specifically described herein.

Redemption. The Authority reserves the right to redeem the Series 2018 Bonds maturing on and after August 1, 2025, on August 1, 2024, or on any date thereafter, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest as further described herein. The Term Series 2018 Bonds (as defined herein) are subject to mandatory redemption. See "REDEMPTION PROVISIONS" herein.

Rating. Standard & Poor's Corporation has assigned a rating to the Series 2018 Bonds as set forth on the cover of this Official Statement. See "RATING" herein.

Tax Exemption. In the opinion of Bond Counsel, interest on the Series 2018 Bonds will be excludable from gross income for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date thereof, subject to the matters described under "TAX EXEMPTION" herein, including the alternative minimum tax on corporations.

Book-Entry-Only System. The Series 2018 Bonds are initially issued only to Cede & Co., the nominee of The Depository Trust Company, New York, New York, pursuant to the book-entry-only system described herein. Beneficial ownership of the Series 2018 Bonds may be acquired in denominations of $5,000 of principal amount or integral multiples thereof. No physical delivery of the Series 2018 Bonds will be made to the purchasers thereof. Principal of, premium, if any, and interest on the Series 2018 Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the DTC Participants (as defined herein) for subsequent remittance to the owners of the beneficial interests in the Series 2018 Bonds See "BOOK-ENTRY-ONLY SYSTEM" herein.

Legal Opinion. Delivery of the Series 2018 Bonds is subject to the rendering of an opinion as to legality by Johanning & Byrom, P.C., Oklahoma City, Oklahoma.

Payment Record. The Authority has never defaulted on any of its debt obligations.

OFFICIAL STATEMENT

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INTRODUCTION

This Official Statement, including the cover page, Summary Statement and Exhibits hereto, is furnished to provide information with respect to the offering by the Miami Special Utility Authority (the "Authority") of its Utility System Revenue Bonds, Series 2018 (the "Series 2018 Bonds"). The Series 2018 Bonds are issuable in fully registered form in the denomination of $5,000 or any integral multiples thereof. The principal of the Series 2018 Bonds is payable to the registered owners at the principal office of BOKF, NA, Tulsa, Oklahoma (the "Bank"). Interest accrues from August 1, 2018, and is payable semiannually on each August 1 and February 1 commencing February 1, 2019, by check or draft mailed to the registered owners thereof by the Bank. The Series 2018 Bonds are subject to optional and mandatory redemption prior to maturity. (See "REDEMPTION PROVISIONS" herein).

The Authority is issuing its Series 2018 Bonds for the purposes of (i) providing capital improvements on behalf of the Authority, and (ii) and paying all costs of their issuance. (See "PURPOSE OF ISSUE" herein).

The Authority is issuing the Series 2018 Bonds pursuant to the terms of a Bond Indenture dated as of August 1, 2018, by and between the Bank and the Authority (the "Bond Indenture"). The Series 2018 Bonds are special limited obligations of the Authority secured by a pledge of the Net Revenues of the Systems (hereinafter defined), and other available funds of the Authority including appropriated sales tax, as more specifically set forth herein. (See "SECURITY" herein.)

The Series 2018 Bonds and the interest thereon do not constitute an indebtedness, liability, general or moral obligation, or a loan of the full faith and credit of, or a charge against the City of Miami, Oklahoma (the "City"), or the State of Oklahoma (the "State") or any political subdivision thereof within the meaning of the constitution or any statutes of the State and shall never constitute or give rise to a pecuniary liability or a charge against their general credit. No owner of any Series 2018 Bond shall have the right to compel any exercise of the taxing power of the City or the State to pay the Series 2018 Bonds or the interest thereon. **THE AUTHORITY HAS NO TAXING POWER.** Neither the City nor the State nor any political subdivision thereof, shall be obligated to pay the principal of the Series 2018 Bonds or interest thereon or other costs incidental thereto. The Series 2018 Bonds are special limited obligations of the Authority payable solely from the revenues and other amounts pledged thereto and described herein.

Brief descriptions of the Authority, the Series 2018 Bonds, the City, and the Bond Indenture are contained in this Official Statement and the Exhibits hereto. Such descriptions do not purport to be complete or definitive. All references made herein to the Series 2018 Bonds are qualified in their entirety by reference to the Bond Indenture. All references made herein to the Bond Indenture are qualified in their entirety by reference to such complete documents.

THE AUTHORITY

The Miami Special Utility Authority (the "Authority"), a public trust, is a statutory instrumentality of the City of Miami, Oklahoma (the "City" or "Beneficiary"), and an agency of the State of Oklahoma. The Authority was created under provisions of the Oklahoma Statutes by a Declaration of Trust, dated December 15, 1980, to furnish the Beneficiary with services and facilities for the conservation and implementation of the public welfare and for the protection and promotion of public health and for other purposes proper for the City itself to furnish. The City of Miami is the sole beneficiary of the Authority and receives all net income not needed for Authority purposes. The City has leased to the Authority the entire water, sanitary sewer and electric systems of the City (collectively the "Systems"). The Authority is offering as security a mortgage upon the Authority's leasehold interest in the Systems and a first lien upon the net revenues of the Systems and is empowered by the Declaration of Trust to acquire, construct, maintain and operate the aforesaid facilities for the City, and borrow money by mortgage, pledge, or other encumbrance of the Trust Estate or its revenues including the issuance of bonds or notes. All properties held by the Authority for the benefit of the City of Miami will become the property of the City when the Authority's debts are extinguished or until its purposes shall have been fulfilled. The Authority has the same duration as the Beneficiary, or until its purposes shall have been fulfilled, or until it shall have been terminated by mutual agreement and with the consent of the owners of any outstanding indebtedness. The validity of public trusts like the Authority has been approved by the Supreme Court of the State of Oklahoma. The Authority has no taxing power.

TRUSTEES

The Trustees of the Authority are the same persons who are currently the members of the City Council of the City of Miami and as such, they continue to hold office until their successors are elected to the governing board of the City of Miami, and qualify for office. The Mayor of the City is the Chairman of the Trustees of the Authority; the City Clerk is the Secretary of the Trustees. Present Trustees and employees of the Authority are:

Name	Trustee
Rudy Schultz	Chairman
Brian Forrester	Trustee
Doug Weston	Trustee
Neal Johnson	Trustee
Vicki Lewis	Trustee

Staff Members

Dean Kruithof	City Manager/Secretary of Trustees
Lindsay Miller	Finance Manager
Ben Loring	City Attorney

PURPOSE OF ISSUE

The Series 2018 Bonds are being issued for the purposes of i) providing capital improvements on behalf of the Authority, and ii) and paying all costs of their issuance.

THE PROJECT

The Authority's electric system consists of three substations and an electric distribution system including both underground and overhead structures. It also includes street and area lights and traffic signals. The Series 2018 Bonds will fund electric system improvements to include substation upgrades and improvements and any additional projects to include repairs and replacement of the distribution system. Any remaining Bond proceeds may be utilized to provide street and area lighting improvements along with traffic signal improvements.

SOURCES AND APPLICATION OF PROCEEDS

Series 2018 Bond Proceeds	$ 8,000,000.00	Deposit to Project Fund	$ 7,685,000.00
Accrued Interest	5,310.76	Underwriter's Discount	80,000.00
Reoffering Premium	7,691.15	Costs of Issuance [1]	242,691.15
		Debt Service Fund	5,310.76
Total Sources	**$ 8,013,001.91**	**Total Uses**	**$ 8,013,001.91**

[1] Includes legal, financial advisor, rating agency fee, printing, trustee bank and other costs of issuance.

TAX EXEMPTION

In the opinion of Bond Counsel, assuming continued compliance by the Authority and the Bank with the terms of the Bond Indenture, as of the date of the Official Statement, under current and existing statutes, regulations, rulings and judicial decisions, interest payments on the Series 2018 Bonds will be excludable from gross income for federal income tax purposes. Additionally, in the opinion of Bond Counsel, the interest on the Series 2018 Bonds is exempt from present State of Oklahoma income taxes.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met subsequent to the issuance of Series 2018 Bonds in order for the interest thereon to be and remain exempt from federal income taxation. Non-compliance with such requirements could cause the interest on the Series 2018 Bonds to become taxable retroactive to the date of issue. These requirements include, but are not limited to, limitations on the use of Bond proceeds, restrictions on the yield which may be earned on the investment of Bond proceeds and other amounts, and the obligation to rebate certain investment earnings to the United States Treasury.

For taxable years beginning after December 31, 1986, the Code imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation (less an exemption amount), if the amount of such tax is greater than the corporations's regular income tax for the taxable year.

Generally, the alternative minimum taxable income of any corporation for any taxable year beginning after 1986 must be increased by 75% of the amount (if any) by which the adjusted current earnings of the corporation exceeds such corporation's alternative minimum taxable income for the taxable year (determined without regard to this adjustment and the alternative tax net operating loss deduction). Because the interest on the Series 2018 Bonds will be included in the calculation of adjusted net book income and adjusted current earnings, interest on the Series 2018 Bonds may be subject to the alternative minimum tax when the Series 2018 Bonds are held by corporations.

Except as described in the preceding paragraphs, interest on the Series 2018 Bonds is not subject to the alternative minimum tax imposed on individuals and corporations under the Code.

Prospective holders of the Series 2018 Bonds should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, for taxable years beginning after December 31, 1986, Section 832 (b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Series 2018 Bonds, (ii) for taxable years beginning after December 31, 1986, interest on the Series 2018 Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income, including interest on the Series 2018 Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income, and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Series 2018 Bonds. These categories of bondholders should consult their own tax advisors as to the applicability of these consequences.

REQUIRED REBATE TO THE UNITED STATES

Upon the issuance of the Series 2018 Bonds, the Authority has covenanted, in the Bond Indenture, that it will comply and the Bank is empowered to take any and all actions necessary to comply with all of the provisions of the Internal Revenue Code of 1986, as amended, relating to the exemption from federal income taxes of the interest paid upon the bonds authorized by the Bond Indenture, including the Series 2018 Bonds, to the end that interest thereon shall remain exempt from federal income taxation.

The Internal Revenue Code of 1986, as amended, provides that bonds which are part of an issue, including the Series 2018 Bonds, will be treated as arbitrage bonds if certain hereinafter described requirements are not met with respect to such issue; however, should the Series 2018 Bonds not be issued, the aforesaid requirements and portion of this subsection entitled Required Rebate To The United States shall not apply.

Under the Internal Revenue Code of 1986, as amended, an issuer, including the Authority, is required to make certain payments or rebates to the United States in an amount equal to the sum of the excess of the amount of money earned on all non-purpose investments, over the amount of money which would have been earned if such non-purpose investments were invested at a rate of interest equal to the yield on the issue, including the Series 2018 Bonds, plus any income derived from the aforesaid excess itself. The aforesaid payments or rebates are to be paid in installments which are required to be made at least once every five years and each such installment is required to be in an amount which ensures that 90 percent of the excess amount (referred to above) with respect to the issue, at the time payment of such installment is required, will have been paid to the United States. The final installment is required to be paid no later than 60 days after the final maturity of the Series 2018 Bonds, and shall be in an amount sufficient to pay the remaining balance of the excess amount (referred to above) with respect to such issue.

The failure of the Authority to abide by its covenants to comply with the Internal Revenue Code of 1986, as amended, including the failure to timely pay or rebate any and all excess earnings in the manner provided in the Internal Revenue Code of 1986, as amended, will result in an immediate default under the Bond Indenture. In the event of such a default the Bank is required to immediately accelerate payment of all of the Series 2018 Bonds then outstanding and declare the entire principal amount of the Series 2018 Bonds immediately due and payable by the Authority in the said principal amount then outstanding.

THE SERIES 2018 BONDS

Description of the Series 2018 Bonds

The Series 2018 Bonds are issuable in fully registered form in the denomination of $5,000 or with respect to principal maturing on the same date, in integral multiples thereof. The Series 2018 Bonds will mature and bear interest at the rates set forth on the inside cover page of this Official Statement. Semi-annual interest accrues from August 1, 2018, and is payable August 1 and February 1 commencing February 1, 2019, by check or draft mailed to the registered holders thereof.

Registration and Payment

The Series 2018 Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2018 Bonds. The principal of, premium, if any, and interest on the Series 2018 Bonds will be paid by the Bank to DTC. Disbursements of such payments to the DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of the DTC participants and the Indirect Participants. (See "Book-Entry Only System" below).

REDEMPTION PROVISIONS

The Series 2018 Bonds are subject to redemption prior to maturity only as described in this section of the Official Statement and the Bond Indenture.

A. **Mandatory Redemption** - Term Bond maturing August 1, 2033, are subject to mandatory sinking fund redemption and payment prior to maturity on August 1, 2029, and on each August 1, thereafter through August 1, 2033, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, as follows:

Mandatory Redemption Dates	Principal
August 1, 2029	$ 580,000
August 1, 2030	$ 600,000
August 1, 2031	$ 620,000
August 1, 2032	$ 640,000
August 1, 2033	$ 665,000

B. **Optional Redemption** - The Series 2018 Bonds with a stated maturity on and after August 1, 2025, shall be shall be subject to redemption prior to maturity at the option of the Authority, on at least thirty (30) days notice (to be provided in the manner hereafter stated), in whole or in part, in inverse order of maturity and by lot within a maturity on any date, on and after August 1, 2024 at the respective redemption prices of par and accrued interest.

C. **Notice and Effect of Redemption** - Notice of any call for redemption will be given by the Bank, identifying the Series 2018 Bonds to be redeemed, not less than thirty (30) days prior to the redemption date by notice sent by first class mail to the holder or holders of the bond or bonds to be redeemed, directed to the address shown on the registration books. No further interest will accrue on the principal of any Series 2018 Bonds called for redemption from and after the date fixed for redemption if payment of the redemption price thereof has been duly provided for.

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company ("DTC") and DTC's book-entry-only system has been obtained from DTC, and the Issuer, and its Financial Advisor and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC at the office of the Trustee on behalf of DTC utilizing the DTC FAST system of registration.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 Bonds deposited by Direct Participants with DTC (or the Trustee on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC's partnership nominee, Cede & Co or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2018 Bonds with DTC (or the Trustee on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all the Series 2018 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Series 2018 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments on the Series 2018 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The Authority, Bond Counsel, the Financial Advisor, the Trustee and the Underwriter cannot and do not give any assurances that the DTC Participants will distribute to the Beneficial Owners of the Series 2018 Bonds: (i) payments of principal of or interest on the Series 2018 Bonds; (ii) certificates representing an ownership interest or other confirmation of Beneficial Ownership interests in the Series 2018 Bonds; or (iii) redemption or other notices sent to DTC or its nominee, as the Registered Owners of the Series 2018 Bonds; or that they will do so on a timely basis or that DTC or its participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

None of the Authority, Bond Counsel, the Financial Advisor, the Trustee or the Underwriter will have any responsibility or obligation to such DTC Participants (Direct or Indirect) or the persons for whom they act as nominees with respect to: (i) the Series 2018 Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by any DTC Participant of any amount due to any Beneficial Owner in respect of the principal amount of or interest on the Series 2018 Bonds; (iv) the delivery by any DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Bond Indenture to be given to Registered Owners; (v) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2018 Bonds; or (vi) any consent given or other action taken by DTC as Registered Owner.

In reading this Official Statement, it should be understood that while the Series 2018 Bonds are in the Book-Entry-Only system, references in other sections of this Official Statement to Registered Owner should be read to include the Beneficial Owners of the Series 2018 Bonds, but: (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only system; and (ii) notices that are to be given to Registered Owners by the Authority or the Trustee will be given only to DTC.

SALES TAX

The City currently levies a three cent (3¢) sales tax (the "Sales Tax") which will be appropriated by the City to the Authority on an annual basis. The City also levies an additional sixty-five hundredths of one cent (.65¢) sales tax which is currently utilized to pay debt service upon the Authority's Sales Tax Refunding Revenue Bonds, Series 2016.

SECURITY

The Series 2018 Bonds will be secured on a parity basis with the Outstanding Indebtedness (defined below) by a mortgage upon the Authority's leasehold interest in the Systems and a pledge of and first lien upon the Net Revenues of the Systems (as hereinafter defined) on a parity basis with the Outstanding Indebtedness.

Net Revenues of the Trust Estate are defined as all revenues derived from it, together with the proceeds of an annually appropriated Sales Tax actually paid over to the Authority, plus investment income of the Authority, less only all costs of its operation and maintenance of the Systems. Average annual debt service charges are defined as all charges for payment of principal of and interest on the Series 2018 Bonds, due and payable from their date of issue, up to and including payment of the final maturity of that issue, divided by the number of years elapsed during that period.

OUTSTANDING INDEBTEDNESS

The Authority has previously issued its Series 2003A Promissory Note in the original principal amount of $1,760,000 of which $572,000 remains outstanding; it's Series 2003B Promissory Note in the original principal amount of $3,020,000 of which $1,331,940 remains outstanding; it's Series 2004A Promissory Note in the original principal amount of $1,595,538 of which $558,438 remains outstanding; it's Series 2004B Promissory Note in the original principal amount of $2,740,000 of which $1,223,060 remains outstanding; it's Series 2004C Promissory Note in the original principal amount of $1,620,000 of which $763,234 remains outstanding; and it's Series 2005 Promissory Note in the original principal amount of $563,000 of which $267,766 remains outstanding all of which are secured by a first mortgage on the Systems. The Authority has also previously issued its Utility System Revenue Bonds, Series 2011 in the original principal amount of $1,915,000, of which $810,000 remains outstanding, and its Sales Tax Refunding Revenue Bonds, Series 2016, in the original principal amount of $19,375,000, of which $18,815,000 remains outstanding (collectively the "Outstanding Indebtedness"), secured by a first mortgage on the Systems and any funds appropriated by the City to the Authority (including sales tax, if any). The Series 2018 Bonds will be secured on a parity basis with the Outstanding Indebtedness with respect to the Systems and other appropriated funds and will also be secured by a first lien on the Sales Tax.

RISKS OF BONDHOLDERS

BEFORE PURCHASING ANY OF THE SERIES 2018 BONDS, PROSPECTIVE INVESTORS AND THEIR PROFESSIONAL ADVISORS SHOULD CAREFULLY CONSIDER ALL POSSIBLE FACTORS WHICH MAY AFFECT BOTH THE OPERATIONS AND REVENUES OF THE SYSTEMS, AND, CONSEQUENTLY, CREATE THE POSSIBILITY THAT THE INTEREST ON THE SERIES 2018 BONDS MAY NOT BE PAID WHEN DUE OR THAT THE SERIES 2018 BONDS MAY NOT BE PAID AT MATURITY. THE FOLLOWING RISK FACTORS—WHICH ARE NOT INTENDED TO BE AN EXHAUSTIVE LISTING OF ALL POSSIBLE RISKS ASSOCIATED WITH AN INVESTMENT IN THE SERIES 2018 BONDS—MUST BE CONSIDERED PRIOR TO PURCHASING THE SERIES 2018 BONDS, MOREOVER, THE ORDER OF PRESENTATION OF THE RISKS SUMMARIZED BELOW DOES NOT NECESSARILY REFLECT THE SIGNIFICANCE OF THE RISKS.

As reflected herein, the Series 2018 Bonds are limited and special obligations of the Authority payable from the revenues received by the Authority from the operations and existence of the Systems and from Sales Tax revenues, if any, received by the Authority from the City. The ability of the Authority to generate sufficient revenues from operating the Systems and the Sales Tax revenue appropriated by the City to pay (i) the debt service requirements on the Series 2018 Bonds and the Outstanding Indebtedness; (ii) the costs of operating and maintaining the Systems; and (iii) any other monies required to meet any other lawful needs of the Authority, will depend, in part, upon the ability of the Authority to operate and maintain the Systems at a reasonable cost. See "SECURITY" above. If the Authority should be unable to operate and maintain the Systems, the Authority would have to attempt to contract with another party for the operation of the Systems. Any failure to operate and maintain the Systems, or cause the Systems to be operated and maintained, will result in a reduction or elimination of the revenues of the Authority and could result in the inability of the Authority to pay the debt service requirements on the Series 2018 Bonds.

Furthermore, any reduction in the demand for the services of the Systems, any increases in the costs of operating and maintaining the Systems, any new technology which could render the services of the Systems obsolete and unneeded, and any other similar changes could have a negative impact on the ability of the Authority to pay the debt service requirements of the Series 2018 Bonds. If the Authority shall be unable in the future to raise rates, fees and charges for services of the Systems, or cause such to be raised, the Authority may be unable to generate sufficient revenues to provide the monies described above.

Since the Oklahoma Constitution allows only for a pledge of the funds derived from the collection of a sales tax on a year to year basis, the sales tax revenues shall be committed to the Authority on a year to year basis, subject to the annual appropriation of such monies by the City. If the City should decide not to appropriate such monies or should the City take action to eliminate the pledge or should the voters rescind the right of the City to levy and collect any sales tax revenues, and if the Authority shall be unable in the future to raise rates, fees and charges for services of the Systems or cause such to be raised, the Authority may be unable to pay the debt service requirements of the Series 2018 Bonds. The right of the City to levy and collect any sales tax revenues is provided in the statutes of the State of Oklahoma. The legislature has the ability to rescind the right of the City to levy and collect any sales tax revenues. If the Authority should not receive any sales tax revenues or if such collections should decline due to economic conditions, it could inhibit the ability of the Authority to pay the debt service requirements of the Series 2018 Bonds.

The amount of sales tax revenue depends upon the sale of covered goods and services within the jurisdiction of the City and is therefore dependent upon the general economy of the City. The Oklahoma Legislature has the ability to modify the definition of covered goods and services. There can be no assurance that the amount of sales tax revenue levied and collected in any period will be sufficient to fund debt service on the Series 2018 Bonds.

Under current laws, business establishments operated by Native American tribes are not required to remit state, county or city sales taxes. There has been an increase in Oklahoma of tribally operated businesses over the last several years. An increase in tribally operated businesses in the City might have a negative impact on sales tax collections.

RATE COVENANT

The Authority has covenanted to adopt a schedule of rates and charges for water, sanitary sewer and electric services sufficient, together with appropriated Sales Tax proceeds actually paid over to the Authority, to provide net revenues (the "Net Revenues") equal to one and one-quarter (1.25) times average annual debt service charges for the Series 2018 Bonds and all bonds equally secured with them. Any appropriation in whatever amount by the City to the Authority shall be treated as income of the Systems and expenditures by the City itself to pay costs of operation and maintenance of the Systems shall be deducted from the costs of operation and maintenance of the Systems in calculating the net revenues of the Systems. In the event no such appropriation or expenditure is made or is insufficient in amount, then the Authority must immediately revise its rate schedules to remedy any resultant deficiency in its revenues so that its net revenues shall at all times be equal to one and one-quarter (1.25) times average annual debt service charges. The purpose of these provisions is to permit lower charges for the water, sewer and electric services rendered to the people of Miami so long as the City makes sufficient appropriations to transfer the funds so appropriated to the Authority.

Since no City Council can bind itself nor be bound by an act either of its predecessors or by the terms of the election authorizing sales tax to make any such appropriation, the members of the Authority whose membership is identical with that of the City Council, have pledged that in the event that the City Council fails to make the appropriation or for any reason, amounts so appropriated are not paid over to the Authority or are insufficient in amount, the members of the Authority, in their capacity as Authority Trustees, will immediately increase rates, charges and fees for services rendered by the Systems in that amount which will produce net revenues equal to one and one-quarter (1.25) times average annual debt service charges for the Series 2018 Bonds and all bonds equally secured with them.

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COMPARATIVE REVENUE AND EXPENDITURES

	FYE 2017	FYE 2016	FYE 2015
Operating Revenues			
Charges for services	$ 22,901,978	$ 23,297,772	$ 22,096,926
Miscellaneous	803,073	765,917	846,846
Fees, licenses and permits	135,086	135,562	-
Total Operating Revenues	$ 23,840,137	$ 24,199,251	$ 22,943,772
Operating Expenses	$ 18,434,795	$ 16,796,053	$ 18,262,015
Operating Income	$ 5,405,342	$ 7,403,198	$ 4,681,757
Non-Operating Revenues (Expenses)			
Investment Income	$ 18,018	$ 12,239	$ 1,005
Miscellaneous	29,744	7,686	6,341
Total Non-Operating Revenues (Expenses)	$ 47,762	$ 19,925	$ 7,346
Net income before Sales Tax Transfer	$ 5,453,104	$ 7,423,123	$ 4,689,103
Sales Tax (1)	$ 6,279,760	$ 6,350,248	$ 6,262,854
Funds Available for Debt Service	$ 11,732,864	$ 13,773,371	$ 10,951,957
Debt Service Requirement			
Current OWRB Debt Service	$ 723,160	$ 729,839	$ 695,621
Avg Annual Debt Service, Series 2011 (Mat 2021)	216,103	216,103	216,103
Avg Annual Debt Service, Series 2016	999,172	999,172	999,172
Avg Annual Debt Service, Series 2018	687,518	687,518	687,518
Total Debt Service Requirement	$ 2,625,953	$ 2,632,632	2,598,414
Coverage	4.47	5.23	4.21

(1) Oklahoma Tax Commission @ 3.65 cents collection

(originally 3 cents with additional .65 cents approved by Ordinance No. 1558 on July 2010)

Source: City of Miami audited financials and City Officials.

The Comparative Revenue and Expenditures Statements are based upon the City of Miami's 2017, 2016 and 2015 certified audits. The certified audit for fiscal year ending June 30, 2017, were prepared by Arledge and Associates, PC, Vinita, Oklahoma. A copy of the 2017 audit for the City of Miami is included hereto as Exhibit "D" and should be read in full. Copies of previous audits are available upon request from The Baker Group LP or the Authority.

THE DEPOSITORY BANK

The Authority is from time to time to designate a bank or banks, preferably in the City, which shall act as Depository for The Miami Special Utility Authority Gross Revenue Account and Bond Account, and from which withdrawals are to be made as stipulated in the section "Flow of Funds" which follows.

THE TRUSTEE BANK

BOKF, NA, with a corporate office in Tulsa, Oklahoma, will act as Trustee for the holders of the Series 2018 Bonds, and is to hold the Bond Indenture securing the Series 2018 Bonds, and perform such other duties as have or may be agreed upon and as are outlined briefly in the paragraphs that follow and as described more fully in the Bond Indenture.

THE REGISTRAR

BOKF, NA, with a corporate office in Tulsa, Oklahoma, will act as Registrar for this issue and will register ownership and transfer of the Series 2018 Bonds on books kept for that purpose and act as paying agent on behalf of the Authority. Interest shall be paid by check or draft mailed by the Registrar to bondholders of record on the Record Date which is the 15th day of the month next preceding each interest payment date whether or not such date is a business day.

FLOW OF FUNDS

I. **BOND PROCEEDS:** The proceeds of the Series 2018 Bonds will be deposited in the Bank in The Miami Special Utility Authority Series 2018 Project Fund, except that accrued interest will be deposited directly into The Miami Special Utility Authority Sinking Fund, described in paragraph III. All fees and expenses for services in connection with the issuance of the Series 2018 Bonds shall be paid to the persons entitled thereto.

II. **AUTHORITY REVENUES:** The Depository Bank shall receive daily all money received from the Trust Estate into an account known as The Miami Special Utility Authority Gross Revenue Account and hereafter called the “Gross Revenue Account". The Authority has the sole authority to withdraw money from the Gross Revenue Account. From the Gross Revenue Account there is to be paid in the following order:

A. The sums required for payment of principal of and interest on the Series 2018 Bonds are to be deposited in The Miami Special Utility Authority Bond Account, to be held by the Depository but with the sole right of withdrawal from the Bond Account vested in the Bank. The Series 2018 Bond account deposits are to be made monthly and in as nearly equal amounts as may be practicable.

B. Costs and expenses of and incidental to the operation and ordinary maintenance of the Trust Estate, including but not limited to, payments due under any contract for the operation and maintenance of the Systems, the necessary costs and expenses of and incidental to the collection of revenues of the Trust Estate and fees and expenses of the Bank and the Registrar.

C. The remainder is to be used for any proper purpose of the Authority, including, but not limited to, purchase of any Series 2018 Bonds or any other equally secured indebtedness on the open market, redemption of bonds of this or equally secured debt prior to maturity, or payments to or for the Beneficiary.

All deposits made by the Authority must be in banks the accounts of which are insured by the Federal Deposit Insurance Corporation (the "F.D.I.C.") and any deposit in excess of that amount insured by the F.D.I.C. must be secured as are the deposits of uninvested sinking funds of political subdivisions of the State of Oklahoma, or in the case of deposits in the Bank, in the manner prescribed by federal law for securing trust funds.

III. **DEBT SERVICE:** From the Bond Account the Bank shall, not later than each interest and principal payment date so long as these Series 2018 Bonds remain outstanding withdraw therefrom the accumulated sum and deposit it in the "Sinking Fund" which it holds. The Sinking Fund is to be used by the Bank for payment of principal of and interest on the Series 2018 Bonds as they mature. The withdrawals are to be made in that amount which will permit payment of principal of and interest on the Series 2018 Bonds as they become due.

IV. **INVESTMENT OF FUNDS:**

A. All funds not specifically mentioned in this "Flow of Funds" section are to be kept continuously invested in conformance with its use and applicable law to yield the highest annual return for the benefit of the Authority subject to the security provisions as provided in subsection II above entitled "Authority Revenues".

ADDITIONAL BONDS

Provided no state of default exists under the Bond Indenture, additional debt equally secured with the Series 2018 Bonds may be incurred under the following conditions:

1. Any such secured additional indebtedness shall be incurred only for acquiring, constructing, extending, improving, protecting or enlarging the properties and facilities of the Trust Estate, or of the City, or to effect major repairs and replacements to the Trust Estate or for refunding any outstanding indebtedness of the Authority incurred for any of the foregoing purposes.

2. No such additional indebtedness shall be incurred unless the Net Revenues of the Trust Estate (hereinabove defined) shall, as certified by a Certified Public Accountant, have been at an annual rate equal to one and one-quarter (1.25) times average annual debt service charges (herein above defined) of the outstanding bonds for the preceding fiscal year and projected Net Revenues for the calendar year immediately following completion of any such authorized project shall be equal to one and one-quarter (1.25) times the average annual debt service charges of the outstanding indebtedness secured under the Indenture. In making the calculations, increased utility rates and increased sales taxes then in effect may be assumed to have been in effect during the period under consideration. Debt service charges for

the Series 2018 Bonds pursuant to each of the interest rate schedules provided under the Bond Indenture are shown in Exhibit "A" attached hereto.

3. The Supplemental Indenture providing for any such additional equally secured debt shall provide that payments into the Bond Account and Sinking Fund shall be increased in such amounts as shall be necessary to service the additional bonds. The deposits or payments into the Bond Account and Sinking Fund required for each series of equally secured bonds are to be commingled with all other deposits and payments made into such account or fund under the Bond Indenture.

BOND COVENANTS

Pursuant to the Bond Indenture, the Authority has made certain covenants, which include the following:

1. The Authority has good right and lawful authority to execute and deliver the conveyance set forth in the Bond Indenture, and all of said property is free and clear of all liens, claims, demands, encumbrances and governmental charges which could or in any manner might adversely affect or prejudice the rights, interests, privileges, powers and liens provided in the Bond Indenture, and the Authority, so often as requested so to do by the Bank or any holder of any Series 2018 Bond, promptly will execute and deliver all such other and further instruments and do, or cause to be done, all such other and further things, as reasonably shall be required to vest in the Bank all of the rights, powers and benefits intended to be conveyed, assigned and conferred by the Bond Indenture.

2. The Authority will not suffer or permit any lien or encumbrance upon any of the property or revenues conveyed as security under the terms of the Bond Indenture, or any part of said property or revenues, to be or become superior or in preference to the lien created by the Bond Indenture, neither will the Authority do or suffer to be done any act or thing whereby the security provided in the Bond Indenture shall be diminished or impaired.

3. The Authority forever will defend the unimpaired and unencumbered right, title and interest in and to each and every part of the property and revenues mentioned in the Bond Indenture against all claims and demands asserted by any person or entity whatsoever to be prior or preferential to the lien created by the Bond Indenture, and the Authority, upon request by the Bank or by the holder of any Series 2018 Bond, promptly will take such action as reasonably shall be required to extinguish any defect or cloud upon the rights, title and interests described as aforesaid whether presently existing or hereafter coming into existence; and the Authority will save harmless the Trustee and each holder of any Series 2018 Bond from all loss, cost, expense and damage with respect to any of the foregoing.

4. The Authority will maintain a schedule of utility charges, fees and rates sufficient (together with Sales Tax receipts appropriated and paid over to the Authority), to

produce Net Revenues annually not less than one and one-quarter (1.25) times the applicable average annual debt service requirements on the Series 2018 Bonds and all equally secured bonds after payment of all operation and maintenance costs and expenses of the Systems.

5. The Authority will maintain the Systems in first-class working condition and will not remove or dispose of any of the mortgaged properties without written consent of the Bank.

6. The Authority will maintain its right to operate, and will operate the Systems so long as any bonded indebtedness remains outstanding, will comply with all applicable laws, rules and regulations, and will give no free service except to the Beneficiary for strictly governmental purposes.

7. The proceeds of the Series 2018 Bonds will be used solely for the purposes for which they were issued, as briefly outlined in a preceding paragraph entitled "Purpose of Issue" and as described in complete detail in the Bond Indenture itself under which they are issued.

8. All monies collected by the Authority will be applied in the manner provided in the preceding section entitled "Flow of Funds".

9. The Authority will keep proper books, records and accounts in accord with good accounting practices which shall at all reasonable times be made available to bondholders or their representatives. Within 180 days following the close of its fiscal year, it will supply to the Bank, the Beneficiary, The Baker Group, Oklahoma City, Oklahoma, and to any bondholder who so requests, an annual audit of its operations during the preceding fiscal year, prepared by a Certified Public Accountant. If so requested by the Bank or the bondholders of at least 51% of the outstanding debt, such Certified Public Accountant shall be named by the Bank or the bondholders.

10. The Authority will incur no additional indebtedness secured by the revenues of the Trust Estate, or the mortgaged properties (a) if it is in default in any of its covenants and (b) unless the additional debt be issued in full compliance with all requirements of the paragraph entitled "Additional Series 2018 Bonds".

11. Any provision in the Bond Indenture may be amended by the agreement of the Authority and the Bank with the consent given in writing to the Bank by the holders of not less than 75% of all the equally secured Series 2018 Bonds then outstanding except, however:

    a. The aforesaid percentage of seventy-five percent (75%) shall not be reduced without the consent of the bondholders of all of the outstanding indebtedness;

b. Any reduction made in the rate of interest must apply equally to all Series 2018 Bonds unless otherwise consented to in writing by the holder of the excepted Series 2018 Bonds;

c. That in the event that there shall be an extension of maturities serially, the same relative position in the extended schedule shall be retained for each bond as in the maturity schedule of the Series 2018 Bonds as originally issued, unless otherwise consented to in writing by the holder of the excepted Series 2018 Bonds; however, if the extension of maturities is made into a single maturity, the extension shall apply to all bondholders; and

d. That no Series 2018 Bond be given preference in security over any other;

12. It is also provided that in the event monies in an amount which shall be sufficient or direct obligations of the United States or of agencies of the United States fully guaranteed by the United States are placed in a special escrow account for the sole purpose and in sufficient amount that the principal and interest earned when due shall provide funds to pay promptly and fully as they mature, both interest on and principal of the Series 2018 Bonds or in the alternative, on such earlier date any of said outstanding Series 2018 Bonds, respectively, are callable for redemption prior to maturity, in the latter event, together with any premium payable upon such redemption, at which time the lien securing them by the Trust Estate shall be released.

13. Upon the issuance of the Series 2018 Bonds, if any, the Authority will timely prepare and file, or cause to be prepared and filed, any and all reports or returns required under the Internal Revenue Code of 1986, as amended, in order to preserve the federal tax-exempt status of the interest payable on the Series 2018 Bonds and the Authority will timely meet the rebate requirements of the Internal Revenue Code of 1986, as amended, including but not limited to, payment of any required rebates to the United States, relating to income derived from investment of the proceeds of the Series 2018 Bonds.

DEFEASANCE

The Series 2018 Bonds shall be defeased if, among other things, there are sufficient funds, the principal of and interest on which when due will provide funds, which together with the funds, if any, deposited with the Bank at the same time are sufficient to pay when due the principal or redemption price of and interest due, and to become due, on the Series 2018 Bonds, on and prior to the redemption date or maturity date thereof, as the case may be.

DEFAULTS AND REMEDIES

The Bond Indenture makes the happening or existence of certain facts a default including, but not limited to, the failure to pay the principal of and interest on the Series 2018 Bonds when due.

All of the customary remedies, including acceleration of maturities, receivership, etc., are made available to the Bank and to all bondholders. An additional remedy is also provided which permits the appointment of temporary Trustees in sufficient number to constitute a majority of the Trustees. This device permits continued operation of the properties under control of the bondholders without endangering the tax-free status of the property or its operation as a governmental agency. All remedies expressly are made concurrent and elective and subject to any limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

ORIGINAL ISSUE DISCOUNT

Federal Income Taxation – Accounting Treatment of Original Issue Discount

The Series 2018 Bonds offered at a price less than the principal amount thereof resulting in a yield greater than the interest rate for each such maturity as shown on the inside front cover hereof are herein referred to as the "OID Bonds." The difference between such initial offering price and the principal payable at maturity or upon prior redemption constitutes original issue discount treated as interest which is not includible in gross income for federal income tax purposes subject to the caveats and provisions described above.

In the case of an owner of an OID Bond, the amount of original issue discount which is treated as having accrued with respect to such OID Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such OID Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such OID Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual OID Bond, on days which are determined by reference to the maturity date of such OID Bond. The amount treated as original issue discount on such OID Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such OID Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such OID Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable on such OID Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such OID Bond the sum of the amounts which would have been treated as original issue discount for such purposes during all prior periods. If such OID Bond is sold between semiannual compounding dates, original issue discount which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

The Code contains additional provisions relating to the accrual of original issue discount in the case of owners of OID Bonds who purchased such OID Bonds after the initial offering. Owners of OID Bonds including purchasers of OID Bonds in the secondary market should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with respect to such OID Bonds as of any date and with respect to the state and local tax consequences of owning such OID Bonds.

ORIGINAL ISSUE PREMIUM

Federal Income Taxation – Accounting Treatment of Original Issue Premium

The Series 2018 Bonds offered at a price in excess of the principal amount thereof resulting in a yield less than the interest rate for each such maturity as shown on the inside front cover hereof are herein referred to as the "Premium Bonds." An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of interest accruing in any semiannual period and the purchaser's basis in such Premium Bond are reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Owners of Premium Bonds (including purchasers of Premium Bonds in the secondary market) should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of such Premium Bonds and with respect to the state and local consequences of owning and disposing of such Premium Bonds.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2018 Bonds are subject to the approval of Johanning and Byrom P.C., Oklahoma City, Oklahoma, Bond Counsel, who will render an opinion in substantially the form attached hereto as Exhibit "E". Certain federal law matters will be passed upon for the Underwriter by its counsel, Winstead PC, San Antonio, Texas. The legal fee of such firms is contingent upon the sale and delivery of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

UNDERWRITING

The Series 2018 Bonds are to be purchased by Wells Nelson & Associates, LLC (the "Underwriter") pursuant to a Contract of Purchase with the Authority (the "Contract of Purchase"). The Underwriter has agreed to purchase the Series 2018 Bonds at a price of $7,927,691.15 (which represents the $8,000,000.00 principal amount of the Series 2018 Bonds, less an Underwriter's Discount of $80,000.00, and plus a reoffering premium of $7,691.15) and plus accrued interest from August 1st to the date of initial delivery. The Contract of Purchase provides that the Underwriter will not be obligated to purchase any Series 2018 Bonds if all Series 2018 Bonds are not available for purchase, and requires the Authority to indemnify the Underwriter against losses, claims, damages and liabilities arising out of any incorrect or incomplete statements or information contained in this Official Statement pertaining to the Project and other matters. The initial public offering price set forth on the inside front cover hereof may be changed by the Underwriter.

In connection with the offering of the Series 2018 Bonds, the Underwriter may overallot or effect transactions which stabilize or maintain the market prices of the Series 2018 Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, the Underwriter's responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information and this Official Statement is not to be construed as the promise or guarantee by the Underwriter.

CONTINUING DISCLOSURE

The Authority will execute and deliver its Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") for the benefit of the bondholders and beneficial owners of the Series 2018 Bonds. The Authority is required to observe the Continuing Disclosure Agreement for so long as it remains obligated to advance funds to pay the Series 2018 Bonds. Pursuant to the Continuing Disclosure Agreement, the Authority, through BOKF, NA, its Dissemination Agent, designated in writing by the Authority, which has filed with the Trustee a written acceptance of such designation, will be obligated to provide certain updated financial information and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org. See Exhibit “F” - Continuing Disclosure Agreement.

Annual Reports

The Authority, through the Dissemination Agent, will provide certain updated financial information to the MSRB on an annual basis. The Authority will update and provide this information within six months after the end of each fiscal year. The financial information to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12, as amended (the "Rule"). The updated information will include audited financial statements of the Authority's information. If audited financial statements are not available by the required time, the Authority will provide unaudited financial information of the type described in the preceding paragraph by the required time and audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Exhibit "D" or such other accounting principles as the Authority may be required to employ from time to time pursuant to State law or regulation.

The Authority's current fiscal year end is June 30th. If the Authority changes its fiscal year, it will notify the MSRB of the change. Additionally, the Authority will provide their audited financial statements to EMMA no later than six months after the end of each fiscal year, commencing with the fiscal year ending June 30, 2018.

Notice of Certain Events

The Authority will file with the MSRB notice of any of the following events with respect to the Series 2018 Bonds in a timely manner (and not more than 10 business days after occurrence of the event): (1) principal and interest payment delinquencies; (2) nonpayment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 -TEB), or other material notices or determinations with respect to the tax status of the Series 2018 Bonds, or other material events affecting the tax status of the Series 2018 Bonds; (7) modifications to rights of bondholders of the Series 2018 Bonds, if material; (8) Series 2018 Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2018 Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the Authority, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material. In addition, the Authority will provide timely notice of any failure by the Authority to provide information, data, or financial statements in accordance with its Continuing Disclosure Agreement described above under "Annual Reports". The Authority will provide each notice described in this paragraph to the MSRB.

For these purposes, any event described in item (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

Availability of Information

In connection with its Continuing Disclosure Agreement entered into with respect to the Series 2018 Bonds, the Authority will file all required information and documentation with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings will be provided, without charge to the general public, by the MSRB at www.emma.msrb.org.

Limitations and Amendments

The Authority has agreed to update information and to provide notices of material events only as described above. The Authority has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Authority makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Series 2018 Bonds at any future date. The Authority disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its Continuing Disclosure Agreement or from any statement made pursuant to its Continuing Disclosure Agreement, although registered owners of Series 2018 Bonds may seek a writ of mandamus to compel the Authority to comply with its Continuing Disclosure Agreement.

The Continuing Disclosure Agreement may be amended by the Authority from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status or type of operations of the Authority, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell Series 2018 Bonds in the primary offering of the Series 2018 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of the Bond Indenture that authorizes such an amendment) of the outstanding Series 2018 Bonds consent to such amendment or (b) a person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Series 2018 Bonds. The Authority may also amend or repeal the provisions of the Continuing Disclosure Agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2018 Bonds in the primary offering of the Series 2018 Bonds.

If the Authority amends its Continuing Disclosure Agreement, it must include with the next financial information and operating date provided in accordance with its Continuing Disclosure Agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Undertakings

The Authority has entered into prior continuing disclosure undertakings pursuant to the Rule with respect to its previously issued and currently outstanding $19,375,000 Sales Tax Revenue Refunding Bonds, Series 2016, dated September 1, 2016; and its previously issued $1,915,000 Utility System Revenue Bonds, Series 2011, dated December 1, 2011 (the “Prior Undertakings”). The Authority has not complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule, as hereinafter described. The Authority has been obligated to provide certain financial and operating information of the Authority and the Authority’s audited financial statements after the end of each fiscal year (June 30th) within six months (or no later than the following January 1st).

During the last five years, the Authority has filed its financial statements as follows: for period ending June 30, 2017, a Failure to File-Late Notice (“Late Notice”) was filed on January 2, 2018 and the audit was filed on January 22, 2018. Additionally, for period ending June 30, 2016, the audit was filed late on January 5, 2017, with no Late Notice; for period ending June 30, 2015, a Late Notice was filed on January 7, 2016, and the audit was filed on March 16, 2016; for period ending June 30, 2014, the unaudited financials were filed on December 31, 2014, and posted its annual audit on June 17, 2015; and lastly, for period ending June 30, 2013, the audit was filed late on June 16, 2014, with no Late Notice.

The Authority is establishing procedures to ensure proper filing of the reports and notices required by the Continuing Disclosure Agreement and its prior undertakings on EMMA in the future. Such procedures include, but are not limited to, (i) educating the governing body of the Authority on an ongoing basis regarding the importance of the proper content and filing of the reports and notices required by the Continuing Disclosure Agreement and the Authority's prior undertakings, and (ii) periodically checking EMMA to ensure such reports and notices have been properly filed and indexed.

NO LITIGATION

There is no pending or threatened legal proceeding or proceedings against the Authority which, if prosecuted to an adverse conclusion, would be considered material, or would constitute a material change of financial circumstances, nor is there any litigation pending or threatened against the Authority which would restrain or enjoin the issuance or delivery of the Series 2018 Bonds or questioning or affecting the validity of the Series 2018 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence of the Authority, nor the title of the current members of the Authority, is being questioned. There is no litigation pending against the Authority to enter into the Bond Indenture, or to secure the Series 2018 Bonds in the manner provided in the Bond Indenture.

In addition, there is no pending or threatened legal proceedings against the City regarding collection of the sales tax and/or the transfer of the proceeds thereof to the Authority.

RATING

S&P Global Ratings ("S&P") has assigned a rating to the Series 2018 Bonds as set forth on the cover of this Official Statement. Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P at the following address: (Standard & Poor's Corporation, 25 Broadway, New York, New York 10004). Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency concerned, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Series 2018 Bonds.

MISCELLANEOUS

Any statements in this Official Statement and the Exhibits hereto involving estimates or assumptions, whether or not expressly so stated, are intended as such and no representation whatsoever is made that such estimates or assumptions are correct or will be realized. So far as any statements are made in this Official Statement and the Exhibits attached hereto involving matters of opinion, whether or not expressly so stated, they are intended as such and not as representations of fact. Neither this Official Statement, nor any statement that may have been made orally or in writing, is to be construed as a contract with the purchasers or holders of any of the Series 2018 Bonds. All information contained in this Official Statement and the Exhibits hereto pertaining to the Authority has been furnished by the Authority for use herein. All information contained in this Official Statement and the Exhibits hereto is subject to change and/or correction without notice and neither the delivery of this Official Statement nor any sale made hereunder shall create any implication that the information contained herein is complete or accurate in its entirety as of any date after the date hereof.

FORWARD LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the Authority, that are not purely historical are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. It is important to note that the Authority's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

APPROVAL OF OFFICIAL STATEMENT

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Reference is made to the Exhibits hereto which are an integral part of this Official Statement and must be read together with the rest of this Official Statement.

This Official Statement has been approved by the Authority for distribution to prospective purchasers of the Series 2018 Bonds.

THE MIAMI SPECIAL UTILITY AUTHORITY

By: /s/ Rudy Schultz

Chairman of Trustees

<u>EXHIBIT A</u>

AMORTIZATION SCHEDULE

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$8,000,000

MIAMI SUA

15 YR-7.23.18-v3

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
08/01/2019	415,000.00	4.000%	273,125.00	688,125.00
08/01/2020	430,000.00	4.000%	256,525.00	686,525.00
08/01/2021	450,000.00	4.000%	239,325.00	689,325.00
08/01/2022	465,000.00	4.000%	221,325.00	686,325.00
08/01/2023	485,000.00	3.000%	202,725.00	687,725.00
08/01/2024	500,000.00	3.000%	188,175.00	688,175.00
08/01/2025	515,000.00	3.000%	173,175.00	688,175.00
08/01/2026	530,000.00	3.000%	157,725.00	687,725.00
08/01/2027	545,000.00	3.000%	141,825.00	686,825.00
08/01/2028	560,000.00	3.000%	125,475.00	685,475.00
08/01/2029	580,000.00	3.500%	108,675.00	688,675.00
08/01/2030	600,000.00	3.500%	88,375.00	688,375.00
08/01/2031	620,000.00	3.500%	67,375.00	687,375.00
08/01/2032	640,000.00	3.500%	45,675.00	685,675.00
08/01/2033	665,000.00	3.500%	23,275.00	688,275.00
Total	**$8,000,000.00**	**-**	**$2,312,775.00**	**$10,312,775.00**

Yield Statistics

Accrued Interest from 08/01/2018 to 08/08/2018	5,310.76
Bond Year Dollars	$68,835.00
Average Life	8.604 Years
Average Coupon	3.3598823%
Net Interest Cost (NIC)	3.4649290%
True Interest Cost (TIC)	3.4831141%
Bond Yield for Arbitrage Purposes	3.3430440%
All Inclusive Cost (AIC)	3.9116263%

IRS Form 8038

Net Interest Cost	3.3775101%
Weighted Average Maturity	8.503 Years

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EXHIBIT B

THE CITY

The Series 2018 Bonds are special obligations of the Authority payable from the revenue described under "SALES TAX". The following information is intended only as general information about the City. The City is in no way obligated to repay any portion of the Series 2018 Bonds.

GENERAL

The City of Miami is located in Ottawa County in the Northeast corner of Oklahoma situated at the confluence of the Neosho and Spring Rivers. Route 66 here in Miami has the last section of the original Ribbon Road that is listed on the Oklahoma Natural Historic Landmark. Miami is approximately 25 minutes from Joplin, Missouri and 1 hour from Tulsa, Oklahoma. The City of Miami is recognized as a vital and innovative city with the current population of 13,704. Miami is the county seat of Ottawa County, which has a population of over 33,000. According to statistics, the 30-mile population radius of Miami is approximately 275,000.

The City of Miami was incorporated in 1891. The City is considered a full-service community. Miami's municipal government consists of two divisions: (1) general government; and (2) department of public utilities. In November 2000, the voters approved the change in form of government, which took effect on January 1, 2001. Miami is governed by a City charter and has a council-manager form of government. The elected officials consist of a directly elected mayor and one representative from the four wards within the community. Each elected official serves for a three (3) year staggered term with municipal elections held in April. Miami's Public Utility Board consists of five (5) members with a representative from the City council. The Board members are appointed for four (4) year staggered terms by the mayor with the advice and consent of the council. The combined budgets for both divisions are approximately $47 million.

The City provides a wide range of public services to include fire and police protection, parks and recreation, streets, cemetery, department of public utilities, and general administration. The City currently employs approximately 185 full-time and 77 part-time employees. There are two fire stations in Miami which employs 27 firefighters and administration. The police department employs 32 officers and detectives, 1 reserve officer and 8 administration and dispatchers and 4 part-time dispatchers. The utility department for Miami provides water, sewer and electric service to its customers.

THE SYSTEMS

SANITARY SEWER SYSTEM

Miami has a sequential batch reactors (SBR's) system of treatment. The city's sewage treatment system is currently operating at approximately 71% of capacity.

Sewer Treatment Capacity and Load

Measurement	Capacity	Present Load
Gallons per day	3,500,000	2,100,000
Population Equivalent	23,000	14,000

WATER SYSTEM

Storage Capacity	Daily consumption	Pressure in Mains	Source	Capacity
Ground: 1,200,000	Max: 1,998,000	65 PSI	8 Wells	1,000,000 GPD
Elevated: 2,100,000	Min: 715,000			

POPULATION

Year	Population
Current	13,704
2010	13,570
2000	13,704
1990	13,142
1980	14,437
1970	13,880

MAJOR EMPLOYERS

Company Name	Product	Employees
J&M Farms	Mushrooms, etc.	450
Tracker Marine	Boats	273
Newell Coach	Motor Homes	100
Scepter	Fuel Containment & Accessories	64

EDUCATION

Miami has 8 primary and secondary schools with approximately 2,392 students and approximately 173 teachers.

Type	Grades	Facilities	Enrollment	Teachers
Public	K-5	5	1,185	82
Public	6-8	1	550	40
Public	9-12	1	612	47
Private	Pre K-5	1	45	4
Total		**8**	**2,392**	**173**

NEO A&M College, a two year junior college, is located in Miami which has approximately 1,981 students and 73 faculty members.

Source: City Officials

SALES TAX COLLECTIONS (HISTORICAL)

FY	TOTAL COLLECTIONS	1 CENT COLLECTIONS	AVERAGE 1 CENT MONTHLY	% CHANGE
2017/18	$ 6,368,209	$ 1,744,715	$ 145,392	1.41%
2016/17	$ 6,279,760	$ 1,720,482	$ 143,374	-1.13%
2015/16	$ 6,350,248	$ 1,739,794	$ 144,983	1.40%
2014/15	$ 6,262,854	$ 1,715,850	$ 142,988	2.54%
2013/14	$ 6,107,769	$ 1,673,361	$ 139,447	-1.13%
2012/13	$ 6,177,663	$ 1,692,511	$ 141,043	-1.79%
2011/12	$ 6,290,358	$ 1,723,386	$ 143,615	6.98%
2010/11	$ 5,521,547	$ 1,610,900	$ 134,242	-0.31%
2009/10	$ 4,847,716	$ 1,615,905	$ 134,659	-5.90%
2008/09	$ 5,151,681	$ 1,717,227	$ 143,102	1.71%
2007/08	$ 5,065,223	$ 1,688,408	$ 140,701	4.24%
2006/07	$ 4,859,380	$ 1,619,793	$ 134,983	5.68%
2005/06	$ 4,598,028	$ 1,532,676	$ 127,723	3.61%
2004/05	$ 4,437,852	$ 1,479,284	$ 123,274	n/a

2017/18 Total collections are 3.65 cents for twelve months.
2016/17 Total collections are 3.65 cents for twelve months.
2015/16 Total collections are 3.65 cents for twelve months.
2014/15 Total collections are 3.65 cents for twelve months.
2013/14 Total collections are 3.65 cents for twelve months.
2012/13 Total collections are 3.65 cents for twelve months.
2011/12 Total collections are 3.65 cents for twelve months.
2010/11 Total collections are 3.65 cents for eight months and 3 cents for four months.
2009/10 Total collections are for 3 cents for twelve months.
2008/09 Total collections are for 3 cents for twelve months.
2007/08 Total collections are for 3 cents for twelve months.
2006/07 Total collections are for 3 cents for twelve months.
2005/06 Total collections are for 3 cents for twelve months.
2004/05 Total collections are for 3 cents for twelve months.

Source: Oklahoma Tax Commission

BANK DEPOSITS (1)		NET VALUATION TRENDS (2)		
2017(b)	$ 194,794,000	2017/18	58,404,156	2.55%
2016(b)	204,622,000	2016/17	56,953,450	2.52%
2015(b)	192,247,000	2015/16	55,552,394	1.11%
2014(b)	181,121,000	2014/15	54,940,130	6.78%
2013(b)	189,629,000	2013/14	51,452,183	20.77%
2012(b)	180,840,000	2012/13	42,604,186	-16.67%
2011(b)	208,607,000	2011/12	51,127,900	1.96%
2010(b)	186,871,000	2010/11	50,146,552	- .51%
2009(b)	187,006,000	2009/10	50,401,275	1.95%
2008(b)	178,816,000	2008/09	49,439,021	n/a

(b) Does not include branch bank deposits.

(1) Source: Oklahoma Bankers Association
(2) Source: Official Estimate of Needs

UTILITY CONNECTIONS

Year	Water Meters	Sewer Connections	Electric Customers
2017	6,198	5,387	7,107
2016	5,487	5,215	6,447
2015	5,550	5,313	6,528
2014	5,526	5,263	6,584
2013	5,609	5,321	6,639
2012	6,044	5,347	6,827
2011	5,983	5,360	6,889
2010	6,275	5,444	6,980
2009	6,355	5,468	7,123

Source: City Officials

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<u>EXHIBIT C</u>

UTILITY RATES

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CITY OF MIAMI

DEPARTMENT OF PUBLIC UTILITIES

Approved Date	2/13/2018	Effective Date	4/1/2018

UTILITY RATES

Electric

	Residential	General	Commercial & Municipal	Industrial	Majority Industrial Subsidiary ***	Minority Industrial Subsidiary ***
All kWh	$0.0972	$0.1006	$0.0625			
Winter Demand per kW (Oct.-April)	N/A		$11.6100			
Summer Demand per kW (May-Sept.)	N/A		$12.6510			
1 - 300,000 kWh	N/A			$0.0579	-	-
300,000 kWh and Above	N/A			$0.0449	$0.0449	$0.0520
Winter Demand per kW	N/A			$11.6100	$11.6100	$11.6100
Summer Demand per kW	N/A			$12.6510	$12.6510	$12.6510
Customer Charge per Month	$12.50	$12.50	$16.97	$16.97	$16.97	$16.97
*(AKA Minimum Bill per Month)						

** **For Commercial and Industrial Accounts.** The minimum bill will be equal to but not less than seven dollars ($7.00) per kilowatt of demand for the maximum monthly demand during the most recent June through September preceding the billing period. For new customers without past usage history, the minimum shall be actual usage only.

*** **Majority and Minority Industrial Subsidiary rates** are only available to those Industrial Customers that qualify under Sec. 24-63. - Industrial Service electrical and Subsidiary rate schedule IS-1001

Water Residential

0 - 1,000 Gallons	See **Minimum Bill** below for meter size
1,001-5,000 Gallons	$4.36/1000 Gal
5,001-20,000 Gallons	$5.67/1000 Gal
20,001 - Above gallons	$6.97/1000 Gal
Water Commercial & Municipal	
0 - 1,000 Gallons	See **Minimum Bill** below for meter size
1,001 - Above gallons	$5.11/1000 Gal
Minimum Bill per Month	
3/4" Meter	$10.92
1"Meter	$15.89
2"Meter	$39.71
3"Meter	$119.13
4"Meter	$168.77
6" Meter	$416.94

Fire Protection Service

2" Line	$5.00
4" Line	$15.00
6" Line	$20.00
8" Line	$25.00
10" Line	$35.00

Wastewater

All Gallons Through Water Meter	$5.28/1000 Gal

Sec. 24-65. Electric Services Fees

Approve 11.7.2015

The owner of property or a bona fide representative of the property owner to which City utilities are to be provided, existing, or to be removed, may with a 48 hour notice, request that the City install, disconnect or relocate the Electric Service Drop that feeds to the point of delivery from the City's utility pole or padmounted device at the following rates:

1. Electric Service Drop extensions beyond the standard "Service Connections" of Sec. 6-185 (per span).	$150.00
2. Relocation of Overhead Electric Service Drops	$75.00
3. Temporary Electric Service Drops for Single Phase Service	$75.00
4. Temporary Electric Service Drops for Three Phase Service	$150.00
5. Removal of Single Phase Electric Service Drops	$50.00
6. Removal of Three Phase Electric Service Drops	$75.00
7. Disconnect and Reconnect of Single Phase Electric Service Drops	$75.00
8. Disconnect and Reconnect of Three Phase Electric Service Drops	$150.00

The above rates are based on the Electric Department Crews normal work hours. A request for these services beyond normal work hours (after-hours) will be at two (2) times the above stated rates.

Other requested Electric Department Services not listed above will be at time and materials plus 15% during normal work hours. If services are requested after-hours, the labor cost will be at two (2) times the crew's rate.

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<u>EXHIBIT D</u>

CITY OF MIAMI, OKLAHOMA

ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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MIAMI OKLAHOMA

CITY OF
MIAMI, OKLAHOMA

ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

THE CITY OF MIAMI, OKLAHOMA

ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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Supplementary Information:

Internal Control and Compliance Information

Arledge & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami, Oklahoma, (the "City") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Miami Industrial Development Authority ("MIDA"), which represents 10 percent, 6 percent, and 17 percent, respectively, of the assets, net position, and operating revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for MIDA, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

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business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2017, 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.

Arledge & Associates, P.C.

December 5, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Miami's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2017, the City's total net position decreased by $9,578,183 or 25% from the prior year.
- During the year, the City's expenses for governmental activities were $22.4 million and were funded by program revenues of $1.5 million and further funded with taxes and other general revenues that totaled $11.4 million.
- In the City's business-type activities, such as utilities, program revenues exceeded expenses by $4 million.
- At June 30, 2017, the General Fund reported an unassigned fund balance of $195.
- For budgetary reporting purposes, the General Fund reported revenues above estimates of $96,579 or 1.3%, while expenditures were under the final appropriations by $895,618 or 9.0%.
- The City issued $19,375,000 of the 2016 Sales Tax Refunding Revenue Bonds which were used to refinance the 2010 Sales Tax Revenue Bonds for street improvements and the 2013 Bond Anticipation Note for sports complex improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

About the City

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

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

The City's Financial Reporting Entity

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

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

Primary Government:

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

Blended Component Units:

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

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

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

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

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

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

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

Miami Industrial Development Authority (MIDA) – public trust that promotes industry in and around the City of Miami. The Authority issues separate financial statements.

Using This Annual Report

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

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

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

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

Reporting the City as a Whole

<u>The Statement of Net Position and the Statement of Activities</u>

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

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

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

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

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by $28,698,474 at the close of the most recent fiscal year.

TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2017	2016		2017	2016		2017	2016	
Current assets	$ 11,832	$ 10,381	14%	$ 13,756	$ 13,616	1%	$ 25,588	$ 23,997	7%
Capital assets, net	26,718	27,338	-2%	17,715	18,491	-4%	44,433	45,829	-3%
Total assets	38,550	37,719	2%	31,471	32,107	-2%	70,021	69,826	0%
Deferred outflows	2,656	1,404	89%	790	679	16%	3,446	2,083	65%
Current liabilities	3,723	3,494	7%	2,905	2,748	6%	6,628	6,242	6%
Non-current liabilities	28,809	16,521	74%	8,799	9,283	-5%	37,608	25,804	46%
Total liabilities	32,532	20,015	63%	11,704	12,031	-3%	44,236	32,046	38%
Deferred inflows	414	1,337	-69%	123	254	100%	537	1,591	-66%
Net position									
Net investment capital assets	16,909	17,689	-4%	11,499	11,463	0%	28,408	29,152	-3%
Restricted	1,670	1,588	5%	776	771	1%	2,446	2,359	4%
Unrestricted (deficit)	(10,319)	(1,506)	-585%	8,159	8,267	-1%	(2,160)	6,761	-132%
Total net positin	$ 8,260	$ 17,771	-54%	$ 20,434	$ 20,501	0%	$ 28,694	$ 38,272	-25%

The largest portion of the City's net position reflects its net investment capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. For 2017, the net investment in capital assets amounted to $28,408,405. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A major portion of the City's net position, $2,446,079 also represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit position amounting to $2,160,777.

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

Governmental Activities:

Deferred outflows – Increase of $1.3 million (89%) due to changes in pension elements.

Non-current liabilities – Increases of $12.3 (74%) due to issuance of debt to refinance other outstanding debt and pay off debt of a discretely presented component unit.

Deferred inflows – Decrease of $.9 million (69%) due to changes in pension elements.

Net position unrestricted (deficit) – Increase in the deficit of $8.8 million (585%) due to an increase in expenditures over revenue.

Business-Type Activities:

Deferred inflows – Increases due to changes in pension elements.

Changes in Net Position

For the year ended June 30, 2017, net position of the primary government changed as follows:

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities 2017	Governmental Activities 2016	% Inc. (Dec.)	Business-Type Activities 2017	Business-Type Activities 2016	% Inc. (Dec.)	Total 2017	Total 2016	% Inc. (Dec.)
Revenues									
Charges for service	$ 686	$ 709	-3%	$ 24,045	$ 23,419	3%	$ 24,731	$ 24,128	2%
Operating grants and contributions	813	759	7%	-	2	-	813	761	7%
Capital grants and contributions	-	64	100%	136	532	-74%	136	596	-77%
Taxes	7,193	7,215	0%	-	-	-	7,193	7,215	0%
Investment income	25	15	67%	18	12	50%	43	27	59%
Miscellaneous	71	185	-62%	1	1	0%	72	186	-61%
Total revenues	8,787	8,947	-2%	24,200	23,966	1%	32,987	32,913	0%
Expenses									
General government	1,728	2,411	-28%	-	-	-	1,728	2,411	-28%
Public safety	5,115	4,990	3%	-	-	-	5,115	4,990	3%
Streets	3,067	2,432	26%	-	-	-	3,067	2,432	26%
Culture and recreation	11,226	1,305	760%	-	-	-	11,226	1,305	760%
Economic development	572	507	13%	-	-	-	572	507	13%
Interest on debt	721	593	22%	-	-	-	721	593	22%
Water	-	-	-	1,834	1,553	18%	1,834	1,553	18%
Wastewater	-	-	-	1,477	1,429	-	1,477	1,429	-
Sanitation	-	-	-	1,645	1,506	9%	1,645	1,506	9%
Electric	-	-	-	14,803	13,660	8%	14,803	13,660	8%
Airport	-	-	-	377	415	-9%	377	415	-9%
Total expenses	22,429	12,238	83%	20,136	18,563	8%	42,565	30,801	-38%
Excess (deficiency) before transfers	(13,642)	(3,291)	-315%	4,064	5,403	-25%	(9,578)	2,112	-553%
Transfers	4,131	4,088	1%	(4,131)	(4,088)	1%	-	-	-
Change in net position	$ (9,511)	$ 797	-1293%	$ (67)	$ 1,315	-105%	$ (9,578)	$ 2,112	-553%

Explanations of significant changes in Table 2 are as follows:

Governmental Activities:

General Government – Decrease of $.7 million (28%) due to a decrease in operational cost.

Streets – Increase of $.6 million (26%) due to an increase in operational cost.

Culture and recreation – Increase of $9.9 million (760%) due to one-time funding to a discretely presented component unit for the payoff of a debt issue.

Business-Type Activities:

Capital grants and contributions – Decrease of $.4 million (74%) due to a decrease in airport grants.

Governmental Activities

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

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

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2017	2016		2017	2016	
General government	$ 1,728	$ 2,411	-28%	$ (1,604)	$ (2,328)	-31%
Public safety	5,115	4,990	2%	(4,265)	(4,127)	3%
Streets	3,067	2,432	26%	(2,889)	(2,154)	34%
Culture, parks and recreation	11,226	1,305	760%	(10,952)	(1,029)	964%
Economic development	572	507	13%	(499)	(474)	5%
Interest on long-term debt	721	593	-22%	(721)	(593)	22%
Total	$ 22,429	$ 12,238	83%	($20,930)	$ (10,705)	96%

For the year ended June 30, 2017 total expenses for governmental activities amounted to approximately $22.4 million which was an increase from the prior year of 83%. See Table 2 above for explanations of changes.

Business-type Activities

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

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	2017	2016		2017	2016	
Water	$ 1,834	$ 1,553	18%	$ 517	$ 965	-46%
Wastewater	1,477	1,429	-	280	672	-58%
Sanitation	1,645	1,507	9%	746	774	-4%
Electric	14,803	13,659	8%	2,567	3,273	-22%
Airport	377	415	-9%	(65)	(295)	-78%
Total	$ 20,136	$ 18,563	8%	$ 4,045	$ 5,389	-25%

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

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

- Total business-type activities reported net revenues of $4,045,043 for the year ended June 30, 2017.
- Airport operational cost exceeded revenues due the completion of capital grants for airport construction.

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2017 fiscal year, the governmental funds reported a combined fund balance of $7.4 million or a 8.2% increase of approximately $564,000 mainly due to debt proceeds. The enterprise funds reported combined net position of $19.6 million or a 1.1% decrease from 2016.

Fund Balance/Net Position

Governmental Funds			Proprietary Funds		
Restricted	$	1,681,678	Net investment in capital assets	$	11,499,386
Committed		2,885,062	Restricted for debt service and other		775,962
Assigned		2,877,422	Unrestricted		7,340,862
Unassigned		195			
Total Fund Balance	$	7,444,357	Total Net Position	$	19,616,210

General Fund Budgetary Highlights

For budgetary reporting purposes, the General Fund reported revenues above estimates of $96,579 or 1.3%, while expenditures were under the final appropriations by $895,618 or 9.0%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2017, the City had $44.4 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, electrical infrastructure, water lines and sewer lines. (See table below). This represents a net decrease of $1.4 million or 3.0% from the prior year.

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	$ 5,487	$ 5,487	$ 751	$ 751	6,238	$ 6,238
Buildings	5,112	4,597	9,431	9,850	14,543	14,447
Machinery, furniture and equipment	2,372	2,532	2,880	3,340	5,252	5,872
Infrastructure	13,234	13,714	3,695	4,004	16,929	17,718
Construction in progress	513	1,009	958	545	1,471	1,554
Totals	$ 26,718	$ 27,339	$ 17,715	$ 18,490	$ 44,433	$ 45,829

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

Equipment	$457,000
Street projects	$417,000
Kennel Facility	$409,274

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

Long- Term Debt

At year-end, the City had $27.3 million in long-term debt outstanding which represents a $9.5 million increase, or 53.9%, from the prior year. The City's changes in long-term debt by type of debt are as follows:

TABLE 6
Long-Term Debt
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Accrued absences	$ 577	$ 585	$ 180	$ 183	$ 757	$ 768
Revenue Bonds	19,245	9,045	1,000	1,190	20,245	10,235
Bond Premium (Discount)	247	(58)	(6)	(8)	241	(66)
Notes Payable	-	-	4,716	5,306	4,716	5,306
Capital Leases	823	947	506	539	1,329	1,486
Totals	$ 20,892	$ 10,519	$ 6,396	$ 7,210	$ 27,288	$ 17,729

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

The Upcoming Year

The City will spend the upcoming year completing projects with an emphasis on facility's rehabilitation, which includes a large civic center rehabilitation project; implementing the approved comprehensive plan; street and utility improvements; and installing a splash pad.

The FY 2017-2018 budget will remain level with the exception of an electric utility rate increase. The funds collected from the increase will fund much needed electric system improvements to include substation upgrades. The City expects to continue to be impacted by a struggling economy but by building financial capacity via a reshaping of budget priorities the City will improve budget stabilization for the future.

The City will also continue revenue bond projects on various utility improvements such as completing the well south of town and will start another utility improvement revenue bond project. Utility funds will continue to repay the debts.

The primary sources of revenue for the City of Miami are Sales Tax and water and electric revenue. Sales tax requires a vote of the people and cannot be adjusted without the people's consent. The City continues to look for ways to enhance our revenue base that will assist in the completion of major infrastructure and development projects.

Contacting the City's Financial Management

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

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

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

Statement of Net Position– June 30, 2017

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and equivalents	$ 8,701,282	$ 6,143,513	$ 14,844,795	$ 546,935
Investments	631,281	2,856,074	3,487,355	-
Interest receivable	-	809	809	-
Accounts receivable, net	163,710	3,049,810	3,213,520	-
Due from other governments	905,853	-	905,853	-
Other receivables	2,223,696	33,833	2,257,529	2,212
Internal balances	(794,009)	794,009	-	-
Inventory	-	877,819	877,819	-
Capital Assets				
Land and construction in progress	5,999,947	1,708,686	7,708,633	247,946
Other capital assets, net of depreciation	20,718,025	16,006,424	36,724,449	9,366,330
Total assets	38,549,785	31,470,977	70,020,762	10,163,423
DEFERRED OUTFLOWS:				
Deferred amounts related to pensions	2,019,961	789,538	2,809,499	-
Deferred amount on refunding	636,155	-	636,155	-
Total deferred outflows of resources	2,656,116	789,538	3,445,654	-
LIABILITIES				
Accounts payable and accrued liabilities	534,562	1,813,967	2,348,529	20,205
Claims liability	2,448,652	-	2,448,652	-
Accrued interest payable	47,361	37,283	84,644	2,027
Long-term liabilities				
Due within one year	692,174	1,053,595	1,745,769	236,214
Due in more than one year	28,809,249	8,799,275	37,608,524	519,777
Total liabilities	32,531,998	11,704,120	44,236,118	778,223
DEFERRED INFLOWS:				
Deferred amounts related to pensions	413,959	122,552	536,511	-
Total deferred inflows of resources	413,959	122,552	536,511	-
NET POSITION:				
Net investment in capital assets	16,909,099	11,499,386	28,408,485	8,957,545
Restricted	1,670,117	775,962	2,446,079	-
Unrestricted (deficit)	(10,319,272)	8,158,495	(2,160,777)	427,655
Total net position	$ 8,259,944	$ 20,433,843	$ 28,693,787	$ 9,385,200

See accompanying notes to the basic financial statements.

Statement of Activities –Year Ended June 30, 2017

		Program Revenue			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Discretely Presented Component Units
Primary government								
Governmental Activities								
General Government	$ 1,727,787	$ 70,896	$ 52,805	$ -	$ (1,604,086)	$ -	$ (1,604,086)	$ -
Public Safety	5,114,588	257,316	591,954	-	(4,265,318)	-	(4,265,318)	-
Public Works and Streets	3,066,593	60,039	117,510	-	(2,889,044)	-	(2,889,044)	-
Culture and Recreation	11,226,060	228,232	46,310	-	(10,951,518)	-	(10,951,518)	-
Economic Development	572,299	69,272	4,000	-	(499,027)	-	(499,027)	-
Interest on long-term Debt	721,243	-	-	-	(721,243)	-	(721,243)	-
Total governmental activities	22,428,570	685,755	812,579	-	(20,930,236)	-	(20,930,236)	-
Business-type activities								
Water	1,833,783	2,350,731	-	-	-	516,948	516,948	-
Wastewater	1,476,694	1,756,578	-	-	-	279,884	279,884	-
Sanitation	1,645,361	2,391,377	-	-	-	746,016	746,016	-
Electric	14,803,159	17,370,727	-	-	-	2,567,568	2,567,568	-
Airport	376,773	175,234	-	136,166	-	(65,373)	(65,373)	-
Total business-type activities	20,135,770	24,044,647	-	136,166	-	4,045,043	4,045,043	-
Total primary government	$ 42,564,340	$ 24,730,402	$ 812,579	$ 136,166	(20,930,236)	4,045,043	(16,885,193)	-
Component Units								
Culture and Recreation	$ 1,107,136	$ 298,751	$ 9,979,402	$ -				9,171,017
Economic Development	71,790	113,744	-	-				41,954
Total component units	$ 1,178,926	$ 412,495	$ 9,979,402	$ -				9,212,971
General revenues:								
Taxes:								
Sales and use taxes					6,634,680	-	6,634,680	-
Property tax					21,525	-	21,525	-
Franchise and public service taxes					322,105	-	322,105	-
Hotel/motel taxes					214,538	-	214,538	-
Investment income					24,709	18,018	42,727	225
Miscellaneous					70,923	512	71,435	-
Transfers - internal activity					4,131,188	(4,131,188)	-	-
Total general revenues and transfers					11,419,668	(4,112,658)	7,307,010	225
Change in net position					(9,510,568)	(67,615)	(9,578,183)	9,213,196
Net position - beginning					17,770,512	20,501,458	38,271,970	172,004
Net position - ending					$ 8,259,944	$ 20,433,843	$ 28,693,787	$ 9,385,200

See accompanying notes to the basic financial statements.

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

Governmental Funds Balance Sheet - June 30, 2017

	General Fund	Street and Stadium Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 837,672	$ 673,668	$ 5,501,949	$ 7,013,289
Investments	13,154	-	-	13,154
Receivables:				
Accounts receivable	116,549	-	47,161	163,710
Due from other funds	87,808	-	59,755	147,563
Due from other governments and entities	698,479	141,300	66,074	905,853
Total assets	$ 1,753,662	$ 814,968	$ 5,674,939	$ 8,243,569
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 162,555	$ 3,250	$ 98,110	$ 263,915
Wages payable	256,866	-	13,277	270,143
Due to other funds	85,535	-	38,404	123,939
Total liabilities	504,956	3,250	149,791	657,997
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	85,805	-	55,410	141,215
Fund balances:				
Restricted	17,900	811,718	852,060	1,681,678
Commited	-	-	2,885,062	2,885,062
Assigned	1,144,806	-	1,732,616	2,877,422
Unassigned	195	-	-	195
Total fund balances	1,162,901	811,718	5,469,738	7,444,357
Total liabilities, deferred inflows and fund balances	$ 1,753,662	$ 814,968	$ 5,674,939	$ 8,243,569

See accompanying notes to the basic financial statements.

Governmental Funds Statement of Changes in Fund Balances – Year Ended June 30, 2017

	General Fund	Street and Stadium Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 5,568,610	$ 1,122,198	$ 354,633	$ 7,045,441
Intergovernmental	759,880	-	129,697	889,577
Charges for services	193,650	-	123,556	317,206
Fines and forfeitures	217,800	-	-	217,800
Licenses and permits	53,725	-	-	53,725
Investment income	13,344	11,115	250	24,709
Miscellaneous	184,256	-	44,683	228,939
Total revenues	6,991,265	1,133,313	652,819	8,777,397
EXPENDITURES				
Current:				
General government	1,686,814	-	7,847	1,694,661
Public Safety	4,983,288	-	3,633	4,986,921
Public works and streets	1,281,938	948,700	84,642	2,315,280
Culture and recreation	1,128,501	9,870,000	95,188	11,093,689
Economic development	514,171	-	-	514,171
Capital Outlay	-	-	1,047,253	1,047,253
Debt Service:				
Principal	144,149	130,000	128,765	402,914
Interest and other charges	30,669	429,521	6,160	466,350
Total expenditures	9,769,530	11,378,221	1,373,488	22,521,239
Excess (deficiency) of revenues over expenditures	(2,778,265)	(10,244,908)	(720,669)	(13,743,842)
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	19,375,000	149,481	19,524,481
Premium on debt issuance	-	263,590	-	263,590
Transfer to escrow agent	-	(9,663,231)	-	(9,663,231)
Transfers in	7,575,644	1,123,098	1,841,516	10,540,258
Transfers out	(5,157,611)	(1,117,483)	(82,261)	(6,357,355)
Total other financing sources and uses	2,418,033	9,980,974	1,908,736	14,307,743
Net change in fund balances	(360,232)	(263,934)	1,188,067	563,901
Fund balances - beginning	1,523,133	1,075,652	4,281,671	6,880,456
Fund balances - ending	$ 1,162,901	$ 811,718	$ 5,469,738	$ 7,444,357

See accompanying notes to the basic financial statements.

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance – Net Position Reconciliation:

Total fund balance, governmental funds	$	7,444,357
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.		26,717,972
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds.		141,215
Certain other long-term elements are not available to pay current period expenditures and are classified as deferred outflows and are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Pension related deferred outflows		2,019,961
Deferred amounts on refunding		636,155
Some liabilities are not due and payable in the current period and they, along with deferred inflows, are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:		
Capital lease obligations		(823,335)
Interest payable		(47,361)
Net pension liability		(8,101,303)
Pension related deferred inflows		(413,959)
Net other post employment benefit obligation		(508,052)
Accrued compensated absences		(577,040)
Unamortized debt premium		(246,693)
Revenue bond payable		(19,245,000)
Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance, to individual funds. The net position of the internal service funds are reported in governmental activities:		
Internal service fund net position		1,263,027
Net Position of Governmental Activities in the Statement of Net Position	$	8,259,944

See accompanying notes to the basic financial statements.

Changes in Fund Balances – Changes in Net Position Reconciliation:

Net change in fund balances - total governmental funds:	$	563,901
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		1,085,475
Capital assets donated		29,634
Depreciation expense		(1,724,326)
Disposed capital assets		(11,227)
In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as expenditures. This amount represents the difference between pension contributions and calculated pension expense.		169,720
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		(3,934)
Bond proceeds provide current financial resources t governmental funds, but issuing debt increased 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:		
Capital lease proceeds		(149,481)
Capital lease principal payments		272,914
Revenue bond principal payments		130,000
Payment to escrow		9,663,231
Bond premium		(263,590)
Note proceeds		(19,375,000)
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		(20,234)
Change in accrued compensated absences		8,144
Change in net other post employment benefits obligation		(145,218)
Change in amortization of bond discount/premium		(58,106)
Transfer of debt activity		34,662
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 for internal service funds		282,867
Change in net position of governmental activities	$	(9,510,568)

See accompanying notes to the basic financial statements.

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

Proprietary Funds Statement of Net Position - June 30, 2017

	Enterprise Funds			
	Miami Special Utility Authority	Airport Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	$ 5,279,514	$ 35	$ 5,279,549	$ 1,687,993
Cash and cash equivalents, restricted	428,442	-	428,442	-
Investments	2,668,550	-	2,668,550	618,127
Accounts receivable, net	3,009,431	40,379	3,049,810	-
Other receivable	436	33,397	33,833	2,223,696
Accrued interest receivable	809	-	809	-
Inventory	844,430	33,389	877,819	-
Due from other funds	93,586	30,128	123,714	-
Total current assets	12,325,198	137,328	12,462,526	4,529,816
Non-current assets:				
Cash and cash equivalents, restricted	435,522	-	435,522	-
Investments, restricted	187,524	-	187,524	-
Capital assets:				
Land, construction in progress, and water rights	1,484,521	224,165	1,708,686	-
Other capital assets, net of accumulated depreciation	12,716,275	3,290,149	16,006,424	-
Total non-current assets	14,823,842	3,514,314	18,338,156	-
Total assets	27,149,040	3,651,642	30,800,682	4,529,816
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts related to pensions	765,948	23,590	789,538	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,662,651	23,149	1,685,800	504
Claims liability	-	-	-	2,448,652
Wages payable	127,477	690	128,167	-
Due to other funds	86,495	60,843	147,338	-
Accrued interest payable	37,283	-	37,283	-
Accrued compensated absences	18,010	-	18,010	-
Refundable deposits	41,623	-	41,623	-
Capital lease payable	201,143	-	201,143	-
Revenue bond payable	190,000	-	190,000	-
Notes payable	602,819	-	602,819	-
Total current liabilities	2,967,501	84,682	3,052,183	2,449,156
Non-current liabilities:				
Accrued compensated absences	162,088	-	162,088	-
Net pension liability	2,741,140	21,397	2,762,537	-
Net OPEB obligation	278,284	-	278,284	-
Refundable deposits	374,604	-	374,604	-
Capital lease payable	304,663	-	304,663	-
Revenue bond payable	803,479	-	803,479	-
Notes payable, net	4,113,620	-	4,113,620	-
Total non-current liabilities	8,777,878	21,397	8,799,275	-
Total liabilities	11,745,379	106,079	11,851,458	2,449,156
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	98,874	23,678	122,552	-
NET POSITION				
Net investment in capital assets	7,985,072	3,514,314	11,499,386	-
Restricted for debt service	775,962	-	775,962	-
Unrestricted	7,309,701	31,161	7,340,862	2,080,660
Total net position	$ 16,070,735	$ 3,545,475	19,616,210	$ 2,080,660

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund balances are included with business-type activities and reported as interfund balances	817,633
Total net position per Government-Wide financial statements	$ 20,433,843

See accompanying notes to the basic financial statements.

Proprietary Funds Statement of Changes in Net Position - Year Ended June 30, 2017

	Enterprise Funds			
	Miami Special Utility Authority	Airport Fund	Total	Internal Service Fund
REVENUES				
Charges for services	$ 22,901,978	$ 163,038	$ 23,065,016	$ 2,249,001
Fees, licenses and permits	135,086	-	135,086	-
Miscellaneous	803,073	-	803,073	2,242,082
Total operating revenues	23,840,137	163,038	24,003,175	4,491,083
OPERATING EXPENSES				
Personal services	3,968,043	25,025	3,993,068	-
Materials and supplies	11,529,186	87,451	11,616,637	-
Other services and charges	2,937,566	46,368	2,983,934	336,665
Insurance claims and expense	-	-	-	3,711,572
Depreciation expense	1,317,067	217,929	1,534,996	-
Total operating expenses	19,751,862	376,773	20,128,635	4,048,237
Operating income (loss)	4,088,275	(213,735)	3,874,540	442,846
NON-OPERATING REVENUES (EXPENSES)				
Investment income	18,018	-	18,018	1,720
Miscellaneous	29,744	12,240	41,984	-
Disposal of capital assets	(29,634)	-	(29,634)	-
Interest expense and fiscal charges	(168,834)	-	(168,834)	-
Total non-operating revenue (expenses)	(150,706)	12,240	(138,466)	1,720
Income (loss) before contrbutions and transfers	3,937,569	(201,495)	3,736,074	444,566
Contributed capital revenue	81,349	136,166	217,515	-
Transfers in	6,275,094	-	6,275,094	-
Transfers out	(10,457,997)	-	(10,457,997)	-
Change in net position	(163,985)	(65,329)	(229,314)	444,566
Total net position - beginning	16,234,720	3,610,804	19,845,524	1,636,094
Total net position - ending	$ 16,070,735	$ 3,545,475	$ 19,616,210	$ 2,080,660

Change in net position above	(229,314)
Some amounts reported for business-type activities in the Statement of Activities are difference because the net revenue of certain internal service funds is reported with business-type activities	161,699
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements	$ (67,615)

See accompanying notes to the basic financial statements.

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2017

	Enterprise Funds			
	Miami Special Utility Authority	Airport Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 24,321,103	$ 159,837	$ 24,480,940	$ 3,490,910
Payments to suppliers	(14,261,317)	(127,899)	(14,389,216)	(336,784)
Payments to employees	(3,874,198)	(22,872)	(3,897,070)	-
Receipts from other funds	78,993	59,138	138,131	(7,487)
Payments to other funds	(31,023)	-	(31,023)	-
Receipts of customer meter deposits	205,490	-	205,490	-
Refunds of customer meter deposits	(188,843)	-	(188,843)	-
Claims and judgments paid	-	-	-	(2,677,210)
Net cash provided by operating activities	6,250,205	68,204	6,318,409	469,429
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	6,275,094	-	6,275,094	-
Transfers to other funds	(10,457,997)	-	(10,457,997)	-
Interaccount transfers in	381,810	-	381,810	-
Interaccount transfers out	(419,010)	-	(419,010)	-
Net cash provided by (used in) noncapital financing activities	(4,220,103)	-	(4,220,103)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(344,414)	(206,304)	(550,718)	-
Transfer of capital assets to governmental activities	(29,634)	-	(29,634)	-
Principal paid on debt	(1,014,546)	-	(1,014,546)	-
Proceeds of capital grants	-	136,166	136,166	-
Interest and fiscal agent fees paid on debt	(171,893)	-	(171,893)	-
Net cash provided by (used in) capital and related financing activities	(1,560,487)	(70,138)	(1,630,625)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (Purchase) of investments	-	-	-	(1,721)
Interest and dividends	18,018	-	18,018	1,720
Net cash provided by (used in) investing activities	18,018	-	18,018	(1)
Net increase (decrease) in cash and cash equivalents	487,633	(1,934)	485,699	469,428
Balances - beginning of year	5,655,845	1,969	5,657,814	1,218,565
Balances - end of year	$ 6,143,478	$ 35	$ 6,143,513	$ 1,687,993
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	$ 5,279,514	$ 35	$ 5,279,549	$ 1,687,993
Restricted cash and cash equivalents - current	428,442	-	428,442	-
Restricted cash and cash equivalents - noncurrent	435,522	-	435,522	-
Total cash and cash equivalents, end of year	$ 6,143,478	$ 35	$ 6,143,513	$ 1,687,993
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 4,088,275	$ (213,735)	$ 3,874,540	$ 442,846
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	1,317,067	217,929	1,534,996	-
Other nonoperating revenue	29,744	12,240	41,984	-
Change in assets and liabilities:				
Receivables, net	451,222	(4,017)	447,205	(1,000,173)
Other receivable	-	(11,424)	(11,424)	-
Due from other funds	(31,023)	-	(31,023)	-
Inventory	83,359	(7,334)	76,025	-
Deferred outflows related to pension	(279,250)	8,732	(270,518)	-
Accounts payable	122,076	13,254	135,330	(119)
Claims liability	-	-	-	1,034,362
Due to other funds	78,993	59,138	138,131	(7,487)
Due to employees	(1,179)	(225)	(1,404)	-
Refundable deposits	16,647	-	16,647	-
Net OPEB obligation	82,148	-	82,148	-
Net pension liability	285,365	(25,292)	260,073	-
Accrued compensated absences	(2,794)	-	(2,794)	-
Deferred inflows related to pension	9,555	18,938	28,493	
Net cash provided by operating activities	$ 6,250,205	$ 68,204	$ 6,318,409	$ 469,429
Noncash activities:				
Asset acquired by capital lease	$ 201,258	$ -	$ 201,258	$ -
Asset contributed by others	200,007	-	200,007	-
	$ 401,265	$ -	$ 401,265	$ -

See accompanying notes to the basic financial statements.

BASIC FINANCIAL STATEMENTS – DISCRETELY PRESENTED COMPONENT UNITS

Discretely Presented Component Units Combining Statement of Net Position - June 30, 2017

	MCFA	MDRA	MIDA	MIPFA	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 186,405	$ 8,502	$ 184,887	$ 167,141	$ 546,935
Receivables:					
Other receivable	1,000	1,212	-	-	2,212
Total current assets	187,405	9,714	184,887	167,141	549,147
Non-current assets:					
Capital assets:					
Land, construction in progress, and water rights	-	-	103,517	144,429	247,946
Other capital assets, net of accumulated depreciation	8,203,727	12,626	787,814	362,163	9,366,330
Total non-current assets	8,203,727	12,626	891,331	506,592	9,614,276
Total assets	8,391,132	22,340	1,076,218	673,733	10,163,423
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	250	17,705	-	2,250	20,205
Interest payable	545	-	1,482	-	2,027
Accrued compensated absences	-	2,808	-	-	2,808
Notes payable	83,693	96,452	53,261	-	233,406
Total current liabilities	84,488	116,965	54,743	2,250	258,446
Non-current liabilities:					
Notes payable, net	79,849	-	439,928	-	519,777
Total non-current liabilities	79,849	-	439,928	-	519,777
Total liabilities	164,337	116,965	494,671	2,250	778,223
NET POSITION					
Net investment in capital assets	8,040,185	12,626	398,142	506,592	8,957,545
Unrestricted (deficit)	186,610	(107,251)	183,405	164,891	427,655
Total net position	$ 8,226,795	$ (94,625)	$ 581,547	$ 671,483	$ 9,385,200

See accompanying notes to the basic financial statements.

Discretely Presented Component Units Combining Statement of Changes in Net Position - Year Ended June 30, 2017

	MCFA	MDRA	MIDA	MIPFA	Total
REVENUES					
Charges for services	$ 146,143	$ 152,608	$ 71,774	$ 41,058	$ 411,583
Miscellaneous	-	-	912	-	912
Total operating revenues	146,143	152,608	72,686	41,058	412,495
OPERATING EXPENSES					
Personal services	-	131,254	-	-	131,254
Materials and supplies	-	24,314	200	750	25,264
Other services and charges	53,014	156,498	1,500	9,578	220,590
Depreciation expense	218,879	2,526	20,727	20,771	262,903
Total operating expenses	271,893	314,592	22,427	31,099	640,011
Operating income (loss)	(125,750)	(161,984)	50,259	9,959	(227,516)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	-	-	1	224	225
Miscellaneous income	9,835,338	144,064	-	-	9,979,402
Interest expense and fiscal charges	(515,504)	(5,147)	(18,264)	-	(538,915)
Total non-operating revenue (expenses)	9,319,834	138,917	(18,263)	224	9,440,712
Change in net position	9,194,084	(23,067)	31,996	10,183	9,213,196
Total net position - beginning	(967,289)	(71,558)	549,551	661,300	172,004
Total net position - ending	$ 8,226,795	$ (94,625)	$ 581,547	$ 671,483	$ 9,385,200

See accompanying notes to the basic financial statements.

FOOTNOTES TO BASIC FINANCIAL STATEMENTS

Footnotes to the Basic Financial Statements:

1. Financial Reporting Entity

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

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

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

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

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

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

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

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

Miami Education Facilities Authority (MEFA) – public trust that promotes the development of educational facilities within the city. Complete financial statements of the MEFA component unit can be obtained from: Board of Trustees, Miami Educational Facilities Authority, 2 N. Main, Suite 404, Miami, OK 74354. The trust is currently inactive.

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

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

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

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

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

2. Basis of Presentation and Accounting

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

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

Government-Wide Financial Statements:

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

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

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

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

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

Fund Financial Statements:

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

Major Funds:

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

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

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

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

Capital Project Funds:

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

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

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

Proprietary Funds:

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

The City's proprietary funds include the following:

Enterprise Funds

Major Funds:

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

Internal Service Funds (combined for reporting purposes)

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

3. Cash and Cash Equivalents, Deposits and Investments

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

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

Deposits and Investments Risks

The City of Miami primary government and component units are governed by the deposit and investment limitations of state law and trust indentures. The deposits and investments held at June 30, 2017 by these entities are as follows:

			Maturities in Years	
Type	Fair Value	Credit Rating	On Demand	Less Than One
Demand deposits	$ 13,726,131	N/A	$ 13,726,131	$ -
Cash on hand	2,346	N/A	2,346	-
Time deposits	3,487,355	N/A	-	3,487,355
Money Market Funds	1,116,318	Not rated	-	1,116,318
Sub-Total	$ 18,332,150		$ 13,728,477	$ 4,603,673

Reconciliation to Financial Statements:	
Cash and cash equivalents	$ 14,844,795
Investments	3,487,355
	$ 18,332,150

GASB Statement No. 72, *Fair Value Measurement and Application*, established a hierarchy based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2017:

• Money Market Mutual Funds of $1,116,318 were valued using quoted market prices (Level 1 inputs).

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

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

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

At June 30, 2017, the City was not exposed to custodial credit risk.

Component Unit:
The bank deposit of the MDRA component unit of $8,502 at June 30, 2017 was fully insured by the F.D.I.C.

The bank deposits of the MCFA component unit of $186,405 at June 30, 2017 was fully insured by the F.D.I.C.

The bank deposits of the MIPFA component unit of $167,141 at June 30, 2017 was fully insured by the F.D.I.C.

The bank deposits of the MIDA component unit of $184,887 at June 30, 2017 was fully insured by the F.D.I.C.

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

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

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

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

As noted in the schedule of deposits and investments above, at June 30, 2017, the investments held by the City mature between 2017 through 2018.

Concentration of Investment Credit Risk - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed).

Restricted Cash and Investments

The amounts reported as restricted assets of the Enterprise Funds on the Statement of Net Position are comprised of amounts held by the MSUA Enterprise Fund in accounts for the Oklahoma Water Resources Board promissory notes, 2001 Utility Revenue Bond and other accounts with restricted uses. The restricted assets as of June 30, 2017 are as follows:

Cash and cash equivalents:		
Cash Restircted for Refundable deposits	$	49,524
Restricted for Construction		-
Money Markets Restricted for Debt Service		378,918
	$	428,442
Cash and cash equivalents, noncurrent:		
Money Markets Restricted for Debt Service	$	434,327
Cash Restircted for Refundable deposits		1,195
	$	435,522
Investments:		
Refundable deposits	$	187,524
	$	187,524

4. Receivables

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

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

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Taxes	$ 951,705	$ -	$ 951,705
Due from other governments	1,309	-	1,309
Court fines	330,752	(229,810)	100,942
Other	2,239,303	-	2,239,303
Total Governmental Activities	$ 3,523,069	$ (229,810)	$ 3,293,259
Reconciliation to Statement of Net Position:			
Accounts receivable, net			$ 163,710
Due from other governmental agencies			905,853
Other receivable			2,223,696
Total			$ 3,293,259
Business-Type Activities:			
Utilities	$ 4,893,335	$ (1,843,525)	$ 3,049,810

5. Inventories

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

6. Capital Assets and Depreciation

Capital Assets:

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

For the year ended June 30, 2017, capital assets balances changed as follows:

	Balance at July 1, 2016	Additions	Deductions	Balance at June 30, 2017
PRIMARY GOVERNMENT:				
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 5,487,269	$ -	$ -	$ 5,487,269
Construction in progress	1,008,519	743,104	1,238,945	512,678
Total capital assets not being depreciated	6,495,788	743,104	1,238,945	5,999,947
Other capital assets:				
Buildings	19,899,989	865,690	-	20,765,679
Infrastructure	44,865,954	417,314	-	45,283,268
Machinery, furniture and equipment	11,231,199	327,945	112,507	11,446,637
Total other capital assets at historical cost	75,997,142	1,610,949	112,507	77,495,584
Less accumulated depreciation for:				
Buildings	15,302,829	351,156	-	15,653,985
Infrastructure	31,152,258	896,737	-	32,048,995
Machinery, furniture and equipment	8,699,427	476,432	101,280	9,074,579
Total accumulated depreciation	55,154,514	1,724,325	101,280	56,777,559
Other capital assets, net	20,842,628	(113,376)	11,227	20,718,025
Governmental activities capital assets, net	$ 27,338,416	$ 629,728	$ 1,250,172	$ 26,717,972

	Balance at July 1, 2016	Additions	Deductions	Balance at June 30, 2017
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 750,530	$ -	$ -	$ 750,530
Construction in progress	545,050	420,035	6,929	958,156
Total capital assets not being depreciated	1,295,580	420,035	6,929	1,708,686
Other capital assets:				
Buildings and utility infrastructure	20,353,862	75,564	-	20,429,426
Machinery, furniture and equipment	13,883,725	233,652	4,200	14,113,177
Infrastructure	16,711,414	37,200	-	16,748,614
Total other capital assets at historical cost	50,949,001	346,416	4,200	51,291,217
Less accumulated depreciation for:				
Buildings and utility infrastructure	10,502,953	495,480	-	10,998,433
Machinery, furniture and equipment	10,544,075	693,080	4,200	11,232,955
Infrastructure	12,706,969	346,436	-	13,053,405
Total accumulated depreciation	33,753,997	1,534,996	4,200	35,284,793
Other capital assets, net	17,195,004	(1,188,580)	-	16,006,424
Business-type activities capital assets, net	$ 18,490,584	$ (768,545)	$ 6,929	$ 17,715,110

Depreciation:

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

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

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

Governmental Activities:	
General Government	$ 66,644
Public Safety	182,546
Streets	979,818
Culture and Recreation	436,374
Economic Development	58,943
Total	$ 1,724,325
Business-Type Activities:	
Airport	$ 217,929
Electric	386,461
Water	259,101
Wastewater	453,410
Sanitation	218,095
Total	$ 1,534,996

Capital assets of the component units were:

MIDA

	Balance at July 1, 2016	Additions	Deductions	Balance at June 30, 2017
MIDA - Discreetly Presented Component unit				
Capital assets not being depreciated:				
Land	$ 103,517	$ -	$ -	$ 103,517
Total capital assets not being depreciated	103,517	-	-	103,517
Other capital assets:				
Buildings and utility infrastructure	1,036,353	-	-	1,036,353
Less accumulated depreciation for:				
Buildings and utility infrastructure	227,812	20,727	-	248,539
Other capital assets, net	808,541	(20,727)	-	787,814
MIDA capital assets, net	$ 912,058	$ (20,727)	$ -	$ 891,331

	Balance at July 1, 2016	Additions	Deductions	Balance at June 30, 2017
MDRA - Discreetly Presented Component unit				
Other capital assets:				
Buildings	6,500	-	-	6,500
Machinery, furniture and equipment	18,756	-	-	18,756
Total other capital assets at historical cost	25,256	-	-	25,256
Less accumulated depreciation for:				
Buildings	2,600	650	-	3,250
Machinery, furniture and equipment	7,504	1,876		9,380
Total accumulated depreciation	10,104	2,526	-	12,630
Other capital assets, net	15,152	(2,526)	-	12,626
MDRA capital assets, net	$ 15,152	$ (2,526)	$ -	$ 12,626

	Balance at July 1, 2016	Additions	Deductions	Balance at June 30, 2017
MIPFA - Discreetly Presented Component unit				
Capital assets not being depreciated:				
Land	$ 144,429	$ -	$ -	$ 144,429
Total capital assets not being depreciated	144,429	-	-	144,429
Other capital assets:				
Buildings	574,724	-	-	574,724
Machinery, furniture and equipment	75,000	87,235	-	162,235
Total other capital assets at historical cost	649,724	87,235	-	736,959
Less accumulated depreciation for:				
Buildings	279,025	19,681	-	298,706
Machinery, furniture and equipment	75,000	1,090	-	76,090
Total accumulated depreciation	354,025	20,771	-	374,796
Other capital assets, net	295,699	66,464	-	362,163
MIPFA capital assets, net	$ 440,128	$ 66,464	$ -	$ 506,592

	Balance at July 1, 2016	Additions	Deductions	Balance at June 30, 2017
MCFA - Discreetly Presented Component unit				
Construction in progress	$ -	$ -	$ -	$ -
Total capital assets not being depreciated	-	-	-	-
Other capital assets:				
Buildings	8,534,080	66,319	-	8,600,399
Less accumulated depreciation for:				
Buildings	177,793	218,879	-	396,672
Other capital assets, net	8,356,287	(152,560)	-	8,203,727
MCFA capital assets, net	$ 8,356,287	$ (152,560)	$ -	$ 8,203,727

7. Internal and Interfund Balances and Transfers

Internal and Interfund Balances:

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

Receivable Fund		Payable Fund		Amount	Nature of Interfund Balance
General Fund	*	Airport Fund	*	$ 1,313	Payroll reimbursement
General Fund	*	MSUA	*	86,495	Payroll reimbursement
Street and Alley		Capital Improvement Fund		38,404	Expense reimbursement
Capital Improvement Fund		General Fund	*	6,657	Reclassification
Street and Alley		Travel center		14,694	Expense reimbursement
MSUA		Airport Fund		535	Expense reimbursement
MSUA	*	General Fund	*	34,056	Expense reimbursement
Airport Fund		General Fund	*	30,128	Posting correction
MSUA	*	Airport Fund		58,995	To cover negative balance in pooled cash
Total				$ 271,277	

* Denotes major fund.

Reconciliation to Fund Financial Statements:	Due From Other Funds	Due To Other Funds	Net Internal Balances
Governmental Funds	$ 147,563	$ (123,939)	$ 23,624
Proprietary Funds	123,714	(147,338)	(23,624)
Total	$ 271,277	$ (271,277)	$ -

Reconciliation to Statement of Net Position:	
Net Internal Balances	$ (23,624)
Internal Service Fund Activity reported in Business-type Activities	817,633
Net Internal Balance	$ 794,009

Internal and Interfund Transfers:

The City's policy is to eliminate interfund transfers between funds in the Statement of Activities to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and then offset in the total column. Internal activities between funds and activities for the year ended June 30, 2017 were as follows:

Transfer In		Transfer Out	Amount		Nature of Interfund Transfer
General Fund	*	MSUA	$ 7,493,383		Operating subsidy/pledged sales tax
General Fund		CIP	82,261	B	Operating subsidy
Street Project	*	MSUA	1,123,098		Pledged sales tax
Street and alley	*	MSUA	500,000	A	Operating subsidy
Capital Improvement Fund	*	MSUA	41,516	A	Debt Service payments
Capital Improvement Fund	*	MSUA	1,300,000	A	Capital project
MSUA	*	General Fund	6,275,094		Operating subsidy/pledged sales tax
			$ 16,815,352		
Denotes Major Fund		Subtotal non-major Govermental Funds transfers in	$ 1,841,516	A	
		Subtotal non-major Govermental Funds transfers out	$ 82,261	B	

Reconciliation to fund financial statements:	Transfers to Other Funds	Transfers from Other Funds	Net Transfers
Governmental Funds	$ (6,357,355)	$ 10,540,258	$ 4,182,903
Enterprise Funds	(10,457,997)	6,275,094	(4,182,903)
Totals	$ (16,815,352)	$ 16,815,352	$ -

Reconciliation to Statement of Activities:	
Net Transfers	
Transfer of capital assets	(4,182,903)
Transfer of assets from Governmental Activities to Business Type Activities	81,349
Transfer of assets from Business-type activites to Governmental activiteis	(29,634)
Transfers - Internal Activity	$ (4,131,188)

8. Long-Term Debt

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

For the year ended June 30, 2017, the City's long-term debt balances changed as follows:

Primary Government:

Type of Debt	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due Within One Year
Governmental Activities:					
Revenue Bond Discount	$ (58,266)	$ -	$ (58,266)	$ -	$ -
Revenue Bond Premium	-	263,590	16,897	246,693	-
Revenue Bonds	9,045,000	19,375,000	9,175,000	19,245,000	430,000
Capital Lease Obligations	946,768	149,481	272,915	823,334	204,470
Accrued Compensated Absences	585,185	-	8,145	577,040	57,704
Total Governmental Activities	$ 10,518,687	$ 19,788,071	$ 9,414,691	$ 20,892,067	$ 692,174
Plus: Net OPEB obligation				508,052	-
Net pension liability				8,101,304	-
				$ 29,501,423	$ 692,174
Reconcilation to Statement of Net Position:					
Due within one year				$ 692,174	
Due in more than one year				28,809,249	
				$ 29,501,423	

Type of Debt	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due Within One Year
Business-Type Activities:					
Notes Payable	$ 5,306,066	$ -	$ 589,628	$ 4,716,438	$ 602,819
Unamortized Bond Discount	(7,999)	-	(1,478)	(6,521)	-
Revenue Bonds	1,190,000	-	190,000	1,000,000	190,000
Capital Lease Obligations	539,487	201,258	234,938	505,807	201,143
Accrued Compensated Absences	182,891	-	2,793	180,098	18,010
Total Business-Type Activities	$ 7,210,445	$ 201,258	$ 1,015,881	$ 6,395,822	$ 1,011,972
Plus: OPEB obligation				278,284	-
Net pension obligation				2,762,537	-
Refundable deposits				416,227	41,623
				$ 9,852,870	$ 1,053,595
Reconcilation to Statement of Net Position:					
Due within one year				$ 1,053,595	
Due in more than one year				8,799,275	
				$ 9,852,870	

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

Revenue Bond Payable –
2016 Sales Tax Revenue Bond for $19,375,000 with interest from .45% to 2.375%
Debt service payments are due semi-annually through December 2029. Bonds are
Secured with net revenues of the Special Utility Authority and a pledged sales tax. $19,245,000

Current portion	$430,000
Non-current portion	18,815,000
	$19,245,000

Capital Lease Obligations:

$109,380 capital lease obligation for the purchase of a 2013 loader, matures January 2018 with a stated interest rate of 2.79%.	$11,547
$86,689 capital lease obligation for the purchase of a boom mower, matures August 2018 with a stated interest rate of 3.77%.	14,837
$90,154 capital lease obligation for the purchase of a crowler/dozer, matures September 2021 with a stated interest rate of 3.81%.	42,480
$993,730 capital lease obligation for the purchase of fire trucks, matures July 2020 with a stated interest rate of 5.00%	512,622
$158,325 capital lease obligation for the purchase of street sweeper, matures May 29, 2018 with a stated interest rate of 1.94%.	30,227
$149,481 capital lease obligation for the purchase of fire rescue truck, matures March 21,2022 with a stated interest rate of 3.01%.	142,295
$113,194 capital lease obligation for the purchase of two Torro mowers, matures July 2020 with a stated interest rate of 2.15%	69,326
Total capital lease obligations	$823,334
Current portion	$204,470
Non-current portion	618,864
	$823,334

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

Capital Lease Obligation:

$44,900 capital lease obligation for the purchase of a mini excavator, matures July 2021 with a stated interest rate of 1.95%	$37,054
$209,365 capital lease obligation for the purchase of a bucket truck, matures October 2019 with a stated interest rate of 2.300%	96,753
$503,720 capital lease obligation for the purchase of a trash truck, matures July 2019 with a stated interest rate of 1.97%	207,796
$82,210 capital lease obligation for the purchase of a work truck, matures July 2019 with a stated interest rate of 2.13%	35,383
$69,950 capital lease obligation for the purchase of a mini excavator, matures July 2021 with a stated interest rate of 1.95%.	57,631

$86,408 capital lease obligation for the purchase of a tractor, matures July 2021 with a stated interest rate of 1.95%.	71,190
Total Capital Leases	$505,807
Current portion	$201,143
Non-current portion	304,664
	$505,807

Revenue Bond Payable –

2011 SUA Revenue Bond for $1,915,000 with interest from 1.45% to 2.90% Debt service payments are due semi-annually through December 2021. Bonds are secured with net revenues of the Special Utility Authority.	$1,000,000
Current portion	$190,000
Non-current portion	810,000
	$1,000,000

Notes Payable –

Oklahoma Water Resources Board:

Series 2003A for $1,760,000 with no interest charged; however, there is a .5% annual administrative fee. Debt service payments are due semi-annually through March, 2023. Notes are secured by the revenues of the Miami Special Utility Authority's (the "Authority"), sanitary and pledged revenue of the Utility Fund for water and sewer.	$572,000
Series 2003B for $3,020,000 with interest rate of 1.78% and .5% annual administrative fee. Debt service payments are due semi-annually through December 2023. Secured by revenues of the water, sewer, and garbage collection and disposal systems.	1,331,940
Series 2004A for $1,595,538 with no interest rate and .5% annual administrative fee. Debt service payments are due semi-annually through June 2024. Secured by revenues of the water, sewer, and garbage collection and disposal systems.	558,438
Series 2004B for $2,740,000 with interest rate of 1.78% and .5% annual administrative fee. Debt service payments are due semi-annually through June 2025. Secured by revenues of the water, sewer, and garbage collection and disposal systems.	1,223,060
Series 2004C for $1,620,000 with interest rate of 3.0% and .5% annual administrative fee. Debt service payments are due semi-annually through October 2024. Secured by revenues of the water, sewer, and garbage collection and disposal systems.	763,234
Series 2005 for $563,000 with no interest and .5% annual administrative fee. Debt service payments are due semi-annually through September 2025. Secured by revenues of the water, sewer, and garbage collection and disposal systems.	267,766
Total Notes Payable – Oklahoma Water Resources Board	$4,716,438
Current portion	$602,819
Non-current portion	4,113,619
	$4,716,438

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

Governmental-Type Activities

	Revenue Bonds Payable		Capital Leases	
Year Ending June 30,	Principal	Interest	Principal	Interest
2018	$ 430,000	$ 564,038	$ 204,470	$ 31,059
2019	440,000	555,338	156,309	24,021
2020	450,000	546,438	161,692	17,475
2021	455,000	537,388	274,581	2,524
2022	465,000	528,187	26,282	563
2023-2027	2,475,000	2,495,938	-	-
2028-2032	1,610,000	2,244,606	-	-
2033-2037	4,435,000	2,099,550	-	-
2038-2042	3,925,000	1,242,375	-	-
2023-2047	4,560,000	641,250	-	-
Total	$ 19,245,000	$ 11,455,108	$ 823,334	$ 75,642

Business-Type Activities

	Notes Payable		Revenue Bonds Payable		Capital Leases Payable	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 602,819	$ 120,341	$ 190,000	$ 22,230	$ 201,143	$ 6,391
2019	630,255	100,182	195,000	18,473	205,147	3,117
2020	641,593	85,068	200,000	14,025	54,200	1,381
2021	658,024	68,507	205,000	8,858	41,767	511
2022	669,477	50,567	210,000	3,045	3,550	5
2025-2026	1,514,270	42,464	-	-	-	-
Total	$ 4,716,438	$ 467,129	$ 1,000,000	$ 66,631	$ 505,807	$ 11,405

Advanced Refunding:

On August 19, 2016, the City issued $19,375,000 Miami Special Utility Authority, Series 2016 Sales Tax Revenue Refunding Bonds, with annual interest rate of .450% to 4.0% to refund $9,045,000 of the 2010 Sales Tax Revenue Note and $9,870,000 of the 2013 Bond Anticipation Note. The net proceeds of $18,965,620 (after payment of $672,401 in cost of issuance) along with available debt service funds form the 2010 issue of $567,611 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2010 and 2013 Series. As a result, the 2010 and 2013 Series bonds are considered to be paid in full and the liability for those bonds has been removed from the Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $710,127. This difference, reported in the accompanying financial statements as a deferred outflow at the government wide level is being charged to operations through the year 2026 using the straight-line method. The advance refunding increased the City's total debt service payments over the next twenty nine years by $9,451,082 and resulted in an economic loss (difference between the present values of the old and new debt service payments) of $416,445.

MDRA Debt:

The MDRA issued the 2010 note payable to First National Bank of Miami, payable in one annual installment, with interest of 4.75%, maturity date of December 2014 $96,452

Type of Debt	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due Within One Year
Component Unit:					
MDRA notes payable	$ 103,000	$ -	$ 6,548	$ 96,452	$ 96,452

MCFA:

The MCFA issued a note payable for $403,000 in October 2014 for the purchase of a scoreboard at the football facility. The note matures in June 2019.

Type of Debt	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2017	Due Within One Year
Component Unit:					
MCFA Bond Anticipation Note	$ 9,367,972	$ 502,028	$ 9,870,000	$ -	$ -
MCFA Bond Anticipation Note Discount	(38,661)	-	38,661	-	-
Note payable	244,319		80,777	163,542	83,693
	$ 9,573,630	$ 502,028	$ 9,912,116	$ 163,542	$ 83,693

Component Unit - MCFA

	Note Payable	
Year Ending June 30,	Principal	Interest
2018	$ 83,693	$ 6,541
2019	79,849	3,182
Total	$ 163,542	$ 9,723

MIDA Debt:

The MIDA issued the 2005 note payable to the Miami Area Economic Development Services, Inc, payable in monthly Installments of $3,300 with interest at 5.00% maturity date of February 1, 2020 $263,932

The MIDA issued the 2005 note payable to the Miami Area Economic Development Services, Inc, payable in monthly Installments of $1,918, with interest of 1.25%, maturity date of February 1, 2020 178,646

The MIDA issued the 2005 note payable to the Miami Area Economic Development Services, Inc,, payable in monthly Installments of $607, with interest of 4.00%, maturity date of February 1, 2020 50,611

Total debt outstanding – MIDA $493,189

Type of Debt	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due Within One Year
Component Unit:					
MIDA Note payable	$ 544,666	$ -	$ 51,477	$ 493,189	$ 53,261

Component Unit - MIDA

	Notes Payable	
Year Ending June 30,	Principal	Interest
2018	$ 53,261	$ 16,629
2019	55,123	14,766
2020	384,805	7,794
Total	$ 493,189	$ 39,189

Pledge of Future Revenues

Utility Net Revenues Pledge - The City and Special Utility Authority have pledged net utility revenues of the water, electric and wastewater systems to repay the OWRB Series 2003 B, 2003 A, 2004 A, 2004 B, 2004C, and 2005 promissory notes payable. Proceeds from the notes provided financing for capital assets. The notes are payable from net utility revenues and are payable through 2025. The total principal and interest payable for the remainder of the life of these notes is $5,813,567. Net utility revenues received in the current year were $4,579,551. Debt service payments of $717,910 for the current fiscal year were 15.7% of pledged net utility revenues.

Pledged Sales Tax – The City has pledged 3.65 cents (or 100%) of future sales tax revenues to repay $1,915,000 of the Series 2011 Revenue Bonds and $19,375,000 of the Series 2016 Sales Tax Revenue Refunding Bonds. Three cents of the sales tax was voted by the citizens for general operations and .65 cent is legally restricted by a vote of the citizens for street purposes. The 2011 Revenue bonds are for water improvements. The 2016 bonds refinanced the 2010 bonds that were originally for street purposes and the 2013 bond anticipation note for the stadium construction. The .65 sales tax is used to pay the debt service on the 2016 bonds and the three cents is sent back to the general fund if not needed for debt service. The bonds are payable from pledged sales tax and net utility revenues and are payable through 2021 and 2029, respectively. The total principal and interest payable for the remainder of the life of these bonds is $31,766,739. Pledged sales taxes received in the current year were $6,301,572. Net revenues and sales tax pledged during the year was $10,875,344. Debt service payments of $771,859 for the current fiscal year were 7.1% of the pledged revenue.

9. Net Position and Fund Balances

Government-wide net position is displayed in three components:

a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

c. *Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

At June 30, 2017 net position restricted by enabling legislation totaled $168,890.

Fund Balance:

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

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

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

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

	General Fund	Major Capital Project Fund 2010 Street Bond Project	Other Governmental Fund	Total
Fund Balance:				
Restricted For:				
Police operations - grants	$ -	$ -	$ 28,385	$ 28,385
General obligation debt service	-	303,073	108,613	411,686
Capital improvements	-	-	295,196	295,196
Street improvements	-	508,645	67,776	576,421
Culture and rec programs	17,900	-	252,698	270,598
Economic development	-	-	97,179	97,179
Police - drug programs	-	-	2,213	2,213
Sub-total restricted	17,900	811,718	852,060	1,681,678
Committed for:				
Street operations	-	-	2,885,062	2,885,062
Assigned for:				
Capital improvements	-	-	1,732,616	1,732,616
Demolition	16,857	-	-	16,857
Culture and rec programs	13,772	-	-	13,772
Supplement next year's budget	1,114,177	-	-	1,114,177
Sub-total assigned	1,144,806	-	1,732,616	2,877,422
Unassigned:	195	-	-	195
TOTAL FUND BALANCE	$ 1,162,901	$ 811,718	$ 5,469,738	$ 7,444,357

11. Revenues

Program Revenues:

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

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

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

Sales Tax Revenue:

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

Property Tax Revenue:

In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City. The City's property taxes are billed and collected by the County and remitted to the City. Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2017, the City did not assess a property tax. Ad valorem collections related to delinquent taxes collected in the current year.

12. Risk Management

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

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

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

	Worker's Compensation	Health Care	Unemployment Fund	Total
Claim liability, June 30, 2015	$ 963,125	$ 206,440	$ 5,654	$ 1,175,219
Claims and changes in estimates	578,902	2,086,774	7,466	2,673,142
Claims payments	(175,687)	(2,245,573)	(12,811)	(2,434,071)
Claim liability, June 30, 2016	1,366,340	47,641	309	1,414,290
Claims and changes in estimates	1,627,874	2,063,081	20,617	3,711,572
Claims payments	(632,157)	(2,024,127)	(20,926)	(2,677,210)
Claim liability, June 30, 2017	$ 2,362,057	$ 86,595	$ -	$ 2,448,652

13. Retirement Plan Participation

Deferred Outflows, Inflows and Net Pension Liability by plan:

	Governmental	Business Type	Total
Deferred Outflows:			
Police Pension	$ 848,755	$ -	$ 848,755
Fire Pension	657,099	-	657,099
OMRF	514,107	789,538	1,303,645
Total	$ 2,019,961	$ 789,538	$ 2,809,499
Deferred Inflows:			
Police Pension	$ 125,503	$ -	$ 125,503
Fire Pension	45,126	-	45,126
OMRF	243,330	122,552	365,882
Total	$ 413,959	$ 122,552	$ 536,511
Net Pension Liability:			
Police Pension	$ 700,954	$ -	$ 700,954
Fire Pension	5,062,191	-	5,062,191
OMRF	2,338,158	2,762,537	5,100,695
Total	$ 8,101,303	$ 2,762,537	$ 10,863,840

Oklahoma Municipal Retirement Plan (OkMRF) – Defined Benefit Plan

A. Plan Description

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

B. Summary of Significant Accounting Policies

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

C. Eligibility Factors and Benefit Provisions

Provision	As of 07/01/15 OkMRF Plan
a. Eligible to participate	Full-time employees except police, firefighters and other employees who are covered under an approved system.
b. Period Required to Vest	10 years of credited service
c. Eligibility for Distribution	-Normal retirement at age 65 with 10 years of service -Early retirement at age 55 with 10 years of service -Disability retirement upon disability with 10 years of service -Death benefit with 10 years of service for married employees
d. Benefit Determination Base	Final average salary - the average of the five highest consecutive annual salaries out of the last 10 calendar years of service
e. Benefit Determination Methods:	
Normal Retirement	-1.875% of final average salary multiplied by credited years of service
Early Retirement	-Actuarially reduced benefit based upon age, final average salary, and years of service at termination
Disability Retirement	-Same as normal retirement
Death Benefit	-50% of employees accrued benefit, but terminates upon spouse re-marriage
Prior to 10 Years Service	-No benefits
f. Benefit Authorization	-Benefits are established and amended by City Council adoption of an ordinance in accordance with O.S. Title, 11, Section 48-101-102

g. Form of Benefit Payments	Normal form is a 60 months certain and life thereafter basis. Employee may elect, with City consent, option form based on actuarial equivalent.

D. **Employees Covered by Benefit Terms**

Active Employees	121
Deferred Vested Former Employees	5
Retirees or Retiree Beneficiaries	81
Total	207

E. **Contribution Requirements**

The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 12.60% of covered payroll as of July 1, 2016. For the year ended June 30, 2017, the City recognized $623,633 of employer contributions to the plan which is in excess of the actuarially determined amount by $31,042 based on covered payroll of $4,703,090. Employees contribute 3.75% to the plan in accordance with the plan provisions adopted by the City Council. Employee contributions for fiscal 2017 were $176,367.

F. **Actuarial Assumptions**

Date of Last Actuarial Valuation	July 1, 2016
a. Actuarial cost method	Entry age normal
b. Rate of Return on Investments and Discount Rate	7.75%
c. Projected Salary Increase	Varies between 7.42% and 4% based on age
d. Post Retirement cost-of-Living Increase	None
e. Inflation Rate	3%
f. Mortality Table	UP 1994, with projected mortality improvement
g. Percent of married employees	100%
h. Spouse age difference	3 years (female spouses younger)
i. Turnover	Select and ultimate rates Ultimate rates are age-related as shown Additional rates per thousand are added during the first 5 years:

Year 1:	215
Year 2:	140
Year 3:	95
Year 4:	65
Year 5:	40

j. Date of last experience study — September 2012 for fiscal years 2007 thru 2011

***G.* Discount Rate –**

The discount rate used to value benefits was the long-term expected rate of return on plan investments of 7.75% 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, 2016 are summarized in the following table:

	Target Allocation	Real Return	Weighted Return
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%
TOTAL	100%		
Average Real Return			4.75%
Inflation			3.00%
Long-term expected return			7.75%

H. Changes in Net Pension Liability – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2016 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, 2016 and the City's report ending date of June 30, 2017, that would have had a significant impact on the net pension liability. The following table reports the components of changes in net pension liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Balances Beginning of Year	$ 14,320,474	$ 9,549,376	$ 4,771,098
Changes for the Year:			
Service cost	344,545	-	344,545
Interest expense	1,073,154	-	1,073,154
Experience losses (gains) - (amortized over avg remain svc period of actives & inactive)	(202,315)	-	(202,315)
Contributions--City	-	640,172	(640,172)
Contributions--members	-	181,046	(181,046)
Net investment income	-	83,267	(83,267)
Benefits paid	(964,663)	(964,663)	-
Plan administrative expenses	-	(18,698)	18,698
Net Changes	250,721	(78,876)	329,597
Balances End of Year	$ 14,571,195	$ 9,470,500	$ 5,100,695

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	$ 6,823,372	$ 5,100,695	$ 3,680,815

The City reported $567,699 in pension expense for the year ended June 30, 2017. At June 30, 2017, 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	$ 64,283	$ 164,286
Net difference between projected and actual earnings on pension plan investments	411,789	-
Changes in proportion and differences between City contributions and proportionate share of contributions	191,009	191,009
City contributions during measurement date	12,931	10,587
City contributions subsequent to the measurement date	623,633	-
Total	$ 1,303,645	$ 365,882

The $623,633 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, 2018. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	$	23,121
2019		23,123
2020		184,577
2021		95,303
2022		(11,994)
	$	314,130

Oklahoma Firefighter's Pension – Statewide Cost Sharing Plan

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

Summary 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 (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 3 0 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 $165,905. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of $408,837 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 $382,573. 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, 2017, the City reported a liability of $5,062,191 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2016. Based upon this information, the City's proportion was .4144%.

For the year ended June 30, 2017, the City recognized pension expense of $524,705. At June 30, 2017, 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	$ 135,704	$ -
Net difference between projected and actual earnings on pension plan investments	309,729	-
Changes in proportion and differences between City contributions and proportionate share of contributions	45,761	43,294
City contributions during the measurement date	-	1,832
City contributions subsequent to the measurement date	165,905	-
Total	$ 657,099	$ 45,126

The $165,905 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, 2018. 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	$	41,254
2017		41,254
2018		202,503
2019		151,615
2020		8,200
Thereafter		1,242
Total	$	446,068

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

Inflation:	3%
Salary increases:	3.5% to 9.0% 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, 2016, 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, 2016, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	5.18%
Domestic equity	47%	8.70%
International equity	15%	10.87%
Real estate	10%	7.23%
Other assets	8%	6.24%

Discount Rate-The discount rate used to measure the total pension liability was 7 .5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate-The following presents the net pension liability of the employers calculated using the discount rate of 7 .5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	$ 6,408,330	$ 5,062,191	$ 3,933,594

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
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Oklahoma Police Pension – Statewide Cost Sharing Plan

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

Summary of significant accounting polices - 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.

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 $152,094. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of $137,102 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 $164,386. 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, 2017, the City reported a liability of $700,954 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2016. Based upon this information, the City's proportion was .4577%.

For the year ended June 30, 2017, the City recognized pension expense of $243,972. At June 30, 2017, 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	$ 2,249	$ 78,738
Net difference between projected and actual earnings on pension plan investments	673,497	-
Changes in proportion and differences between City contributions and proportionate share of contributions	20,915	28,626
City contributions during measurement date		18,139
City contributions subsequent to the measurement date	152,094	-
Total	$ 848,755	$ 125,503

The $152,094 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, 2018. 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:		
2018	$	90,513
2019		90,513
2020		228,364
2021		160,818
2022		950
Total	$	571,158

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2016, 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, 2016, 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, 2016, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	3.27%
Domestic equity	5.16%
International equity	8.61%
Real estate	4.97%
Private Equity	8.32%
Commodities	2.42%

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 of the employers calculated using the discount rate of 7 .5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (-6.5%)	Current Discount Rate (7.5%)	1% Increase (-8.5%)
Employers' net pension liability (asset)	$ 1,839,075	$ 700,954	$ (260,015)

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 .

City of Miami 457 Deferred Compensation Plan (DC Plan)

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

Funding Policy – DC Plan participants may contribute up to $15,000 of eligible compensation per year. During the year ended June 30, 2017, employees contributed $112,534 and the employer contributed $0 to the DC Plan.

ICMA Retirement Deferred Compensation Plan

In addition to the above plans, the City of Miami offers a retirement plan through ICMA which is funded 18% by the employer and zero percent by employee contributions. Employee and employer contributions to the plan for the year ended June 30, 2017, there were no contributions to the plan. Separate audited financial statements are not available.

14. Postemployment Healthcare Plan

Plan Description. The City sponsors Medical, Rx, and Dental insurance to qualifying retirees and their dependents. Coverage is provided through fully-insured arrangements that collectively operate as a substantive single-employer defined benefit plan. Qualifying retirees are those employees who are eligible for immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter's Pension and Retirement System, or the City of Miami Retirement Plan. Retirees may continue coverage with the City by paying the carrier premium rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amend benefit provisions rest with the City Council. Retirees may continue coverage with the City by paying the premium rate. Benefits are paid from general operating assets of the City.

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 city council. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2017, the actuarially expected City contribution in the form of net age adjustment was $206,267 to the Plan. Plan members receiving benefits contributed zero of the total premiums, through their payment of the full determined premium in FY 2017.

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 to for the year ended June 30, 2016:

Normal Cost	$	459,130
Interest on ARC		12,601
Amortization of Actuarial Accrued Liablity (AAL)		(38,098)
Annual OPEB cost (expense)		433,633
Employer Contributions		(206,267)
Increase in net OPEB obligation		227,366
Net OPEB obligation - beginning of year		558,970
Net OPEB obligation - end of year	$	786,336

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	$105,076	37%	$66,123
6/30/10	108,217	36%	135,639
6/30/11	84,160	30%	194,323
6/30/12	90,722	24%	262,933
6/30/13	90,722	26%	329,965
6/30/14	195,104	100%	330,783
6/30/15	195,104	100%	331,601
6/30/16	433,636	47.5%	558,970
6/30/17	433,633	47.5%	786,336

Funded Status and Funding Progress. As of July 1, 2015, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability (AAL) for benefits was $2,718,703, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $2,718,703. The covered payroll (annual payroll of active employees covered by the plan) was $7.2 million, and the ratio of the UAAL to the covered payroll was 38 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.

In the July 1, 2015, actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 4.75 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 percent initially, reduced by decrements to an ultimate rate of 5 percent in 2015. 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, 2015, was twenty-six 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.

15. Commitments and Contingencies

Litigation

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

Grant Programs

The City of Miami participates in various federal or state grant/loan programs from year to year. In 2017, the City's involvement in federal and state award programs is relatively material. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

16. Future Accounting Pronouncements

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 for 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 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. 81, *Irrevocable Split-Interest Agreements* – GASB 81 was issued in March 2016, to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. At this time, the impact to the city is unknown.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued December 2016, will be effective for the City beginning with its fiscal year ending June 30, 2019. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information. The City has not yet determined the impact implementation will have on its net position.

GASB Statement 84, *Fiduciary Activities*, issued January 2017, will be effective for the City for the City beginning with its fiscal year ending June 30, 2019. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City has not yet determined the impact that implementation of GASB 80 will have on its net position.

GASB Statement 85, *Omnibus 2017*, issued March 2017, will be effective for the City beginning with its fiscal year ending December 31, 2018. This Statement address a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The City has not yet determined the impact that implementation of GASB 85 will have on its net position.

GASB Statement 86, *Certain Debt Extinguishment Issues*, issued May 2017, will be effective for the City beginning with its fiscal year ending December 31, 2018. The primary objective of this Statement is to improve the consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The City has not yet determined the impact that implementation of GASB 86 will have on its net position.

GASB Statement 87, *Leases*, issued June 2017, will be effective for the City beginning with its fiscal year ending December 31, 2020. The primary objective of this Statement is to increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City has not yet determined the impact that implementation of GASB 87 will have on its net position.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2017

GENERAL FUND

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budget basis)	Positive (Negative)
Beginning Budgetary Fund Balance:	$ 1,321,541	$ 1,321,541	$ 1,303,264	$ (18,277)
Resources (Inflows):				
Taxes and assessments	6,753,800	6,753,800	6,814,641	60,841
Fees, licenses and permits	51,100	51,100	48,812	(2,288)
Charges for services	162,200	164,200	150,525	(13,675)
Fines and forfeitures	213,900	213,900	201,969	(11,931)
Interest earned	12,500	12,500	13,438	938
Miscellaneous	20,000	33,390	85,023	51,633
Intergovernmental	93,700	132,542	143,603	11,061
Total Resources (Inflows)	7,307,200	7,361,432	7,458,011	96,579
Amounts available for appropriation	8,628,741	8,682,973	8,761,275	78,302
Charges to Appropriations (Outflows):				
General Government				
Muncipal Court	174,814	174,814	163,313	11,501
General Government	1,267,081	1,262,694	1,058,247	204,447
MCVB	396,872	404,977	413,239	(8,262)
Human Resources	270,209	272,616	276,905	(4,289)
Legal	148,835	148,835	114,338	34,497
Economic Development				-
Public Safety				
Police	2,175,454	2,212,589	2,056,636	155,953
Fire	1,883,842	1,929,831	1,906,295	23,536
Emergency Management	74,253	74,253	57,389	16,864
Police Communications	386,252	386,252	369,999	16,253
Code Enforecement	101,547	101,547	96,831	4,716
Risk Management	86,588	87,972	87,484	488
Public Works and Streets				
Streets	748,831	753,256	653,572	99,684
Cemetery	297,781	303,212	293,353	9,859
Facilities	312,878	312,878	250,383	62,495
Animal Control	140,323	144,683	91,643	53,040
Culture and Recreation				
Parks	636,333	637,168	512,065	125,103
Swimming Pool	193,164	193,164	146,832	46,332
Library	504,557	537,035	493,634	43,401
Total Charges to Appropriations	9,799,614	9,937,776	9,042,158	895,618
Other financing sources (uses)				
Transfers from other funds	7,420,873	7,503,134	7,518,145	15,011
Transfers to other funds	(6,250,000)	(6,250,000)	(6,275,094)	(25,094)
Total other financing sources (uses)	1,170,873	1,253,134	1,243,051	(10,083)
Ending Budgetary Fund Balance	$ -	$ (1,669)	$ 962,168	$ 963,837

Schedule Footnotes to Budgetary Comparison:

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

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

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

	Fund Balance July 1, 2016	Net Change in Fund Balance	Fund Balance June 30, 2017
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	$1,523,133	($360,232)	$1,162,901
Increases (Decreases):			
Revenues:			
Receivable from other governments and entities	(798,417)	99,938	(698,479)
Accounts receivable	(117,627)	1,078	(116,549)
State on behalf pension payments	(555,847)	9,908	(545,939)
Combining accounts	(137,083)	37,897	(99,186)
Expenditures:			
Accrued payroll	223,764	33,102	256,866
Other expenditures	609,494	(152,879)	456,615
State on behalf pension payments	555,847	(9,908)	545,939
Fund Balance - Budgetary Basis	$1,303,264	($341,096)	$962,168

Pension Information

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF MIAMI'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

	2014	2015	2016
City's proportion of the net pension liability	0.413176%	0.418954%	0.4143524%
City's proportionate share of the net pension liability	$ 4,887,039	$ 4,446,809	$ 5,062,191
City's covered-employee payroll	$ 1,089,326	$ 1,144,680	$ 1,159,023
City's proprotionate share of the net pension liability as a percentage of its covered-employee payroll	449%	388%	437%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%

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

Notes to Schedule:

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

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

	2015	2016	2017
Statutorily required contribution	$ 160,255	$ 162,264	$ 165,905
Contributions in relation to the statutorily required contribution	160,255	162,264	165,905
Contribution deficiency (excess)	$ -	$ -	$ -
City's covered-employee payroll	$ 1,144,680	$ 1,159,023	$ 1,185,033
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%

Notes to Schedule:

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

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF MIAMI PORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

	2014	2015	2016
City's proportion of the net pension liability (asset)	0.4416%	0.3977%	0.4577%
City's proportionate share of the net pension liability (asset)	$ (148,685)	$ 16,217	$ 700,954
City's covered-employee payroll	$ 1,184,882	$ 1,131,472	$ 1,201,369
City's proprotionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.55%	1.43%	58.35%
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.53%	99.82%	93.50%

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

Notes to Schedule:

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

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

	2015	2016	2017
Statutorially required contribution	$ 145,903	$ 156,178	$ 152,094
Contributions in relation to the statutorially required contribution	145,903	156,178	152,094
Contribution deficiency (excess)	$ -	$ -	$ -
City's covered-employee payroll	$ 1,131,472	$ 1,201,369	$ 1,169,953
Contributions as a percentage of covered-employee payroll	12.89%	13.00%	13.00%

Notes to Schedule:

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

Required Supplementary Information
Oklahoma Municipal Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios — **Last Fiscal Year**

	2014	2015	2016
Total pension liability			
Service cost	$ 276,403	$ 308,701	$ 344,545
Interest	1,034,763	1,037,326	1,073,154
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	102,207	(202,315)
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	(997,138)	(1,006,438)	(964,663)
Net change in total pension liability	314,028	441,796	250,721
Total pension liability - beginning	13,564,650	13,878,678	14,320,474
Total pension liability - ending (a)	$ 13,878,678	$ 14,320,474	$ 14,571,195
Plan fiduciary net position			
Contributions - employer	$ 569,542	$ 618,748	$ 640,172
Contributions - member	166,578	175,420	181,046
Net investment income	1,363,071	261,920	83,267
Benefit payments, including refunds of member contributions	(997,138)	(1,006,438)	(964,663)
Administrative expense	(20,151)	(19,533)	(18,698)
Other	-	-	-
Net change in plan fiduciary net position	1,081,902	30,117	(78,876)
Plan fiduciary net position - beginning	8,437,357	9,519,259	9,549,376
Plan fiduciary net position - ending (b)	$ 9,519,259	$ 9,549,376	$ 9,470,500
Net pension liability - ending (a) - (b)	$ 4,359,419	$ 4,771,098	$ 5,100,695
Plan fiduciary net position as a percentage of the total pension liability	68.59%	66.68%	64.99%
Covered employee payroll	$ 4,461,027	$ 4,742,831	$ 4,703,091
Net pension liability as a percentage of covered-employee payroll	97.72%	100.60%	108.45%

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

Notes to Schedule:

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

Required Supplementary Information
Oklahoma Municipal Retirement Fund

Schedule of Employer Contributions — **Last Fiscal Year**

	2015	2016	2017
Actuarially determined contribution	$ 616,160	$ 643,059	$ 592,589
Contributions in relation to the actuarially determined contribution	616,160	643,059	623,633
Contribution deficiency (excess)	$ -	$ -	$ (31,044)
Covered employee payroll	$ 4,661,027	$ 4,849,681	$ 4,703,091
Contributions as a percentage of covered-employee payroll	13.22%	13.26%	13.26%

Notes to Schedule:

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

2. Latest Valuation Date: July 1, 2016

3. Actuarially determined contribution rate is calculated as of July 1, 2016
   July 2016 through June 2017 contributions were at a rate of 12.60%.

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%

Required Supplementary Information – OPEB

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

	July 1, 2009	July 1, 2010	July 1, 2012	July 1, 2014	July 1, 2015
Actuarial accrued liability - AAL (a)	$ 785,142	$ 723,628	$ 782,605	$ 1,632,033	$ 2,718,703
Actuarial value of plan assets (b)	-	-	-	-	-
Unfunded actuarial accrued liability - UAAL (funding excess) (a) - (b)	$ 785,142	$ 723,628	$ 782,605	$ 1,632,033	$ 2,718,703
Funded ratio (b)/(a)	0%	0%	0%	0%	0%
Covered payroll (c)	$ 6,900,000	$ 6,446,000	$ 7,134,999	$ 6,741,735	$ 7,200,000
UAAL (funding excess) as a % of covered payroll [UAAL/ (c)]	12%	11%	11%	24%	38%

OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet – General Fund Accounts - June 30, 2017

	General Fund	Municipal Court Account	Travel Information Center Account	Demolition Account	Total General Fund
ASSETS					
Cash and cash equivalents	$ 687,343	$ 21,173	$ -	$ 129,156	$ 837,672
Investments	13,154	-	-	-	13,154
Receivables:					
Accounts receivable	116,549	-	-	-	116,549
Due from other funds	87,808	-	-	-	87,808
Due from other accounts	11,351	-	-	-	11,351
Receivable from other governments	697,609	-	-	870	698,479
Total assets	$ 1,613,814	$ 21,173	$ -	$ 130,026	$ 1,765,013
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ 136,587	$ 9,627	$ 16,264	$ 77	$ 162,555
Wages payable	256,866	-	-	-	256,866
Due to other funds	70,841	-	14,694	-	85,535
Due to other accounts	-	11,351	-	-	11,351
Total liabilities	464,294	20,978	30,958	77	516,307
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	85,805	-	-	-	85,805
Fund balances:					
Restricted	17,900	-	-	-	17,900
Assigned	1,045,815	-	(30,958)	129,949	1,144,806
Unassigned	-	195	-	-	195
Total fund balances	1,063,715	195	(30,958)	129,949	1,162,901
Total liabilities, deferred inflows and fund balances	$ 1,613,814	$ 21,173	$ -	$ 130,026	$ 1,765,013

Note: For Governmental Fund reporting, the negative unassigned fund balance has been eliminated by reducing the assigned fund balance element.

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund Accounts – Year Ended June 30, 2017

	General Fund	Municipal Court Account	Travel Information Center Account	Demolition Account	Total General Fund
REVENUES					
Taxes	$ 5,568,610	$ -	$ -	$ -	$ 5,568,610
Intergovernmental	759,880	-	-	-	759,880
Charges for services	193,650	-	-	-	193,650
Fines and forfeitures	203,079	-	-	14,721	217,800
Licenses and permits	53,725	-	-	-	53,725
Investment income	13,344	-	-	-	13,344
Miscellaneous	122,827	-	61,429	-	184,256
Total revenues	6,915,115	-	61,429	14,721	6,991,265
EXPENDITURES					
Current:					
General government	1,615,154	-	-	71,660	1,686,814
Public safety	4,983,288	-	-	-	4,983,288
Public works and streets	1,281,938	-	-	-	1,281,938
Culture and recreation	1,128,501	-	-	-	1,128,501
Economic development	414,284	-	99,887	-	514,171
Debt Service:					
Principal	144,149	-	-	-	144,149
Interest and fiscal charges	30,669	-	-	-	30,669
Total expenditures	9,597,983	-	99,887	71,660	9,769,530
Excess (deficiency) of revenues over expenditures	(2,682,868)	-	(38,458)	(56,939)	(2,778,265)
OTHER FINANCING SOURCES (USES)					
Transfers in	7,518,144	-	7,500	50,000	7,575,644
Transfers out	(5,157,611)	-	-	-	(5,157,611)
Total other financing sources and uses	2,360,533	-	7,500	50,000	2,418,033
Net change in fund balances	(322,335)	-	(30,958)	(6,939)	(360,232)
Fund balances - beginning	1,386,050	195	-	136,888	1,523,133
Fund balances - ending	$ 1,063,715	$ 195	$ (30,958)	$ 129,949	$ 1,162,901

Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2017

	SPECIAL REVENUE FUNDS				
	FISHING LICENSE FUND	STREET AND ALLEY	DRUG FORFEITURE FUND	SUMMER RECREATION PROGRAM	GRANT FUND
ASSETS					
Cash and cash equivalents	$ 56,792	$ 2,827,052	$ 2,213	$ 190,479	$ 19,795
Accounts receivable	-	-	-	-	-
Due from other governments	-	10,664	-	-	-
Due from other funds	-	53,098	-	-	-
Total assets	$ 56,792	$ 2,890,814	$ 2,213	$ 190,479	$ 19,795
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ 5,752	$ -	$ 8,312	$ 3,782
Wages payable	-	-	-	13,277	-
Due to other funds	-	-	-	-	-
Total liabilities	-	5,752	-	21,589	3,782
Deferred Inflows:					
Deferred revenue	-	-	-	-	-
Fund balances:					
Restricted	56,792	-	2,213	168,890	16,013
Commited	-	2,885,062	-	-	-
Assigned	-	-	-	-	-
Total fund balances	56,792	2,885,062	2,213	168,890	16,013
Total liabilities, deferred inflows and fund balances	$ 56,792	$ 2,890,814	$ 2,213	$ 190,479	$ 19,795

(continued)

Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2017, Continued

	SPECIAL REVENUE FUNDS			
	RFC 07-09 GRANT FUND	MDA-HOUSING CONSTRUCTION FUND	COLEMAN PROJECT	POLICE GRANTS
ASSETS				
Cash and cash equivalents	$ 5,463	$ 91,716	$ 18,850	$ 28,385
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total assets	$ 5,463	$ 91,716	$ 18,850	$ 28,385
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ -	$ -	$ 7,847	$ -
Wages payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	7,847	-
Deferred Inflows:				
Deferred revenue	-	-	-	-
Fund balances:				
Restricted	5,463	91,716	11,003	28,385
Commited	-	-	-	-
Assigned	-	-	-	-
Total fund balances	5,463	91,716	11,003	28,385
Total liabilities, deferred inflows and fund balances	$ 5,463	$ 91,716	$ 18,850	$ 28,385

Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2017, Continued

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS		
	CEMETERY PERPETUAL CARE INTEREST	G.O. BOND SINKING FUND	CEMETERY PERPETUAL CARE	MAIN STREET PROJECT	CAPITAL IMPROVEMENT FUND
ASSETS					
Cash and cash equivalents	$ -	$ 108,613	$ 149,460	$ 67,776	$ 1,789,619
Accounts receivable	-	-	-	-	47,161
Due from other governments	-	55,410	-	-	-
Due from other funds	-	-	-	-	6,657
Total assets	$ -	$ 164,023	$ 149,460	$ 67,776	$ 1,843,437
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ 72,417
Wages payable	-	-	-	-	-
Due to other funds	-	-	-	-	38,404
Total liabilities	-	-	-	-	110,821
Deferred Inflows:					
Deferred revenue	-	55,410	-	-	-
Fund balances:					
Restricted	-	108,613	149,460	67,776	-
Commited	-	-	-	-	-
Assigned	-	-	-	-	1,732,616
Total fund balances	-	108,613	149,460	67,776	1,732,616
Total liabilities, deferred inflows and fund balances	$ -	$ 164,023	$ 149,460	$ 67,776	$ 1,843,437

Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2017, Continued

	CAPITAL PROJECT FUNDS		
	POOL IMPROVEMENT FUND	PARK DEPARTMENT PROJECTS	TOTALS
ASSETS			
Cash and cash equivalents	$ 103,695	$ 42,041	$ 5,501,949
Accounts receivable	-	-	47,161
Due from other governments	-	-	66,074
Due from other funds	-	-	59,755
Total assets	$ 103,695	$ 42,041	$ 5,674,939
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ -	$ -	$ 98,110
Wages payable	-	-	13,277
Due to other funds	-	-	38,404
Total liabilities	-	-	149,791
Deferred Inflows:			
Deferred revenue	-	-	55,410
Fund balances:			
Restricted	103,695	42,041	852,060
Commited	-	-	2,885,062
Assigned	-	-	1,732,616
Total fund balances	103,695	42,041	5,469,738
Total liabilities, deferred inflows and fund balances	$ 103,695	$ 42,041	$ 5,674,939

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2017

	SPECIAL REVENUE FUNDS				
	FISHING LICENSE FUND	STREET AND ALLEY	DRUG FORFEITURE FUND	SUMMER RECREATION PROGRAM	GRANT FUND
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	5,000	117,447	-	-	7,250
Charges for services	-	-	-	108,959	-
Investment income	-	-	-	-	-
Miscellaneous	-	2,246	-	3,685	13,689
Total revenues	5,000	119,693	-	112,644	20,939
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	2,901	-	-
Public works	-	84,642	-	-	-
Culture and recreation	-	-	-	80,760	14,428
Capital Outlay	-	396,170	-	-	-
Debt Service					
Principal retirement	-	80,964	-	-	-
Interest and fiscal charges	-	3,482	-	-	-
Total Expenditures	-	565,258	2,901	80,760	14,428
Revenues over (under) expenditures	5,000	(445,565)	(2,901)	31,884	6,511
OTHER FINANCING SOURCES (USES)					
Debt proceeds	-	-	-	-	-
Transfers in	-	500,000	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	500,000	-	-	-
Net change in fund balances	5,000	54,435	(2,901)	31,884	6,511
Fund balances - beginning	51,792	2,830,627	5,114	137,006	9,502
Fund balances - ending	$ 56,792	$ 2,885,062	$ 2,213	$ 168,890	$ 16,013

(continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2017, Continued

	SPECIAL REVENUE FUNDS			
	RFC 07-09 GRANT FUND	MDA-HOUSING CONSTRUCTION FUND	COLEMAN PROJECT	POLICE GRANTS
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	25,000
Total revenues	-	-	-	25,000
EXPENDITURES				
Current:				
General government	-	-	7,847	-
Public safety	732	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	732	-	7,847	-
Excess (deficiency) of revenues over expenditures	(732)	-	(7,847)	25,000
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(732)	-	(7,847)	25,000
Fund balances - beginning	6,195	91,716	18,850	3,385
Fund balances - ending	$ 5,463	$ 91,716	$ 11,003	$ 28,385

(continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2017, Continued

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECT FUNDS		
	CEMETERY PERPETUAL CARE INTEREST	G.O. BOND SINKING FUND	CEMETERY PERPETUAL CARE	MAIN STREET PROJECT	CAPITAL IMPROVEMENT FUND
REVENUES					
Taxes	$ -	$ 21,525	$ -	$ -	$ 333,108
Intergovernmental	-	-	-	-	-
Charges for services	-	-	4,175	-	-
Investment earnings	-	-	-	-	250
Miscellaneous	-	-	-	-	63
Total revenues	-	21,525	4,175	-	333,421
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital Outlay	-	-	-	-	651,083
Debt Service					
Principal retirement	-	-	-	-	47,801
Interest and fiscal charges	-	900	-	-	1,778
Total Expenditures	-	900	-	-	700,662
Excess (deficiency) of revenues over expenditures	-	20,625	4,175	-	(367,241)
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt	-	-	-	-	149,481
Transfers in	-	-	-	-	1,341,516
Transfers out	-	-	-	-	(82,261)
Total other financing sources and uses	-	-	-	-	1,408,736
Net change in fund balances	-	20,625	4,175	-	1,041,495
Fund balances - beginning	-	87,988	145,285	67,776	691,121
Fund balances - ending	$ -	$ 108,613	$ 149,460	$ 67,776	$ 1,732,616

(continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2017, Continued

	CAPITAL PROJECT FUNDS		
	POOL IMPROVEMENT FUND	PARK DEPARTMENT PROJECTS	TOTALS
REVENUES			
Taxes	$ -	$ -	$ 354,633
Intergovernmental	-	-	129,697
Charges for services	10,422	-	123,556
Investment earnings	-	-	250
Miscellaneous	-	-	44,683
Total revenues	10,422	-	652,819
EXPENDITURES			
Current:			
General government	-	-	7,847
Public safety	-	-	3,633
Public works	-	-	84,642
Culture and recreation	-	-	95,188
Capital Outlay	-	-	1,047,253
Debt Service			
Principal retirement	-	-	128,765
Interest and fiscal charges	-	-	6,160
Total Expenditures	-	-	1,373,488
Excess (deficiency) of revenues over expenditures	10,422	-	(720,669)
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt	-	-	149,481
Transfers in	-	-	1,841,516
Transfers out	-	-	(82,261)
Total other financing sources and uses	-	-	1,908,736
Net change in fund balances	10,422	-	1,188,067
Fund balances - beginning	93,273	42,041	4,281,671
Fund balances - ending	$ 103,695	$ 42,041	$ 5,469,738

Combining Schedule of Net Position – Special Utility Authority Accounts – June 30, 2017

	Miami Special Utility Authority Accounts				
	Public Utilities	Utility Improvement Account	Stormwater Account	Rainy Day Account	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 1,058,369	$ 200,277	$ 200,595	$ 3,820,273	$ 5,279,514
Cash and cash equivalents, restricted	315,603	112,839	-	-	428,442
Investments	-	-	-	2,668,550	2,668,550
Accounts receivable, net	3,009,431	-	-	-	3,009,431
Other receivable	436	-	-	-	436
Accrued interest receivable	809	-	-	-	809
Inventory	844,430	-	-	-	844,430
Due from other accounts	110,985	-	-	-	110,985
Due from other funds	93,586	-	-	-	93,586
Total current assets	5,433,649	313,116	200,595	6,488,823	12,436,183
Non-current assets:					
Cash and cash equivalents, restricted	435,522	-	-	-	435,522
Investments, restricted	187,524	-	-	-	187,524
Capital assets:					
Land, construction in progress, and water rights	1,484,521	-	-	-	1,484,521
Other capital assets, net of accumulated depreciation	12,716,275	-	-	-	12,716,275
Total non-current assets	14,823,842	-	-	-	14,823,842
Total assets	20,257,491	313,116	200,595	6,488,823	27,260,025
DEFERRED OUTFLOW OF RESOURCES					
Deferred amounts related to pension	765,948	-	-	-	765,948
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	1,661,651	1,000	-	-	1,662,651
Wages payable	127,477	-	-	-	127,477
Due to other accounts	-	-	110,985	-	110,985
Due to other funds	86,495	-	-	-	86,495
Accrued interest payable	37,283	-	-	-	37,283
Accrued compensated absences	18,010	-	-	-	18,010
Refundable deposits	41,623	-	-	-	41,623
Capital lease payable	201,143	-	-	-	201,143
Revenue bond payable	-	190,000	-	-	190,000
Notes payable	602,819	-	-	-	602,819
Total current liabilities	2,776,501	191,000	110,985	-	3,078,486
Non-current liabilities:					
Accrued compensated absences	162,088	-	-	-	162,088
Net pension liability	2,741,140	-	-	-	2,741,140
Net OPEB obligation	278,284	-	-	-	278,284
Refundable deposits	374,604	-	-	-	374,604
Capital lease payable	304,663	-	-	-	304,663
Revenue bond payable	-	803,479	-	-	803,479
Notes payable, net	4,113,620	-	-	-	4,113,620
Total non-current liabilities	7,974,399	803,479	-	-	8,777,878
Total liabilities	10,750,900	994,479	110,985	-	11,856,364
DEFERRED INFLOW OF RESOURCES					
Deferred amounts related to pensions	98,874	-	-	-	98,874
NET POSITION					
Net investment in capital assets	8,978,551	(993,479)	-	-	7,985,072
Restricted for debt service	663,123	112,839	-	-	775,962
Unrestricted	531,991	199,277	89,610	6,488,823	7,309,701
Total net position	$ 10,173,665	$ (681,363)	$ 89,610	$ 6,488,823	$ 16,070,735

Combining Schedule of Revenues, Expenses and Changes in Net Position – Special Utility Authority Accounts - Year Ended June 30, 2017

	Miami Special Utility Authority Accounts				
	Public Utilities	Utility Improvement Account	Stormwater Account	Rainy Day Account	Total
REVENUES					
Charges for services	$ 22,901,978	$ -	$ -	$ -	$ 22,901,978
Fees, licenses and permits	-	-	135,086	-	135,086
Miscellaneous	803,073	-	-	-	803,073
Total operating revenues	23,705,051	-	135,086	-	23,840,137
OPERATING EXPENSES					
Personal services	3,937,705	-	30,338	-	3,968,043
Materials and supplies	11,507,604	-	21,582	-	11,529,186
Other services and charges	2,917,356	-	20,210	-	2,937,566
Depreciation expense	1,317,067	-	-	-	1,317,067
Total operating expenses	19,679,732	-	72,130	-	19,751,862
Operating income	4,025,319	-	62,956	-	4,088,275
NON-OPERATING REVENUES (EXPENSES)					
Investment income	61	13	-	17,944	18,018
Miscellaneous	29,744	-	-	-	29,744
Disposal of capital assets	(29,634)	-	-	-	(29,634)
Interest expense and fiscal charges	(139,897)	(28,937)	-	-	(168,834)
Total non-operating revenue (expenses)	(139,726)	(28,924)	-	17,944	(150,706)
Income (loss) before contrbutions and transfers	3,885,593	(28,924)	62,956	17,944	3,937,569
Transfers in, interaccount	118,658	215,200	-	166,610	500,468
Transfers out, interaccount	(381,810)	(81,458)	(37,200)	-	(500,468)
Captial contributions from governmental activities	81,349	-	-	-	81,349
Transfers in	6,275,094	-	-	-	6,275,094
Transfers out	(10,457,997)	-	-	-	(10,457,997)
Change in net position	(479,113)	104,818	25,756	184,554	(163,985)
Total net position - beginning	10,652,778	(786,181)	63,854	6,304,269	16,234,720
Total net position - ending	$ 10,173,665	$ (681,363)	$ 89,610	$ 6,488,823	$ 16,070,735

Combining Schedule of Cash Flows – Special Utility Authority Accounts - Year Ended June 30, 2017

	Miami Special Utility Authority Accounts				
	Public Utilities	Utility Improvement Account	Stormwater Account	Rainy Day Account	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 24,186,017	$ -	$ 135,086	$ -	$ 24,321,103
Payments to suppliers	(14,169,128)	(50,397)	(41,792)	-	(14,261,317)
Payments to employees	(3,843,860)	-	(30,338)	-	(3,874,198)
Receipts from other funds	-	-	78,993	-	78,993
Payments to other funds	(31,023)	-	-		(31,023)
Receipts of customer meter deposits	205,490	-	-	-	205,490
Refunds of customer meter deposits	(188,843)	-	-	-	(188,843)
Net cash provided by (used in) operating activities	6,158,653	(50,397)	141,949	-	6,250,205
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	6,275,094	-	-	-	6,275,094
Transfers to other funds	(10,457,997)	-	-	-	(10,457,997)
Interaccount transfer in	-	215,200	-	166,610	381,810
Interaccount transfer out	(381,810)	-	(37,200)	-	(419,010)
Net cash provided by (used in) noncapital financing activities	(4,564,713)	215,200	(37,200)	166,610	(4,220,103)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(262,956)	(81,458)	-	-	(344,414)
Transfer of capital assets to governmental activities	(29,634)	-	-	-	(29,634)
Principal paid on debt	(824,546)	(190,000)	-	-	(1,014,546)
Interest and fiscal agent fees paid on debt	(144,432)	(27,461)	-	-	(171,893)
Net cash provided by (used in) capital and related financing activities	(1,261,568)	(298,919)	-	-	(1,560,487)
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale (Purchase) of investments	(56)	-	-	56	-
Interest and dividends	61	13	-	17,944	18,018
Net cash provided by investing activities	5	13	-	18,000	18,018
Net increase (decrease) in cash and cash equivalents	332,377	(134,103)	104,749	184,610	487,633
Balances - beginning of year	1,477,117	447,219	95,846	3,635,663	5,655,845
Balances - end of year	$ 1,809,494	$ 313,116	$ 200,595	$ 3,820,273	$ 6,143,478
Reconciliation to Statement of Net Position:					
Cash and cash equivalents	$ 1,058,369	$ 200,277	$ 200,595	$ 3,820,273	$ 5,279,514
Restricted cash and cash equivalents - current	315,603	112,839	-	-	428,442
Restricted cash and cash equivalents - noncurrent	435,522	-	-	-	435,522
Total cash and cash equivalents, end of year	$ 1,809,494	$ 313,116	$ 200,595	$ 3,820,273	$ 6,143,478
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income	$ 4,025,319	$ -	$ 62,956	$ -	$ 4,088,275
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	1,317,067	-	-	-	1,317,067
Other nonoperating revenue	29,744	-	-	-	29,744
Change in assets and liabilities:					
Receivables, net	451,222	-	-	-	451,222
Other receivable	-	-	-	-	-
Due from other funds	(31,023)	-	-	-	(31,023)
Inventory	83,359	-	-	-	83,359
Deferred outflows related to pension	(279,250)	-	-	-	(279,250)
Accounts payable	172,473	(50,397)	-	-	122,076
Due to other funds	-	-	78,993	-	78,993
Due to employees	(1,179)	-	-	-	(1,179)
Refundable deposits	16,647	-	-	-	16,647
Net OPEB obligation	82,148	-	-	-	82,148
Net pension obligation	285,365	-	-	-	285,365
Accrued compensated absences	(2,794)	-	-	-	(2,794)
Deferred inflows related to pension	9,555	-	-	-	9,555
Net cash provided by (used in) operating activities	$ 6,158,653	$ (50,397)	$ 141,949	$ -	$ 6,250,205
Noncash activities:					
Asset acquired by capital lease	$ 201,258	$ -	$ -	$ -	$ 201,258
Asset contributed by others	200,007	-	-	-	200,007
	$ 401,265	$ -	$ -	$ -	$ 401,265

Combining Statement of Net Position – Internal Service Funds – June 30, 2017

	Internal Service Funds			
	Worker's Compensation Fund	Unemployment Fund	Health Insurance Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,312,424	$ 148,976	$ 226,593	$ 1,687,993
Investments	618,127	-	-	618,127
Other receivable	2,160,501	-	63,195	2,223,696
Total current assets	4,091,052	148,976	289,788	4,529,816
Total assets	4,091,052	148,976	289,788	4,529,816
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	-	-	504	504
Claims liability	2,362,057	-	86,595	2,448,652
Due to other funds	-	-	-	-
Total liabilities	2,362,057	-	87,099	2,449,156
NET POSITION				
Unrestricted	1,728,995	148,976	202,689	2,080,660
Total net position	$ 1,728,995	$ 148,976	$ 202,689	$ 2,080,660

Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds - Year Ended June 30, 2017

	Internal Service Funds			
	Worker's Compensation Fund	Unemployment Fund	Health Insurance Fund	Total
REVENUES				
Charges for services	$ 326,178	$ 24,039	$ 1,898,784	$ 2,249,001
Miscellaneous	1,511,333	-	730,749	2,242,082
Total operating revenues	1,837,511	24,039	2,629,533	4,491,083
OPERATING EXPENSES				
Other services and charges	21,610	-	315,055	336,665
Insurance claims and expense	1,627,874	20,617	2,063,081	3,711,572
Total operating expenses	1,649,484	20,617	2,378,136	4,048,237
Operating income	188,027	3,422	251,397	442,846
NON-OPERATING REVENUES				
Investment income	1,720	-	-	1,720
Total non-operating revenue	1,720	-	-	1,720
Income before transfers	189,747	3,422	251,397	444,566
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net position	189,747	3,422	251,397	444,566
Total net position - beginning	1,539,248	145,554	(48,708)	1,636,094
Total net position - ending	$ 1,728,995	$ 148,976	$ 202,689	$ 2,080,660

Combining Statement of Cash Flows – Internal Service Funds - Year Ended June 30, 2017

	WORKER'S COMPENSATION FUND	UNEMPLOYMENT FUND	HEALTH INSURANCE FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 900,533	$ 24,039	$ 2,566,338	$ 3,490,910
Payments to suppliers	(21,610)	-	(315,174)	(336,784)
Payments to other funds	-	-	(7,487)	(7,487)
Claims and benefits paid	(632,157)	(20,926)	(2,024,127)	(2,677,210)
Net Cash Provided by Operating Activities	246,766	3,113	219,550	469,429
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	1,720	-	-	1,720
Sale (Purchase) of investments	(1,721)	-	-	(1,721)
Net Cash Provided by (used in) Investing Activities	(1)	-	-	(1)
Net Increase in Cash and Cash Equivalents	246,765	3,113	219,550	469,428
Balances - beginning of the year	1,065,659	145,863	7,043	1,218,565
Balances - end of the year	$ 1,312,424	$ 148,976	$ 226,593	$ 1,687,993
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	$ 1,312,424	$ 148,976	$ 226,593	$ 1,687,993
Total cash and cash equivalents	$ 1,312,424	$ 148,976	$ 226,593	$ 1,687,993
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 188,027	$ 3,422	$ 251,397	$ 442,846
Change in assets and liabilities:				
Receivables, net	(936,978)	-	(63,195)	(1,000,173)
Accounts payable	-	-	(119)	(119)
Due to other funds	-	-	(7,487)	(7,487)
Claims liability	995,717	(309)	38,954	1,034,362
Net Cash Provided by Operating Activities	$ 246,766	$ 3,113	$ 219,550	$ 469,429

Combining Schedule of Cash Flows – Discretely Presented Component Units - Year Ended June 30, 2017

	MCFA	MDRA	MIPFA	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 145,843	$ 295,460	$ 41,058	$ 482,361
Payments to suppliers	(54,135)	(174,780)	(11,078)	(239,993)
Payments to employees	-	(130,663)	-	(130,663)
Net Cash Provided by (used in) Operating Activities	91,708	(9,983)	29,980	111,705
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(66,320)	-	(87,235)	(153,555)
Principal paid on capital debt	(80,777)	(6,548)	-	(87,325)
Interest and fiscal charges paid on capital debt	(9,745)	(5,147)	-	(14,892)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(156,842)	(11,695)	(87,235)	(255,772)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	-	-	224	224
Net Cash Provided by Investing Activities	-	-	224	224
Net Increase (Decrease) in Cash and Cash Equivalents	(65,134)	(21,678)	(57,031)	(143,843)
Balances - beginning of the year	251,539	30,180	224,172	505,891
Balances - end of the year	$ 186,405	$ 8,502	$ 167,141	$ 362,048
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	$ 186,405	$ 8,502	$ 167,141	362,048
Restricted cash and cash equivalents	-	-	-	-
Total cash and cash equivalents	$ 186,405	$ 8,502	$ 167,141	$ 362,048
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	(125,750)	(161,984)	9,959	($277,775)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	218,879	2,526	20,771	242,176
Other nonoperating revenue	-	144,064	-	144,064
Change in assets and liabilities:				
Other receivable	(300)	(1,212)	-	(1,512)
Accounts payables	(1,121)	6,032	(750)	4,161
Accrued compensated absences	-	591	-	591
Net Cash Provided by (used in) Operating Activities	$ 91,708	$ (9,983)	$ 29,980	$ 111,705

Schedule of Federal Awards:

Federal Grantor/ Pass-through Grantor/Program Title	Federal C.F.D.A. Number	Grant I.D. Number	Award Amount	Expenditures
Institute of Museum and Library Services				
Pass through Oklahoma Department of Libraries				
Grants to States	45.310	F-17-216	$ 453	$ 453
Grants to States	45.310	F-17-072	7,000	7,000
Grants to States	45.310	F-17-020	6,160	6,160
Grants to States	45.310	F-17-48	13,503	13,503
Grants to States	45.310	F-17-230	1,100	1,100
Grants to States	45.310	F-17-102	267	267
Grants to States	45.310	F-17-138	178	178
Grants to States	45.310	F-17-179	90	90
Grants to States	45.310	F-16-219	130	130
Grants to States	45.310	F-17-1390	79	79
Subtotal Grants to States 45.310			28,960	28,960
Pass through Oklahoma Humanities Council				
Promotion of the Humanities	45.168	Y17.009	1,000	1,000
Total Institute of Museum and Library Services			29,960	29,960
Department of Homeland Security				
Pass through Oklahoma Emergency Management				
Emergency Management Performance Grant	97.042	EMPG 17	26,699	26,699
Emergency Management Performance Grant	97.042	EMPG 16	26,699	26,699
Total Department of Homeland Security			53,398	53,398
Total Federal Awards			$ 83,358	$ 83,358

Notes to Schedule of Expenditures of Federal Awards

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

Debt Service Coverage Schedule - Year Ended June 30, 2017

DEBT SERVICE COVERAGE:	OWRB Series 2001A, 2003A, 2004A, 2005 & 2006A Promissory Notes	2011 Sales Tax and 2016 Revenue Bonds
GROSS REVENUE AVAILABLE:		
Charges for services (water, electric and wastewater)	$21,478,036	$21,478,036
Investment income	18,018	18,018
Pledged sales tax	-	6,275,094
Total Gross Revenue Available	21,496,054	27,771,148
OPERATING EXPENSES:		
Total Operating Expenses (excludes depreciation and amortization)	16,916,503	16,916,503
Net Revenue Available for Debt Service	$4,579,551	$10,854,645
Maximum Annual Debt Service on all OWRB Obligations Payable From Revenues of the System	$786,377	$786,377
Average Annual Debt Service on 2016 Sales Tax Revenue Bonds	-	1,023,337
Average Annual Debt Service on 2011 Sales Tax Revenue Bonds	-	214,080
	$786,377	$2,023,794
Computed Coverage	582%	536%
Coverage Requirement	125%	125%

INTERNAL CONTROL AND COMPLIANCE INFORMATION

Arledge & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami, Oklahoma (the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 5, 2017. Other auditors audited the financial statements of the Miami Industrial Development Authority ("MIDA"), as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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Purpose of this Report

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

Arledge & Associates, P.C.

December 5, 2017

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EXHIBIT E

OPINION OF BOND COUNSEL

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August 8, 2018

We have examined a certified copy of the Transcript of Proceedings of the Trustees of The Miami Special Utility Authority (the "Authority"), preliminary to, and in the issuance of Utility System Revenue Bonds Series 2018, of the Authority (the "Series 2018 Bonds"), in the principal amount of $8,000,000.00 and a specimen Series 2018 Bond of the issue, and based upon such examination, it is our opinion that said issue is lawfully authorized by said proceedings under present law. The Series 2018 Bonds are issuable only in registered form in denominations of $5,000.00 and, with respect to principal maturing on the same date, integral multiples thereof are exchangeable for other Series 2018 Bonds of the same maturity, bear interest payable on February 1 and August 1 of each year commencing on February 1, 2019, next following the date of registration thereof, until the principal is paid, and mature on August 1 in the years, in the principal amounts and bear interest at the rates all as set forth on the face thereof and in the Indenture hereinafter mentioned.

The items examined included the Declaration of Trust of the Authority dated December 15, 1980, a Lease dated November 20, 1981, by which the City of Miami, Oklahoma (the "City"), leased to the Authority all then existing and thereafter acquired water, sanitary sewer and electric systems for a term extending to July 31, 2031, and so long thereafter as any indebtedness of the Authority secured by the Systems or their revenues shall remain unpaid, The Miami Special Utility Authority Series 2018 Revenue Bond Indenture dated August 1, 2018 (the “Indenture”), between the Authority and BOKF, NA, Tulsa, Oklahoma, as trustee, the proceedings authorizing execution and delivery of all of the foregoing and the relevant provisions of the Constitution and Statutes of the State of Oklahoma.

From such examination, it is our opinion that the Authority is a validly existing public trust of which the City is the beneficiary and, as such, an agency of the State of Oklahoma and regularly constituted authority of the City, that the Series 2018 Bonds and the Indenture are valid and binding obligations of the Authority according to their terms, the Series 2018 Bonds being secured by a mortgage on the Authority’s water, sanitary sewer and electric systems which are equally secured with the mortgage securing the Authority’s Prior Notes and Series 2010 Bonds, as defined in the Indenture. The Series 2018 Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934 and the approval of no agency of the State of Oklahoma other than the Authority is required for their issuance. No qualification of the Indenture is required under the Trust Indenture Act of 1939.

It is our further opinion that interest paid by the Authority on the Series 2018 Bonds is and, assuming continuing compliance by the Authority with its hereinafter described covenants to comply with all of the requirements of the Internal Revenue Code of 1986, as amended, contained in the aforesaid Indenture, said interest will continue to be, excluded from the gross income of the payees thereof in the computation of federal income taxes under present law and interpretation thereof and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account by corporations in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. In our opinion, the covenants contained in the aforesaid Indenture by which the Authority has agreed to comply with the Internal Revenue Code of 1986, as amended, to the end that interest on the Series 2018 Bonds shall remain exempt from federal income taxes are valid and binding obligations of the Authority and compliance therewith is not prohibited by or violative of any provision of law applicable to the Authority. The failure of the Authority to comply with its aforesaid covenants could cause the interest on the Series 2018 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2018 Bonds.

It is further our opinion that interest paid by the Authority on the Series 2018 Bonds is excluded from the gross income of the payees thereof in the computation of State of Oklahoma income taxes.

JOHANNING AND BYROM, P.C.

By

Chris Byrom

CB:pe

EXHIBIT F

CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

Dated as of August 1, 2018

Between the

THE MIAMI SPECIAL UTILITY AUTHORITY

And

BOKF, NA

$8,000,000
THE MIAMI SPECIAL UTILITY AUTHORITY
UTILITY SYSTEM REVENUE BONDS, SERIES 2018

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CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of August 1, 2018 (the "Continuing Disclosure Agreement"), is executed and delivered by the The Miami Special Utility Authority (the "Authority") and BOKF, NA, Tulsa, Oklahoma, as dissemination agent (the "Dissemination Agent").

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by The Miami Special Utility Authority (the "Authority") of $8,000,000 Utility System Revenue Bonds, Series 2018 (the "Bonds"), pursuant to a Bond Indenture dated as of August 1, 2018 between the Authority and BOKF, NA, Tulsa, Oklahoma, as trustee (the "Indenture").

2. The Authority and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission. The Authority is an "obligated person" with responsibility for continuing disclosure hereunder.

In consideration of the mutual covenants and agreements herein, the Authority and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report filed by the Authority pursuant to, and as described in, **Section 2** of this Continuing Disclosure Agreement.

"Beneficial Owner" means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" means BOKF, NA, Tulsa, Oklahoma, acting in its capacity as dissemination agent hereunder, or any successor Dissemination Agent designated in writing by the Authority.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org or such other location as may be designated in the future by the MSRB pursuant to the Rule.

"Fiscal Year" means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the Authority as the Fiscal Year of the Authority for financial reporting purposes.

"Material Events" means any of the events listed in **Section 3(a)** of this Continuing Disclosure Agreement.

"**MSRB"** means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the Authority's Fiscal Year, commencing with the year ending June 30, 2018, file with the MSRB, through EMMA, the following financial information and operating data and certification (the "Annual Report"):

(1) *Audited Financials:* The financial statements of the Authority for the prior Fiscal Year, prepared in accordance with accounting principles generally accepted in the United States of America. If audited financial statements are to be prepared but are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.

(2) *Updated Financial Data:* Each Annual Report shall add the immediately preceding Fiscal Year's information concerning the Authority's revenue, expenditures, debt service requirements, and coverage ratio as provided in the table entitled "Comparative Revenue and Expenses" provided in the Official Statement for the Bonds.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Authority is an "obligated person" (as defined by the Rule), which have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Authority shall clearly identify each such other document so included by reference.

The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section. If the Authority's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3** of this Continuing Disclosure Agreement.

(b) Not later than three (3) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Authority shall either (1) provide the

Annual Report to the Dissemination Agent, with written instructions to file the Annual Report as specified in subsection (a), or (2) provide written notice to the Dissemination Agent that the Authority has filed the Annual Report with the MSRB or will do so prior to the deadline specified in subsection (a). The Dissemination Agent may rely conclusively on the certification of the Authority provided pursuant to subsection (a)(4) above that such Annual Report constitutes the Annual Report required to be furnished by the Authority hereunder and shall have no independent duty to review such Annual Report.

(c) If the Dissemination Agent has not received either an Annual Report with filing instructions or a written notice from the Authority that it has filed an Annual Report with the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as **Exhibit A**.

(d) The Dissemination Agent shall, unless the Authority has filed the Annual Report with the MSRB, promptly following receipt of the Annual Report and instructions required in subsection (b) above, file the Annual Report with the MSRB and file a report with the Authority certifying that the Annual Report has been filed pursuant to this Continuing Disclosure Agreement, stating the date it was filed with the MSRB. Such confirmation may be in the form of any confirming email or submission confirmation obtained from EMMA.

(e) In addition to the foregoing requirements of this Section, the Authority agrees to provide copies of the most recent Annual Report to any requesting bondowner or prospective bondowner, but only after the same have been delivered to the MSRB.

Section 3. Reporting of Material Events.

(a) No later than 10 Business Days after the occurrence of any of the following events, the Authority shall give, or cause to be given to the MSRB by the Dissemination Agent, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the City;

(13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

(b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the Chairman of the Authority or his or her designee, or such other person as the Authority shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the Authority promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). If in response to a request under this subsection (b), the Authority determines that the event does not constitute a Material Event, the Authority shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent whether or not to report the occurrence pursuant to subsection (d).

(c) Whenever the Authority obtains knowledge of the occurrence of a Material Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Authority shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d).

(d) If the Dissemination Agent receives written instructions from the Authority to report the occurrence of a Material Event, the Dissemination Agent shall promptly file a notice of such occurrence to the MSRB, with a copy to the Authority. Notwithstanding the foregoing, notice of Material Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the registered owners of affected Bonds pursuant to the Indenture.

Section 4. Termination of Reporting Obligation. The Authority's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the obligations of the Authority under this Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the Authority, and the Authority shall have no further responsibility hereunder. If such termination or substitution occurs prior to legal defeasance, prior redemption or payment in full of all of the Bonds, the Authority shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3** of this Continuing Disclosure Agreement.

Section 5. Dissemination Agents. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the Authority. Except as otherwise provided herein, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Authority pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is BOKF, NA, Tulsa, Oklahoma.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Authority and the Dissemination Agent may amend this Continuing Disclosure Agreement and any provision of this Continuing Disclosure Agreement may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Authority and the Dissemination Agent with its written opinion that the undertaking of the Authority contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Agreement.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Authority shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3** of this Continuing Disclosure Agreement, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Authority shall not have any obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Authority or the Dissemination Agent fails to comply with any provision of this Continuing Disclosure Agreement, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an event of default under the Indenture or the Bonds, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Authority or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 9. Duties and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement The fees, charges and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement shall be paid as provided in the Indenture.

The Dissemination Agent shall not be responsible for the content of any notice or information provided by the Authority to the Dissemination Agent for filing or the Authority's failure to submit a complete Annual Report. The Dissemination Agent shall not be responsible for ensuring the compliance with any rule or regulation of the Authority or Participating Underwriter in connection with the filings of information herein, but is merely responsible for the filing of any such information provided to the Dissemination Agent by the Authority.

Section 10. Notices. Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by confirmed facsimile, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

To the Authority:	The Miami Special Utility Authority 129 5th Ave. NW Miami, OK 74355-1288 Attention: Chairman of Trustees
To the Dissemination Agent:	BOKF, NA One William Center Tulsa, Oklahoma 74172 Attention: Corporate Trust Department

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 11. Beneficiaries. Subject to the limitation on remedies contained in **Section 9** of this Continuing Disclosure Agreement, this Continuing Disclosure Agreement shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 12. Severability. If any provision in this Continuing Disclosure Agreement, the Indenture or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 15. No Pecuniary Liability; General Limitation on Authority Obligations.

(a) Notwithstanding the language or implication of any provision, representation, covenant or agreement to the contrary, no provision, representation, covenant or agreement contained in this Continuing Disclosure Agreement or any obligation herein imposed upon the Authority, or the breach thereof, shall constitute or give rise to or impose upon the Authority a pecuniary liability. No provision hereof shall be construed to impose a charge against the general credit of the Authority or any personal or pecuniary liability upon any official, director, officer, agent, or employee of the Authority.

(b) ANY OTHER TERM OR PROVISION OF THIS CONTINUING DISCLOSURE AGREEMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THE TRANSACTION WHICH IS THE SUBJECT HEREOF TO THE CONTRARY NOTWITHSTANDING, THE AUTHORITY SHALL NOT BE REQUIRED TO TAKE OR OMIT TO TAKE, OR REQUIRE ANY OTHER PERSON OR ENTITY TO TAKE OR OMIT TO TAKE, ANY ACTION WHICH WOULD CAUSE IT OR ANY PERSON OR ENTITY TO BE, OR RESULT IN IT OR ANY PERSON OR ENTITY BEING, IN VIOLATION OF ANY LAW OF THE STATE OF OKLAHOMA.

Section 16. Governing Law. This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma.

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IN WITNESS WHEREOF, the Authority and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

THE MIAMI SPECIAL UTILITY AUTHORITY

By: ________________________________
Title: Chairman of Trustees

BOKF, NA, Tulsa, Oklahoma, as Dissemination Agent

By: ___________________________________
Title: Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	The Miami Special Utility Authority (the "Authority")
Name of Bond Issue:	$8,000,000 Utility System Revenue Bonds, Series 2018
Name of Obligated Person:	The Miami Special Utility Authority
Date of Issuance:	August 1, 2018

NOTICE IS HEREBY GIVEN that the Authority has not filed an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of August 1, 2018, between the Authority and BOKF, NA, Tulsa, Oklahoma, as Dissemination Agent. The Authority has informed the Dissemination Agent that the Authority anticipates that the Annual Report will be filed by _____________.

Dated: __________ ___, _____

BOKF, NA, Tulsa, Oklahoma, as Dissemination Agent
on behalf of the The Miami Special Utility Authority

cc: The Miami Special Utility Authority

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